



الإمارات العربية المتحدة
UNITED ARAB EMIRATES
هيئة التأمين
INSURANCE AUTHORITY



The Work Guide of the Internal Controller at insurance brokerage companies



The Work Guide of the Internal Controller at insurance brokerage companies

Firstly: The Introduction

The procedures and processes of internal control have evolved from traditional methods to modern methods that are emanating from international professional associations that have established international standards for compliance processes in terms of planning and implementing internal control activities. The internal auditor's efforts are focused on the most critical and important areas of the company. Insurance brokerage is one of the most required companies to implement internal control and auditing procedures for the purpose of providing effective services and results based on a strong qualitative service delivery system, Also, seeking effective ways to ensure sound decision, minimize manipulation, embezzlement, fraud and all the risks encountered by insurance brokers.

The job of the Internal Controller in the insurance companies and insurance brokers is one of the new jobs being created. The job description of the Internal Controller can be summarized as following:

- To carry out internal control functions as an organized and systematic activity that is objective and aims at adding a participatory value in achieving the objectives of the institution.
- The Internal Controller must be fully independent in the institutional organization in order to be able to carry out the tasks entrusted to him.
- The Internal Controller provides assurance regarding the assessment and effectiveness of risk management, internal control systems of the company, governance and compliance with policies and regulations.

Thus, the internal auditor's task can be summed up by making sure that the insurance broker's business and procedures taken in certain fields of insurance activity are consistent with the provisions of the laws issued in the State in general and with the laws, regulations, instructions and decisions issued by the Insurance Authority in particular. He is also responsible for providing information, data and documents required by the Insurance Regulatory Authority in respect of those particular fields.

The Authority affirms that it is the responsibility of the senior management to take all necessary measures to ensure the continuity of the internal auditor's work, especially in terms of providing information and data and facilitating the work of the internal auditor, and emphasizes the need for the Internal Controller to prove in his work a high degree of professionalism and objectivity. So that the Internal



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Controller would be disentangled from any interests that would affect his judgments and make it biased.

Secondly: The basic principles of practicing the profession of an Internal Auditor:

•**Continuity:** the Internal control activities should be consistent and sustainable in terms of carrying out their tasks and duties. For this purpose, senior management is responsible for taking all necessary measures to ensure the continuity of the internal auditor's work, especially in providing information and data and facilitating the work of the internal auditor.

•**Independence:** The independence of the Internal Controller requires that his organizational subordination should be to the highest level of executive management and has direct communication with this level. It is also necessary for the independence of the internal auditor, not to be the decision maker in setting policies and procedures (it is possible to contribute to the company's team) or perform another executive work in the company.

•**Integrity:** The Internal Controller must be free from the intellectual subordination of the Management, make high professional care in carrying out all the internal control work, and the Internal Controller should act in the interest of the institution, not in contradiction with the ethical values of the profession.

•**Objectivity:** The Internal Controller must demonstrate in his work a high degree of professionalism and objectivity so that the Internal Controller is disentangled from any interests that would affect his judgments and make it biased.

Thirdly: Audit and Compliance Procedures:

•The internal control program is the work plan of the Internal Controller to review the registers and books and the data contained therein and review it to implement the written policies and procedures and to be in conformity with the laws, regulations and instructions issued by the regulatory authorities. This plan also contains the objectives to be achieved and the steps to be taken in order to achieve these objectives, the specified time to finish each step, and the person responsible for the implementation. The program achieves several objectives as a control and planning tool by which the auditor can track the monitoring process and the number of hours spent in each process. It is important to take into consideration in designing the internal audit program the following:



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- The efficiency of the internal control system in the insurance brokerage company and based on the degree of efficiency, the scope of the internal audit, control and control process is determined.
- Objectives to be achieved because internal audit is a means, not a goal, hence, the program must enable the achievement of those objectives.
- Use the means of review and control that enable the auditor to obtain strong evidence in their validity. "To follow the audit methods that are appropriate to the circumstances of each case, each facility has its own circumstances against which the Internal Controller prepares the appropriate observer program.
- Types of audit programs:
 - "It is not possible to develop a unified program for auditing and inspection of all types to be applied to different or even similar establishments because of the different circumstances of each brokerage company that distinguish them from others." In general, there are two types of audit programs:
 1. Periodic and fixed or pre-determined audit programs.
 2. Emergency inspection programs arising from the occurrence of any kind of problems that affect the performance of the company and are in clear violation of regulations and instructions or policies and procedures.

