

Pursuant to Article 158-j item 1) related to Article 134-f 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 10.03.2017, adopted the following

**RULEBOOK
ON THE NECESSARY DOCUMENTATION FOR
OBTAINING A LICENSE FOR PERFORMANCE
OF INSURANCE REPRESENTATION**

General Provisions

Article 1

This Rulebook prescribes the necessary documentation for obtaining a License for performance of insurance representation from the Agency on Insurance Supervision (hereinafter: the Agency), in accordance with the Law on Insurance Supervision.

Necessary documentation attached to the application for obtaining a license for performance of insurance representation

Article 2

(1) For issuing a license for performance of insurance representation, an application for obtaining a license for performance of insurance representation shall be submitted to the Agency.

(2) The Application referred to in paragraph (1) of this Article shall be submitted exclusively on the prescribed form: "Application for obtaining a license for performance of insurance representation (Form B-DDZ)" which is given in Appendix 1 of this Rulebook and is its integral part.

(3) The following documentation shall be submitted to the application referred to in paragraph (1) of this Article:

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

- firm and headquarters of the insurance agency;
- the amount of the initial share capital of the insurance agency;
- 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 agency;
- a procedure for convening and holding a meeting of shareholders of the insurance agency;
- type, composition, number, manner and conditions for election, mandate, rights, duties, responsibilities and manner of operation of the bodies of the insurance agency;

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

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

- manner of resolving disputes between the shareholders of the insurance agency;

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

- the form and manner of publication of data by the insurance agency;

- conditions and cases of termination of the work of the insurance agency, and other data in accordance with the law.

2. Work plan of the insurance agency which should contain at least the following data:

- bases of the business policy of the insurance agency with explanation, i.e. analysis of the reasons for establishing the insurance agency and the business objectives of the insurance agency and the market review on which the insurance agency will participate, the structure of the clients of the insurance agency;

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

- Elaborate 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 elaborate 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 and asset quality;

- description of management systems and internal control;

- the headquarters of the insurance agency, as well as the possible number and location of the subsidiaries and other parts, as well as the time period when the insurance agency intends to open them;

- the organizational structure of the insurance agency, with a special description of the scope of work and the responsibilities of the persons with special rights and responsibilities and of each organizational unit, the mutual relations and the relations with the supervisory and management bodies of the agency, 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 agency 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 of a foreign legal entity or a natural person);

4. List of shareholders of the insurance agency, stating the name and surname and residence of the natural persons - founders, i.e. name and headquarters 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 agency;

5. Basess of the business policy of the insurance agency with an explanation, i.e. analysis of the reasons for establishing the insurance agency, the business objectives of the insurance agency, a review of the market on which the insurance agency will participate, structure of the clients of the insurance agency and other data;

6. Tariff for rendered services of the insurance agency;

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

8. Pre-contract or insurance contract concluded with an authorized insurance company that must contain a provision for permanent supervision of the insurance company over the performance of the contract;

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

10. Program for the implementation of the measures for prevention of money laundering and financing of terrorism together with the opinion of the Office for Prevention of Money Laundering in relation to the Program;

11. Data on the person who will be employed in the insurance agency, with evidence that the person meets the requirements prescribed by the Law on Insurance Supervision, together with a letter of intent for concluding a contract for employment of the insurance agent signed by the founders of the insurance agency and verified by a notary or pre-employment contract for the insurance agent concluded between the founder and the insurance agent;

12. Proof of paid fee for issuing a license for performance of insurance representation in accordance with the Tariff Book of the Agency.

(4) If the person who intends to establish an insurance agency is a natural person, in addition to the documentation referred to in paragraph (3) of this Article, the application for obtaining a license for performance of insurance representation shall also be submitted:

1. Filled Questionnaire for natural persons on the appropriate prescribed form, which is given in Appendix 3 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. The data (name and surname, residence and ID number) shall be filled in for the natural person taken from the identity 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) shall be submitted;

2. Sources of funds for the payment of capital:

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

2.2 An adequate proof of the source of funds the individual invests in the insurance agency 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, certificate from a bank or other financial institution on 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/she 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 agency directly or indirectly owns more than 10% of the capital or voting rights in that legal entity;

5. Statement of the natural person that he/she 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 brokerage companies and other insurance agencies in accordance with Article 16-a of the Law on Insurance Supervision, as follows:

6.1 Statement of the natural person that there is no affiliated person with insurance companies, insurance brokerage companies and other insurance agencies 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 Evidence from the Central Securities Depository or other public register, on where the natural person holds shares in other legal entities;

6.4 Evidence from the Central Registry or other public register, on where the natural person holds shares in other legal entities;

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

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

(5) If the person intending to establish an insurance agency is a legal entity, in addition to the documentation referred to in paragraph (3) of this Article, the application for obtaining a license for performing insurance representation shall also submit:

1. Filled 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 an insurance agency, 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 assets invested in the name of the share capital of the insurance agency, i.e. the basis for acquiring shares in the insurance agency

