

Pursuant to Article 158-j item 1) related to Article 146 of the Law on Insurance Supervision („Official Gazette of the Republic of Macedonia” No.27/2002, 79/2007, 88/2008, 67/2010, 44/2011, 188/2013, 43/2014, 112/2014,153/2015, 192/2015 and 23/2016), the Council of Experts of the Insurance Supervision Agency on the Session held on 10.3.2017 adopted the following

**RULEBOOK
ON THE NECESSARY DOCUMENTATION ON
OBTAINING LICENSE FOR PERFORMING
INSURANCE BROKERAGE ACTIVITIES**

General Provisions

Article 1

This Rulebook prescribes the necessary documentation on obtaining License for performing insurance brokerage activities from the Insurance Supervision Agency (hereinafter: the Agency), in accordance with the Law on Insurance Supervision.

Necessary documentation on obtaining License for performing insurance brokerage activities

Article 2

(1) In order to obtain a License for performing insurance brokerage activities an Application for obtaining a License for performing insurance brokerage activities must be filed to the Agency on Insurance Supervision.

(2) The Application from paragraph (1) of this Article is filed solely on the prescribed form: “Application for obtaining a License for performing insurance brokerage activities (Form B-DOBD)” attached in Attachment 1 of this Rulebook and is its integral part.

(3) Enclosed to the Application from paragraph (1) of this Article, the following documentation is filed:

1. A draft Statute that should contain at least the following data:

- firm and headquarters of the insurance brokerage company;
- the amount of the initial share capital of the insurance brokerage company;
- nominal amount of shares, number of shares of each type and class, rights, obligations, constraints and convenience arising from the shares;
- manner of acquiring and termination of the rights of the shareholders of the insurance brokerage company;
- a procedure for convening and holding a Shareholders Assembly of the insurance brokerage company;
- type, composition, number, manner and conditions for selection, mandate, rights, duties, responsibilities and manner of operation of the management bodies of the insurance brokerage company;

- manner of managing the insurance brokerage company and representation of the insurance brokerage company by the members of the management body of the company;

- number, mandate, rights, responsibilities and conditions for appointment of persons with special rights and responsibilities in the insurance brokerage company;

- manner of resolving disputes between the shareholders of the insurance brokerage company;

- manner of resolving conflicts of interest and protection of the confidentiality of the data of the insurance brokerage company;

- the form and manner of publication of data by the insurance brokerage company;

- conditions and cases of termination of the work of the insurance brokerage company; and - other data in accordance with the law.

2. Work plan of the insurance brokerage company that should contain at least the following data:

- basics of the business policy of the insurance brokerage company with explanation, ie analysis of the reasons for establishing the insurance brokerage company, business goals, market overview on which the insurance brokerage company will participate, the structure of the clients of the insurance brokerage company and other data;

- planned volume of establishment costs, organizational costs and development costs;

- Projection study with a projection of expected business results for at least three years, primarily regarding the expected income from fees, expected costs, expected profit, etc. The study should contain: (1) detailed Balance Sheet, Income Statement and Cash Flow Statement with a comment on each position and the underlying assumptions on which the projection is based, (2) the movement of financial indicators, such as liquidity indicators, profitability indicators and asset quality;

- description of management systems and internal control;

- the head office of the insurance brokerage company, as well as the possible number and location of the subsidiaries and other parts, as well as the period when the insurance brokerage company intends to open them;

- organizational structure of the insurance brokerage company, with a special description of the scope of work and the responsibilities of the persons with special rights and responsibilities of each organizational unit, the mutual relations and the relations with the supervisory and management bodies of the company, as well as a description of the required number of employees and their qualification structure;

3. Evidence that monetary funds have been paid in the name of the share capital of the insurance brokerage company, on a separate temporary account with a payment operations carrier or a foreign currency account with the National Bank of the Republic of Macedonia (for a founder that is a foreign legal entity or a natural person);

4. List of shareholders of the insurance brokerage company, stating the name and surname and address of the

natural persons – founders, i.e. name and head office of the legal entities - founders, as well as data on the total nominal amount of shares held and percentage of participation in the share capital of the insurance brokerage company;