Fourthly: The elements of work of the internal control and compliance

- The internal control job provides services to both the company's management and its board of directors. They are responsible for providing the Internal Controller with all the information that helps him to evaluate and adapt the internal control system and its effectiveness. It is the company's management responsibly to enable the Internal Controller to submit periodic reports to the Insurance Authority. The Inspection and control process is divided into several key elements according to their sequence and importance based on the following:
 - A. Obtaining a general knowledge about the institution and the auditor needs technical and legal indicators about the company he intends to audit.
 - B. Inspection and evaluation of the internal control system and internal tests of the internal control on operations (policy compliance tests) .The Internal Controller uses the practical and statistical methods of determining the sample size of the situation due to its huge quantity. In this context, the Internal Controller must act in accordance with the written procedures used in the institution in order to evaluate if the internal control system is comprehensive and reliable or not. The most important step taken by the auditor is to study the internal control system .In the light of this study, subsequent steps are determined and the size of the tests is determined.



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C. Examine processes and procedures and submit reports on the extent of their compliance with the regulations, instructions and circulars issued by the Insurance Authority and work on sending a copy of the Internal Control reports through the company's management, provided that they are signed by the Authority's management and the internal auditor.

D. Ensuring that the internal control system of the company is effective at its minimum. In this context, it ensures that no mistakes or acts of fraud are committed, and then moves on to processes that are difficult for the internal control system to detect, review its analysis by comparing and studying their evolution from one cycle to the next.

E. Preparation of the audit report. In order for the Internal Controller to achieve success in his duties, he must be at the best level of professional and personal relations with all employees of the insurance brokerage company in which he works so as to create the best atmosphere for effective cooperation between him and the departments and sections of the company. Without such cooperation, the task of the Internal Controller would be difficult.

Fifthly: The duties and responsibilities of the Internal Controller in insurance brokerage companies

The following terms include some of the main and core functions of the Internal Controller in the insurance brokerage companies:

1. Review the relevant laws and has the full knowledge of all laws, regulations and instructions issued by the Insurance Authority and the work of the insurance broker (and the subsequent amendments, or regulations and instructions issued thereafter), attached herewith the list of the most important laws, regulations and instructions to be reviewed.
2. Continue to update the senior management of the board of directors, board of managers and key employees of all the applicable rules and policies of compliance to which the company must comply.
3. To inform all employees of the company through the senior management of all the policies and compliance regulations and its updates
4. Develop comprehensive internal control policies and procedures in insurance brokers that include an effective internal audit of the regulations, instructions and practices applied in the company's activities, and should be approved by the board of directors of the bank.
5. Updating the policies and procedures periodically to ensure that the company complies with the latest regulations and instructions related to all the company's operations and activities.



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6. Conduct annual and quarterly review of all the instructions included in the policies and procedures manuals applied in the company to ensure their conformity, consistency and compliance with their implementation in accordance with the requirements of the law and the Regulation and the amendments thereof and the regulations, instructions and circulars issued by the Insurance Authority.
7. Conduct an emergency and sudden review after coordination with the company's management to ensure the validity of the procedures and policies applied as mentioned in the previous paragraph.
8. Prepare a comprehensive plan for examination and ensure that all written policies and procedures approved by the Bank are compliant with applicable compliance rules.
9. Upload the annual and quarterly reports on internal controls on the website of the Insurance Authority. The Internal Controller may submit monthly reports if necessary, or if requested by the Authority's management.
10. Ensure that the management of the company and its employees apply the correction plan approved by the company's board of directors in accordance with the approved internal control reports.

Sixthly: The specialized functions of the internal auditor

The internal control of the technical departments' performance in the insurance brokerage companies is one of the most important aspects that the Internal Controller must follow up and know all their aspects. These special tasks include reviewing the performance of all departments and the technical departments, especially those related to technical works in insurance brokerage. The following represent the key functions of the internal auditor.