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

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

4.1 Certificate 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 authority of the legal entity, that it 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 agency has directly or indirectly ownership of more than 10% of the capital or rights to vote in 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, other insurance agencies or insurance brokerage companies in accordance with Article 16-a of the Law on Insurance Supervision, as follows:

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

7.2 Evidence from the Central Securities Depository, or other public register, about which are holders of shares, i.e. stakes in the legal entity;

7.3 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;

7.4 Evidence from the Central Securities Depository or other public register, where the legal entity holds shares in other legal entities;

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

8. Establishment Act according to the 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 a shareholder's book;

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 operating for less than two years shall be obliged to submit a Report on the audited financial statements of the company for the period for which they worked, as at the date of not more than one month before submitting the application for obtaining a license, as well as submit audit reports for the last two business years for their shareholders - legal entities, i.e. to submit the appropriate documentation referred to in paragraph (4) of this Article for their shareholders - natural persons who have a share in the capital of the legal entity over 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 agency;

- data on the legal status, financial status and ownership structure of persons having qualified participation in the person who intends to establish an insurance agency;

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

- audited financial statements of other members in the insurance, banking or other type of group, if the person

who intends to establish an insurance agency is a member of such a group, or to other persons related to the person who intends to establish an insurance agency whose operations may have an impact on the operations and/or the risks to which it would be the insurance company that is founded is 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 7.2, 7.4 and 7.5 as well as items 10) and 11) shall be ex officio obtained by the Agency from a competent public authority (if it is 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 Form B-DDZ (Statement is an integral part of the Form B-DDZ) which is given in Appendix 1 of this Rulebook and shall submit to the Agency 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 capability of the insurance agency in the sense of paragraph (3) item 7) of this Rulebook, the establishment of such an organization shall be the establishment of the insurance agency which enables the successful performance of its activity to the extent specified in the Establishment Act, which is proved by the adopted acts for internal organization and systematization of jobs, decision on organizing working units, rules for the work of the internal audit, etc.

(9) Adequate technical capability of the insurance agency in the sense of paragraph (3) item 7) of this Rulebook means:

1) business premises for performing insurance representation activities that meets the required standards in terms of the planned number of employees; 2) a project for implementation of adequate information equipment and a software solution for carrying out insurance representation activities, which by volume and technical characteristics corresponds to the number of employees and the planned scope of operations of the insurance agency.

(10) The appropriate insurance personnel of the insurance agency 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 a planned dynamics for filling for jobs that should follow the dynamics of increasing the scope of work and spreading the company's organizational network. 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 contain a detailed description of the foreseen hardware and software infrastructure, specification of the equipment and the functionalities of the application,

implementation plan with defined steps and deadlines, a description of the security measures that will 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 agency must incorporate appropriate documentation received from the supplier in the project plan itself, which will clearly define the scope and quality of the service, safety 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 agency will operate (own, rented, location, area and dynamics of its equipment for commissioning) and for the technical equipment to be used.

Specifying the form of submission of documentation

Article 3

(1) The application for issuance of a license for the performance of insurance representation shall be submitted to an authorized person for contact with the Agency (name and surname, telephone number, e-mail address).

(2) The documentation submitted to the application for issuance of a license for the performance of insurance representation should be in original or a copy certified by an authorized person (notary), signed by an authorized person or 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 that is submitted to the application for issuance a license for the performance of insurance representation should be verified with an authorized person (notary) and they must not be older than six months on the day of submitting an application for issuing a license.

(4) If the legislation of the country from which the foreign entity intends to establish an insurance agency otherwise regulates the matter regarding the documentation submitted to the application for issuing a license for the performance of insurance representation, an appropriate document, or a legal opinion from a lawyer shall be enclosed, in order to verify the difference in the regulation, or provide another relevant document that would confirm the fulfillment of the envisaged legal obligation.

(5) The Agency shall consider and decide on the application for issuing a license for the performance of insurance representation with complete documentation. Complete documentation shall mean 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 the performance of insurance representation

Article 4

(1) When deciding on the application for issuing a license for the performance of insurance representation, the Agency shall assess whether the conditions provided in the Law on Insurance Supervision are met.

(2) On the basis of the assessment referred to in paragraph (1) of this Article, the Insurance Supervision Agency shall adopt a decision for issuing a license for the performance of insurance representation or for rejecting the request, within 60 days from the date of submission of the 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 performance of insurance representation ("Official Gazette of the Republic of Macedonia" No. 41/2011) 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. 02-208/7
10 March 2017
Skopje

President
of the Council of Experts,
Klime Poposki

APPENDIX 1 – Form B-DOBD

АГЕНЦИЈА ЗА СУПЕРВИЗИЈА НА ОСИГУРУВАЊЕ

APPLICATION¹

ON OBTAINING A LICENSE FOR THE PERFORMANCE OF INSURANCE REPRESENTATION

1.	Name and surname, i.e. name of the persons who intend to establish the insurance agency (they are listed individually together with data on the percentage in the voting shares in the insurance agency)	
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 the performance of insurance representation _____ (proposed name of the founding insurance agency) 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 the performance of insurance representation"(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 the performance of insurance representation, 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 the performance of insurance representation, 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 agency