5. Basics of the business policy of the insurance brokerage company with an explanation, ie analysis of the reasons for establishing an insurance brokerage company, the business objectives of the insurance brokerage company, a review of the market in which the insurance brokerage company will participate, the structure of the clients of the insurance brokerage company and other data;

6. Tariff for rendered services of the insurance brokerage company;

7. Documentation on the basis of which it can be concluded that the insurance brokerage company is staffed, technically and organisationally capable of performing the activities stipulated by the statute of the insurance brokerage company, with information on the information system and technical equipment of the insurance brokerage company;

8. Pre-contract or liability insurance contract concluded with an authorized insurance company in the Republic of Macedonia;

9. Program for the implementation of the measures for prevention of money laundering and financing of terrorism, together with an opinion from the Office for Prevention of Money Laundering regarding the program;

10. Data on licensed insurance brokers who will be employed in the insurance brokerage company with evidence that the persons meet the conditions prescribed in the Law on Insurance Supervision together with a letter of intent for concluding a contract for employment of insurance brokers signed by the founders of the insurance brokerage company and verified by a notary or pre-contract for the employment of insurance brokers concluded between the founder / s and insurance brokers;

11. Proof of paid fee for issuing a License for performing insurance brokerage activities, according to the Tariff Book of the Agency.

(4) If the person intending to establish an insurance brokerage company is a natural person, in addition to the documentation referred to in paragraph (3) of this Article, enclosed to the Application for obtaining a License for performing insurance brokerage activities shall also be submitted:

1. Filled Questionnaire for natural persons on the appropriate prescribed form, which is given in Annex 3 of the Rulebook on the necessary documentation and the manner of acquiring qualified participation in an insurance undertaking, insurance brokerage company or insurance agency, and is an integral part thereof. The data (name and surname, residence and ID number) shall be filled in for the natural person taken from the ID card, i.e. a copy of the passport for a foreign natural person. In addition to the data about the natural person, taken from the ID card, a statement from the person that his/her information is correct and verified, certified by an authorized person (notary public);

2. Sources of funds for the payment of capital, as follows:

2.1 Statement of the natural person about the origin of funds invested in the name of the share capital of the insurance brokerage company, i.e. the basis for acquisition of shares in the company; and

2.2 Appropriate proof of the source of assets invested by a natural person in the insurance brokerage company in the amount at least equal to the nominal value of the shares subject to acquisition (annual tax return, document on the amount of salary and income realized on other grounds, inheritance decision, confirmation by a bank or other financial institution of the amount and date of the invested funds and other appropriate evidence);

3. Statement of the natural person that in the last three years he has not been a member of a management body, a supervisory body or a person with special rights and responsibilities in an insurance company or another legal entity over whom a bankruptcy procedure has been opened;

4. Statement of the natural person that he is familiar with the provisions of the Law according to which the person should not be connected with a legal entity in which the insurance brokerage company directly or indirectly owns more than 10% of the capital or voting rights in that legal entity;

5. Statement of the natural person that the natural person did not work contrary to the provisions of the Law on Prevention of Money Laundering and Other Proceeds from Criminal Offense and Financing of Terrorism;

6. Evidence of non-existence of capital or managerial connection of a natural person with insurance companies, insurance agencies or other insurance brokerage companies in accordance with Article 16-a of the Law on Insurance Supervision, as follows:

6.1 Statement of the natural person that he/she is not an affiliated person with insurance companies, insurance agencies or other insurance brokerage companies in accordance with Article 16-a of the Law on Insurance Supervision;

6.2 List of legal entities in which a natural person holds directly or indirectly more than 10% of the shares i.e. shares signed by the natural person;

6.3 Excerpt from the Central Securities Depository or other public register, where the natural person holds shares in other legal entities;

6.4 Excerpt from the Central Registry or other public register, as to where the natural person holds shares in other legal entities;

6.5 Evidence from the Central Registry or other public register, where the individual is a member of a management body, a supervisory authority, a procurator or a person with special rights, and responsibilities in other legal entities;

7. Other evidence for assessing the solvency of a natural person.

(5) If the person intending to establish an insurance brokerage company is a legal entity, in addition to the documentation referred to in paragraph (3) of this Article, together with the application for obtaining a license for performing insurance brokerage activities shall also be submitted:

1. Completed Questionnaire for legal entities on an appropriate prescribed form, which is given in Appendix 2 of the Rulebook on the necessary documentation and the manner of acquiring qualified participation in an insurance company, insurance brokerage company or insurance agency, and is an integral part thereof;

2. Decision of the competent body of the legal entity for participation in the establishment of the insurance brokerage company, adopted by a competent body of the legal entity;

3. Sources of funds for the payment of capital:

3.1 Statement of the competent authority of the legal entity, on the origin of the funds invested in the name of the share capital of the insurance brokerage company, i.e. the basis for acquiring shares in the insurance brokerage company; and

3.2 Appropriate proof of the source of funds the legal entity invests in the insurance brokerage company in the amount at least equal to the nominal value of the shares subject to acquisition (audit report of the legal entity, final account or other appropriate evidence).

4. Evidence that a bankruptcy or liquidation procedure has not been initiated against the legal entity:

4.1 Confirmation from the Central Registry or other competent institution that no bankruptcy procedure or liquidation procedure has been initiated against the legal entity;

4.2 Statement of the competent body of the legal entity that no bankruptcy procedure or liquidation procedure has been initiated against the legal entity;

5. Statement of the competent body of the legal entity, that it is familiar with the provisions of the Law on Insurance Supervision according to which the person should not be connected with a legal entity in which the insurance brokerage company directly or indirectly owns more than 10% of the capital or the voting rights of that legal entity;

6. Statement of the competent body of the legal entity that the legal entity did not work contrary to the provisions of the Law on Prevention of Money Laundering and Other Proceeds from Criminal Offense and Financing of Terrorism;

7. Evidence of non-existence of capital or managerial connection of the legal entity with insurance companies, insurance agencies or other insurance brokerage companies in accordance with Article 16-a of the Law on Insurance Supervision:

7.1 Statement of the competent body of the legal entity, that the legal entity is not a related person with insurance companies, insurance agencies or other insurance brokerage companies in accordance with Article 16-a of the Law on Insurance Supervision;

7.2 List of persons holding in the legal entity, directly or indirectly, more than 10% of the shares, i.e. stakes, signed by an authorized person of the legal entity;

7.3 Excerpt from the Central Securities Depository, or other public register, about who are the holders of shares, i.e. stakes in the legal entity;

7.4 List of legal entities in which the legal entity owns directly or indirectly more than 10% of the shares, i.e. stakes, signed by an authorized person of the legal entity;

7.5 Excerpt from the Central Securities Depository or other public register, on where the legal entity holds shares in other legal entities;

7.6 Excerpt from the Central Registry or other public register, where the legal entity holds shares in other legal entities;

8. Establishment Act, i.e. Statute of the legal entity;

9. List of members of the managing body of the legal entity (Excerpt from the Central Registry or other appropriate public register);

10. Excerpt from the register in which the legal entity is registered;

11. A copy of the shareholder's book of the legal entity;

12. Audit report (Report on Audited Financial Statements of the Company) prepared by an authorized audit company for the last two business years for the legal entity. Legal entities established and working for less than two years shall be obliged to submit a Report on the audit of the financial statements of the company for the period for which they have worked as at the date no more than one month before submitting the request for obtaining a license, as well as to submit an audit reports for the last two business years for their shareholders - legal entities, i.e. to submit the appropriate documentation from paragraph (4) of this Article for their shareholders - natural persons who have a share in the capital of the legal entity above 10% ;

13. other evidence for assessment of the solvency of the legal entity, as well as an assessment of its shareholders, i.e. holders of stakes.

(6) In addition to the documentation referred to in paragraphs (3), (4) and (5) of this Article, the Agency may also request other additional documentation which may refer, in particular, but not exclusively to the following documents, data and information:

- statement of the balance of the accounts in banks for a certain period, which refers to the person who intends to establish an insurance brokerage company;

- data on the legal status, financial condition and ownership structure of the persons who have qualified

participation in the person who intends to establish an insurance brokerage company;

- data on the composition of the insurance, banking or other type of group (if the person intending to establish an insurance brokerage company is a member of such a group), a list of individual entities in the group and a description of their relationship;

- audited financial statements of other members of the insurance, banking or other type of group (if the person intending to establish an insurance brokerage company is a member of such a group) or other persons related to the person intending to establish an insurance brokerage company whose operation may have an impact on the operations and/or the risks to which the insurance brokerage company would be exposed.