Firstly: The Implementation of The Insurance Authority Board of Directors' Resolution No.15 of 2013 concerning Insurance Brokerage Regulations, Decision No (58) of 2013 Concerning the Implementation of Insurance Authority Board of Directors' Resolution No. 15 of 2013 and Insurance Authority Board of Directors Resolution No. 20 of 2014 On the Amendment of Some Provisions of the Insurance Authority Board of Directors Resolution No. 15 of 2013

The internal controller of the insurance brokerage company must complete a periodic review on the company's implementation of the Insurance Authority Board of Directors' decision No. (15) of 2013 and its amendments in subsequent decisions or executive decisions issued by the Authority's management, specifically the obligations of the brokerage company stated in Section No. (4) of the said decision ,which stipulate the obligations of the brokerage company towards the Insurance Authority, Insurance companies and customers . The report must clarify the defect points and the corrective actions agreed upon with the



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management of the insurance brokerage company and what is the time frame of the proposed plan.

Secondly: The Implementation of the regulations of Anti- money laundering and combating terrorist financing in insurance activities:

•The Insurance Authority has issued the regulations of Anti- money laundering and combating terrorist financing in insurance activities by the Board of Directors resolution No. (13) of 2015. The regulations included clear definitions of insurance business, money laundering and terrorist financing, in addition to the definition of suspicious transactions and extraordinary transactions. The following is a summary of the main tasks assigned to the Internal Controller in this respect, pointing out the need to fully comply with all the provisions of the mentioned regulations.

•The Internal Controller should confirm the validity of the procedures used to open a customer account in the company, including full knowledge of customer information according to a clear form approved by the company management.

The most important information to be verified by the Internal Controller is:

1. If the client is a close partner of foreign persons who are politically exposed, this includes

a. The politically exposed foreigner.

B. The direct family members (spouses, children, their spouses and parents.)

C. The partners known to be close to the individual are:

•Individuals who have joint ownership of a legal entity, legal arrangement or any close working relationship with a politically exposed foreigner.

•Individuals who have sole ownership of a legal entity or legal arrangement established for the benefit of the politically exposed foreigner.

2. The Internal Controller shall ensure that the company obtains all necessary information and documents for the customers which include:

A. The Natural persons: full name, nationality, place and date of birth, current address, place of permanent residence, place of work, passport and / or identity card for individual clients, and keeping a certified copy. For incompetent persons, documents relating to them and their legal representative should be obtained, as appropriate.



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B. The Corporate persons: full information and documents should be obtained and in particular (the Commercial Registration and the Articles of Association) mentioning the date of renewal and keeping a copy thereof. Also, the name and address of the owner and the names and addresses of the partners and their nationalities shall be obtained.

C. Public Shareholding Companies: The names and addresses of the Chairman and members of the Board of Directors and shareholders, each of which exceeds 5% or more, shall be obtained.

3. In the event that the transaction is for the benefit of another person or entity, the Internal Controller shall ensure that the company obtains a copy of identity of that person or that entity and keep a certified copy of the authorization letter, acquire and register adequate information about them.

4. When dealing with cooperatives, social or professional associations, a copy of the declaration decision of this association issued and signed by the Minister of Social Affairs must be obtained.

5. The Internal Controller shall confirm the prohibition of opening an account under a pseudonym. The name of the account holder must always be authenticated as in the identity, passport or commercial license, and the official responsible for opening the account must carry out a physical inspection of the passport, trade license or any identity card, The documents shall be marked as a true copy and signed.

6. The Internal Controller of the company shall be knowledgeable with the persons listed on the United Nations list of terrorism, compare the names of all the company's clients with that list, notify the unit of any transaction related to that list, and periodically update the list of persons through the United Nations website WWW.UN.ORG .

7. The Internal Controller shall work to determine the necessary bases for classifying the clients of the insurance company according to the degree of risk of their association with money laundering and terrorist financing. He shall adopt a system of classification of customers based on logical basis, with constant updating. Pursuant to the administrative decision No. (79) of 2015 concerning the guidelines of Anti-Money laundering and combating terrorist financing in the insurance activities .This system shall include at least the following risks:

- a. The risks related to Services and Products.
- B. The risks of Customers.
- C. The risks related to specific geographical areas.

• With regard to terrorist financing operations, we refer to the Federal Law No. (7) of 2014 (issued on 20/08/2014, concerning combating terrorist crimes, particularly the definition of terrorist crime, terrorist purpose and terrorist result in Article (1) of



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this Law, and to article No (29) - (30) of the law relating to crimes of financing terrorism, where the Internal Controller must review the provisions of this law and work to apply them strictly.

- If there are serious reasons to suspect the existence of a money laundering or terrorist financing process, the Internal Controller (behind the scenes) checks the identity of the client or the concerned person without drawing the client or the person attention of these suspicions regardless of how much the subject amount of the process.

- In case of any of the above mentioned cases,

A. The Internal Controller (after taking the opinion of the company management) shall freeze the transaction.

B. The Internal Controller and the Company shall immediately notify the Financial Intelligence Unit for Anti- money laundering and suspicious cases unit (**AMLSCU**) of the Central Bank of the State through the electronic system or any appropriate method, and notify the Authority of what has been reported to the Unit.

C. The Internal Controller in his department shall keep a copy of the information sent to the Central Bank and the Insurance Authority.

D. The freezing of funds in suspicious cases is by order of the Central Bank.

E. The Public Prosecution may, after having been notified by the Central Bank of the reservation of the funds or the means used in the suspicious operations, and in the end the operation shall be subject to the decision of the competent court.

F. The Internal Controller does not assume that the possibility of money laundering or terrorist financing in this type or branch of insurance may be excluded. However, the most insurance branches of insurance that is liable to be used for these purposes:

A. Life Insurance and Family Takaful (Mixed Insurance).

B. Marine insurance of goods.

C. Insurance of jewelry stores and precious stones.

At the end of this part of the Guide, we emphasize the need for the Internal Controller to adhere to the following:

a. Full Implementation of the Board of Directors Resolution No. (13) of 2015 Concerning Anti-Money Laundering and Combating Terrorist Financing in Insurance Activities and Guidelines No. (79) of 2015, concerning Anti- Money Laundering and Combating Terrorist Financing in Insurance Activities

B. No to initiate procedures unless there are serious reasons for suspicion.

C. The proceedings take place in a strictly confidential manner.

Thirdly: Functions related to the disclosures and financial and non-financial statements of the insurance brokerage company.



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The internal auditor, in cooperation with the company's management, shall notify and provide the Authority with the following:

- A. A quarterly report signed by the Chairman of the Board of Directors or the General Manager or the Executive of insurance brokerage activities and related accounts, including a report on the financial solvency in accordance with the specified requirements within a period not exceeding 30 days from the end of the quarterly period.
- B. An annual report signed by the Board of Directors or Board of Managers, containing all insurance brokerage activities conducted during the year and the final audited annual financial statements accompanied by the report of the external auditor, within a period not exceeding 60 working days from the end of the fiscal year.
- C. An annual statement of the general framework of risk management which includes its internal procedures to assess its financial solvency and in proportion to the risks that may affect its financial position and strategy in allocating capital to encounter these risks.
- D. A copy of any brokerage agreements concluded with the companies within seven working days of signing them on the electronic system of the Insurance Authority.
- E. Notification on the appointment of accredited personnel and any amendment or change in their transfer or end of service and the reasons for such change within two working days. He shall also notify the Authority of the appointment of an alternative until the vacancy is permanently filled within a period of 60 working days from the date of vacancy.
- F. Notification on any change to any of the data or documents that have been registered based on it, within five days from the date of the change.
- G. All data and statistics that are requested and in accordance with the periods specified by the Authority.
- H. The insurance broker shall ensure that his annual and interim financial statements contain all necessary data and information relating to his financial solvency, regulations and objectives to manage the risks of his financial position, including a detailed breakdown of the durability and balances of payables as well as revenues from premiums and commissions from each company.