(7) The documents referred to in paragraph (4), item 6), subitems 6.3, 6.4 and 6.5, paragraph (5), item 4, subitem 4.1, item 7, subitems 7.3, 7.5 and 7.6 as well as items 10) and 11) of this Article, the Agency shall ex officio obtain it from the competent public authority (if it has not been submitted by the applicant), for which the applicant submits a statement authorizing the Agency on his behalf and for his account to use the data contained in the B-DOBD Form (Statement is an integral part of the Form B-DOBD) which is given in Appendix 1 of this Rulebook and shall submit to the Agency an evidence of payment made to the account of the institution responsible for issuing the appropriate document in the amount determined by the Tariffbook prescribed in accordance with the law.

(8) Under the appropriate organizational capacity of the insurance brokerage company in the sense of paragraph (3) item 7) of this Rulebook, establishment of such an organization of the company enables successful performance of its activity to the extent determined in the Establishment Act, which is proved with adopted acts for internal organization and systematization of jobs, decision on organizing working units, rules for internal audit work, etc.

(9) Appropriate technical capability of the insurance brokerage company within the meaning of paragraph (3) item 7) of this Rulebook is:

1) business premises for performing insurance brokerage works that meet the required standards in relation to the planned number of employees;

2) Project for implementation of appropriate IT equipment and software solution for performing insurance brokerage activities, which by scope and technical characteristics corresponds to the number of employees and the planned scope of operations of the insurance brokerage company.

(10) The appropriate qualification of the insurance brokerage company in the sense of paragraph (3) item 7) of this Rulebook shall mean a qualified qualification structure for employees with required length of service and experience for each specific job, as well as planned filling dynamics for jobs that should follow the dynamics of increasing the volume of work and expanding the the

organizational network of the insurance brokerage company. It is necessary to indicate the number of employees by individual organizational unit, data on the education of the persons who will be involved in performing financial activities and a training plan in the next three years. If necessary, a plan for achieving the planned number of employees is also submitted.

(11) The information system implementation project should include a detailed description of the hardware and software infrastructure envisaged, the equipment specification and the functionalities of the application, a plan for implementation with defined steps and deadlines, a description of the security measures to be implemented and the manner in which the continuity of the services will be ensured. The project should take into account the generally accepted standards for information system security and ensure continuity of operation, unless otherwise stipulated by the Agency. If the functioning of the information system depends on external suppliers (ancillary services company), the insurance brokerage company must incorporate appropriate documentation received by the supplier into the Project Plan itself, which will clearly define the scope and quality of the service, the security measures, as well as the characteristics of the delivery.

(12) The documentation on the technical equipment should contain data on the business premises where the insurance brokerage company will operate (own, rented, location, area and dynamics of its equipment for commissioning) and for the technical equipment that will be used.

Specifying the form of submission of documentation

Article 3

(1) Together with the application for issuance of a license for performing insurance brokerage activities shall be submitted data on the authorized person for contact with the Agency (name and surname, telephone number, e-mail address).

(2) The documentation submitted to the application for issuing a license for carrying out insurance brokerage activities shall be in original or a copy certified by an authorized person (notary), signed by an authorized person or by the appropriate competent authority, without additional corrections, in Macedonian language and it must not be older than six months on the day of filing the license application. If the document to be submitted is in another language, together with the original, a translation in Macedonian language, translated by a certified translator and certified by a notary public shall be submitted.

(3) The statements and questionnaires that are part of the documentation submitted to the application for issuance of a license for performing insurance brokerage activities should be verified with an authorized person (notary) and they must not be older than six months on the day of filing application for issuing a license.

(4) If the legislation of the country from which the foreign person intending to establish an insurance brokerage company otherwise regulates the matter regarding the documentation submitted to the application for issuing a license for performing insurance brokerage activities, an appropriate document should be attached, or legal opinion from a lawyer, by which the difference in the regulation can be confirmed, that is, another relevant document will be provided to confirm the fulfillment of the envisaged legal obligation.