7	Article (4), clause (1), sub-clause (b) " A branch of a company incorporated in a financial free zone in the UAE, or a branch of a foreign company, provided that such company is licensed to practice this activity in the said financial free zone or in the country of origin in the same insurance type and class; and should be subject to the control of a counterpart supervisory authority, with a minimum five years of practice in Insurance Brokerage, and subject to any controls or conditions set by the IA. "	Ensure the activities in the license granted to the company by the regulatory authority and the statute and submit a request for approval in the event of modification of the form or purposes of the company. Verify the validity and effectiveness of the license in the home country and inform the Authority of any significant changes occur in the parent company.																							
8	Article (4), clause (2) " The paid capital may not be less than (AED 3,000,000) three million Dirhams for a company incorporated in the UAE and (AED 10,000,000) ten million Dirhams for the branch of a company incorporated in a financial free zone or the branch of a foreign company. "	Check the company's Articles of Association, confirm the Memorandum of Association, ensure the latest audited financial statements of the parent company, the company's registration certificate in the original supervisory authority.																							
9	Article (4), clause (3) " A Letter of Guarantee produced by a bank in favor of the IA must be submitted in accordance with the terms and conditions referred to herein. "	You must return to the form published on the website of the Insurance Authority and always make sure that there is a bank guarantee, you must work to inform the Authority directly in the event of any amendment to the bank guarantee data.																							
	The Letter of Guarantee shall be: 1. Issued by a bank operating in the UAE, in favor of the Chairman of the IA Board of Directors in his capacity according to the form designated by the IA. 2. Unconditional, unrestricted, payable on demand – by the IA – at any time and may only be canceled under a written consent of the IA. 3. Issued for the purpose of guaranteeing the settlement of the Insurance Broker's transactions and meeting their obligations arising from practicing Insurance Brokerage towards companies, clients or beneficiaries, or in implementation of the IA's decisions. 4. Its value may not be less than (AED 3,000,000) three million Dirhams for companies incorporated in the UAE and (AED 1,000,000) one million Dirhams for any branch thereof. For the branch of a foreign company or companies incorporated in any financial free zone, its value may not be less than (AED 5,000,000) five million Dirhams for the branch and (AED 3,000,000) three million Dirhams for any addition branch thereof in the UAE.	You must return to the form published on the website of the Insurance Authority and always make sure that there is a bank guarantee, you must work to inform the Authority directly in the event of any amendment to the bank guarantee data.																							
10	A professional indemnity insurance policy in favor of the IA must be submitted in accordance with the terms and conditions referred to herein.	You must return to the form published on the website of the Insurance Authority and always make sure that there is a bank guarantee, you must work to inform the Authority directly in the event of any amendment to the bank guarantee data.																							

11	<p>The Professional Indemnity Policy shall be:</p> <ol style="list-style-type: none"> 1. Issued by a company licensed by and registered with the IA, after the IA's approval of the conditions of such policy. 2. The insured shall be the Insurance Broker and the beneficiary shall be the Chairman of the IA Board of Directors in his capacity. 3. Issued for the purpose of guaranteeing any liability arising from damages resulting from practicing Insurance Brokerage, unintentional error, omission and unintentional negligence. 4. Valid throughout the license term and applicable to the annual renewal of the license. The Insurance Brokerage activity may not be practiced unless such policy is available and valid. 5. The insured sum under the policy may not be less than (AED 2,000,000) two million Dirhams for companies incorporated in the UAE, provided that the deductible amount may not exceed (AED 30,000) thirty thousand Dirhams for each accident. As for the branch of a foreign company or companies incorporated in any financial free zone, the insured sum under the policy may not be less than (AED 3,000,000) three million Dirhams, provided that the deductible amount may not exceed (AED 50,000) fifty thousand Dirhams for each accident. 	<p>Ensure that the conditions set out in the Professional Indemnity Insurance Policy are met in the Authority</p>								
11	<p>Individuals to be appointed in the technical and administrative staff must satisfy the following conditions:</p> <ol style="list-style-type: none"> a) Be a natural person enjoying full capacity. b) Be of good conduct and behavior, and has never been sentenced for a freedom restricting punishment in a moral turpitude crime without being rehabilitated. c) Has not stopped the payment of his commercial debts even if not associated with bankruptcy declaration, or has been judged bankrupt without being rehabilitated. 	<p>To ensure the availability of technical staff and inform the Authority in the event of any amendment to the technical staff of the Authority</p>								
12	<p>An Insurance Broker must continuously have the technical staff required to practice the licensed activity and must at least appoint employees to assuming the following jobs: a) General Manager or Chief Executive Officer. b) Operations Manager. c) Internal Auditor. d) At least one specialized employee for each licensed insurance type or class.</p>	<p>Specialized employees (persons and fund accumulation Insurance Officer - Property and Liability Insurance Officer - Reinsurance Broker) The company can appoint more than one specialist provided that they inform the authority in the event of an amendment and may appoint specialized staff in a particular type of insurance such as health insurance.</p>								
13	<p>No one may combine two jobs of the jobs approved by the IA at the same time.</p>	<p>Ensure that no one combine between two approved jobs and that the internal controller has no executive tasks.</p>								