(5) The Agency shall consider and decide on the application for issuing a license for performing insurance brokerage activities with complete documentation. The complete documentation includes the documentation prescribed in this Rulebook, the documentation that is additionally requested by the Agency, as well as the relevant documents, data and information that are to be obtained from competent domestic and foreign institutions in the country and abroad.

Deciding on the application for obtaining a license for performing insurance brokerage activities

Article 4

(1) When deciding upon the application, the Agency shall assess whether the conditions provided for in the Law on Insurance Supervision are met.

(2) On the basis of the assessment referred to in paragraph (1) of this Article, the Agency shall adopt a decision for issuing a license for performing insurance brokerage activities or for rejecting the application, within 60 days from the day of filing the application with complete documentation in accordance with this Rulebook.

Final Provisions

Article 5

On the day of entry into force of this Rulebook, the Rulebook on the necessary documentation for obtaining a license for performing insurance brokerage activities ("Official Gazette of the Republic of Macedonia" No. 153/2011) is annulled.

Article 6

This Rulebook shall enter into force on the day following its publication in the "Official Gazette of the Republic of Macedonia".

No. 02-208/6
10 March 2017
Skopje

President of
the Council of Experts,
Klime Poposki, c.p.

APPENDIX 1 – Form B-DOBD

АГЕНЦИЈА ЗА СУПЕРВИЗИЈА НА ОСИГУРУВАЊЕ

APPLICATION¹

ON OBTAINING A LICENSE FOR PERFORMING INSURANCE BROKERAGE ACTIVITIES

1.	Name and surname, i.e. name of the persons who intend to establish the insurance brokerage company (they are listed individually together with data on the percentage in the voting shares in the insurance brokerage company)	
2.	Person authorized for contact with the Agency	
2.1	Telephone of authorized person	
2.2	E-mail of the authorized person	
2.3	Address of the authorized person	

I/we request from the Insurance Supervision Agency to issue us a license for performing insurance brokerage activities _____ (proposed name of the founding insurance brokerage company) with headquarters on str. _____ No. _____ in _____ (city).

The application is supplemented by the documentation provided for in Article 2, paragraphs (3), (4) and respectively (3) and (5) of the "Rulebook on the necessary documentation submitted to the application for obtaining license for performing insurance brokerage activities"(each document is stated separately)²:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____

STATEMENT OF THE APPLICANT

By submitting this application, I declare that the data and information contained in this application, as well as the entire documentation I submit to the application for issuing a license for performing insurance brokerage activities, are accurate and do not contain falsified data and documents, and in case of change of the data contained in this application, as well as in the documentation submitted in addition to this application, I will notify the Agency within 3 working days of the occurrence of the change.

By submitting this application I agree that my personal data contained in this application should be used in the procedure for exercising the right to obtain necessary evidence and data from other competent public bodies ex officio and to be used in accordance with the regulations of the Law on Protection of personal data.

¹ It is recommended that the application be filled in electronically. An electronic version of the application can be found on the official website of the Insurance Supervision Agency www.aso.mk. If the application is not filled in electronically, it is mandatory to use a pen and write in capital letters.

² The documents from Article 2, paragraph (4) item 6, subitems 6.3, 6.4 and 6.5, paragraph (5) item 4, subitem 4.1, item 7, subitem 7.2, 7.4 and 7.5 as well as items 10 and 11 of the Rulebook on the necessary documentation for issuing a license for performing insurance brokerage activities, the Agency shall ex officio obtain it from the competent public authority (if it has not been submitted by the applicant), for which the applicant submits a statement authorizing the Agency on his behalf and for his account to use the data contained in this Form which is given in Appendix 1 of this Rulebook and shall submit to the Agency an evidence of payment made to the account of the institution responsible for issuing the appropriate document in the amount determined by the Tariffbook prescribed in accordance with the law

Date and place of filing

____. ____ 20____, _____

Signature of the applicant³

³ The application is signed by the natural persons or authorized representatives of the legal entities that intend to establish an insurance brokerage company