14	An Insurance Broker shall notify the IA of the appointment of any accredited personnel, and of any modification or alteration that may arise regarding their transfer or termination, stating the reasons thereof. An Insurance Broker shall also notify the IA once any of the accredited posts becomes vacant and an alternative is appointed until such vacant post is permanently filled within a maximum period of 60 business days from the date of vacancy.	The necessity to inform the Authority about the transfer and termination of the services of any of the approved staff and to provide new documentation on the new employees within the period specified in the article									
15	A suitable headquarters, software and technical systems required to practice the activity must be provided.	Not to change the company's headquarters without informing the insurance company. The conditions of the place: Provide a suitable place to carry out the work, including a separate place for the Director General and the internal controller. The existence of the electronic systems that provide assistance in the performance of work and the availability of data and information security systems. Making a list of the authorities on the systems of the company and the auditor shall review these procedures periodically and on a regular basis and inform the Authority in case of any violations or material information affecting the performance of the company (including the occurrence of any breach of information security, the company's headquarters exposure to fire, theft ... etc)									
16	An internal control system to ensure the sound application of law, regulations, instructions, resolutions and circulars issued thereunder must be provided.	The explanation of the internal controller's duties in the company, the scope of work of the internal controller from the administrative aspects and how to auditing them, an explanation of the rules and regulations that must be applied by the controller and the company Bylaws, which the broker must work on auditing them. The explanation of the mechanism of reporting to the Board of Directors and its periodicity. The mechanism of auditing the technical departments and their compliance with the regulations and instructions of the Authority and internal Bylaws.									

17	<p>The application of a license to practice the activities of the Insurance Brokerage shall be submitted to the IA according to the designated form enclosing information, data and documents supporting the application for license, particularly:</p> <ol style="list-style-type: none"> 1. The legal form of the applicant, along with a report stating the names of the partners, members of the board of directors or management board and the executive management. 2. An acknowledgment that the partners and the Director General or Chief Executive Officer have never been declared bankrupt, as well as providing certificates of good conduct confirming that none of them has been sentenced for a freedom restricting punishment. 3. A statement showing any legal or judicial obligations or liabilities related to the applicant. 4. A statement showing the technical systems used and the work procedures proposed for practicing the activity of Insurance Brokerage. 5. Types and classes of the insurance business applied for. 6. Training and Emiratization plan for AUE nationals. 7. In addition to the above, a branch of a foreign company, or a branch of a company incorporated in a financial free zone shall submit the following: <ol style="list-style-type: none"> a. An official certificate issued by the competent authority showing the company's incorporation, registration and licensing to practice the activity of Insurance Brokerage in the types and classes of insurance to be practiced in the UAE. b. A copy of the financial statements for the last two years audited, approved and prepared in the UAE Dirhams. c. A true copy of the board of directors' or management board's decision approving the opening of a branch in the UAE. 8. An undertaking to satisfy all license conditions required in case of approving the application for license within the period determined by the IA; otherwise the approval shall be null and void; as well as undertaking not to start practicing the activity before the IA ensures that the applicant has satisfied all license conditions and IA's approval in this regard is issued. 	<p>The Compliance Officer shall keep all records and documents related to the Company's license, the partners and managers and review them periodically to ensure their validity. In the event of any change in the work , he shall report directly to the Authority. This must be included in the Internal Control Guide and the interim and annual audit plan approved by the Company's Board of Directors .</p>										
18												
19	<p>An Insurance Broker may add a type or class of insurance to the granted license under an application to be submitted to the IA on the form designated for this purpose after meeting all the related conditions and requirements.</p>	<p>The broker may add brokerage to a type of insurance and can add insurance brokerages, and notify the Authority of any additions made to the previously licensed services.</p>										
20	<p>The license shall be renewable under an application to be submitted to the IA at least one month prior to the expiry date .</p>	<p>The compliance officer must ensure that the license conditions in the regulations are met, especially during the last month during renewal of the license (automatic or electronic renewal).</p>										
21	<p>The Insurance Broker may not practice their activity during the suspension period. In all cases, the Insurance Broker may request to resume the practice before the end of the suspension period whether the suspension was optional or when the preventing cause ceases to exist.</p>	<p>Ensure that the suspended broker or the broker who requested for suspension does not exercise any new work and confirming that the broker continue to follow up on the interests of existing companies, clients and beneficiaries before issuing the suspension decision.</p>										

22	Producing of written internal bylaws within (3) months from the date of obtaining the license, and providing the IA with a copy thereof, subject to amendment of such bylaws in accordance with any amendments made to the Law, regulations, instructions, resolutions and circulars issued by the IA and notifying the IA thereof.	The Compliance Officer shall review the internal Bylaws adopted by the Board of Directors of the Company and submit the amendment proposals for approval by the company's Board of Directors and notify the Authority through the quarterly internal control report to review the procedures and ensure their application and inform the Authority in case of amendment thereto.									
23	The Internal Bylaws shall include the following data: a) The documentary cycle to be followed as of the beginning of dealing with a company and client, until the full completion of the insurance transaction. b) The organizational structure of the Insurance Broker showing the actual functions, responsibilities and powers of directors and other employees working for the Insurance Broker. c) The relationship between the headquarters of the Insurance Broker and its branches; and determining the powers that the branch is authorized to practice. d) Correspondences recording system. e) Internal record-keeping system. f) Clients' complaints recording system.	The documentary course to be followed in dealing with brokers and insurance companies: It is a simple explanation of how to implement the service to the customer and contact with the insurance company with illustrations for the documentary course , the organizational structure of the broker, explaining responsibilities and tasks , powers of the branches of the company (powers of the branch and the director and what types of insurance brokerage, Mailing system: a simple explanation of the outgoing and incoming mail system and that there is a specific mail for each department mentioning it a mail for complaints and a separate mail to respond to inquiries of customers. The system of keeping the internal records and the way they are saved (archiving). The electronic system of the company in terms of keeping files and records of customers and where to they are saved.									
24	Producing an Operational Guide for risk management to include the listing and definition of the specific risks that could be encountered and how to address them once realized. The Guide shall be updated and reviewed periodically as appropriate to the nature of the Insurance Broker business and according to the applicable rules in this regard.	The Operational Guide for Risk Management Operational (includes definition, enumeration and treatment of risks related to brokerage business), such as the risk of non-payment by the customer, the risks of customer unreliability, the risk of money laundering, the risk of electronic system security breach. The risks of labor turnover, etc. This shall be reviewed and verified periodically.									
25	Development of a professional code of conduct for the Insurance Broker employees; and supervising and organizing their undertakings to ensure compliance with the Law, regulations, instructions, resolutions and circulars issued by the IA, especially those related to trust, integrity and conflict of interest.	The Compliance Officer shall ensure that the Company has established a Code of Conduct and that the Company's management is required to send all regulations and instructions to all the concerned employees of the Company and ensure that they are informed of the circulars issued by the Insurance Authority which regulate the work. It is preferable to register all queries received by employees and the response received by the company's management through the compliance officer, which helps to control the compliance mechanism.									

Financial Risks	Capacity to cover long-term commitments																			
	Liability to capital ratio																			
	Liquidity 2/2																			
	Volume of cash and cash equivalents																			
	current assets to current liability ratio																			
	Capital Efficiency 2/3																			
Total equity																				
Cumulative loss ratio																				
3	Thirdly: Credit risk																			
Credit Risk	Credit risk 3/1																			
	The volume of funds allocated for insurance brokerage business																			
	interest rate risk 3/2																			
Ratio of interest expenses to taxes																				
4	Fourthly: Compliance Risk																			
Compliance Risk	Independence 4/1																			
	The clarity of the Controller position in the organizational chart of the company																			
	Reporting the Internal control report to the Board of Directors																			
	Risk Management 4/2																			
	The existence of a detailed risk management manua																			
Identify the risk management or compliance officer																				
The reports of risk management or compliance officer																				
5	Fifthly : Legal risks																			
Legal Risks	Non-compliance with laws and regulations 5/1																			
	Violation of laws, regulations and legislation																			
	incorrect Interpretation of legislation																			
	Documentation and filing 5/2																			
	not keeping any required documents																			
Failure to observe the legal period o retention of documents																				
Methods and mechanisms of document retention																				
6	Sixthly : Other risks																			
Other Risks	Concerntation Risks 6/1																			
	Increase in Account Recivable for one customer																			
	A large percentage of the company's revenues are coming from one customer																			
	reputation of the company risks 6/2																			
	The company positon towards lawsuit against it and vice versa and their impact																			
	Customer complaints against the company and their effects																			
The company's violations of the Authority and the markets and their impact																				
Others 6/3																				
Currency exchange risk (in the case of foreign investments)																				

Signature of the Internal Controller

Signature of the Director General