Astana International Financial Centre

Astana Financial Services Authority

Consultation Paper

No. 15 of 2018

Proposed Insurance and Reinsurance Legislative Framework in the AIFC

November 16, 2018

Introduction

1. The Astana Financial Services Authority (AFSA) has issued this Consultation Paper to invite public comments on the proposed additional amendments to the AIFC Acts with the aim at establishing a comprehensive regulatory framework for insurance and reinsurance services in the AIFC.

2. The proposals in this Consultation Paper will be of interest to individuals, financial services companies, market institutions and investors who are interested in doing business in the AIFC.

3. All comments should be in writing and sent to the address or email specified below. If sending your comments by email, please use "Consultation Paper No 15" in the subject line. You may, if relevant, identify the organisation you represent when providing your comments. The AFSA reserves the right to publish, including on its website, any comments you provide, unless you expressly request otherwise. Comments supported by reasoning and evidence will be given more weight by the AFSA.

4. The deadline for providing comments on the proposals is **15 December 2018**. Once we receive your comments, we shall consider if any refinements are required to this proposal.

5. Comments to be addressed by post:

   Policy and Strategy Division
   Astana Financial Services Authority (AFSA)
   8 Kunayev Street, Building B, Astana, Kazakhstan
   or emailed to: consultation@afsa.kz
   Tel: +8 7172 613781

6. The remainder of this Consultation Paper contains the following:
   (a) Background to the proposals;
   (b) Annex 1: Proposed Amendments to AIFC Prudential Rules for Insurance Intermediaries and Insurance Managers;
   (c) Annex 2: Proposed Amendments to AIFC Glossary.

Background

7. In 2015 Astana was designated by the President of Kazakhstan as the location of the Astana International Financial Centre ("AIFC"). He stated the need to establish the AIFC on the base of the Expo-2017 infrastructure and to confer a special status on the AIFC. The AIFC participants, bodies and organisations will enjoy a special tax regime, special migration regime, special currency exchange regulation regime.

8. According to Article 2 of the Constitutional Statute of the Republic of Kazakhstan "On the Astana International Financial Centre" (the "Constitutional Statute"), the purpose of the AIFC is to establish a leading international centre for financial services. The objectives of the AIFC are as follows:

   (a) attracting investment into the economy of the Republic of Kazakhstan by creating an attractive environment for investment in the financial services sphere;

   (b) developing a securities market in the Republic of Kazakhstan and integrating it with international capital markets;

   (c) developing *insurance markets*, banking services, and Islamic financing, in the Republic of Kazakhstan;

   (d) developing financial and professional services based on international best practice;

   (e) achieving international recognition as a financial centre.

9. Amendments to AIFC Prudential Rules for Insurance Intermediaries have been drafted with regard to similar legislation in leading international financial centres. The purpose of introducing new regulatory regime is to complement the regulatory framework established by the AIFC Financial Services Framework Regulations ("FSFR") by providing for the prudential regulation of insurance managers.

10. Amendments to AIFC Glossary have been drafted to set out interpretative provisions of words and expressions used in the AIFC Acts regulating insurance and reinsurance services.

11. We are consulting if there are any concerns relating to the proposed regulatory requirements and provisions within establishing a legislative framework for insurance and reinsurance services in the AIFC. If so, what are they, and how should they be addressed?

Annex 1
to Consultation Paper 15

In this section, the underlining indicates a new text and the striking through indicates deleted text in the proposed amendments

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AIFC PRUDENTIAL RULES FOR INSURANCE INTERMEDIARIES
AND INSURANCE MANAGERS

(PRU INT)

AIFC RULES NO. _ OF 2017

Astana International Financial Centre, Astana

“__” __________ 2017

Contents

Guidance: Purpose of this Rulebook

The purpose of this Rulebook, "PRU(INT)", is to complement the regulatory framework established by the Financial Services Framework Regulations ("the Framework Regulations"). It sets out the requirements for Insurance Intermediaries and Insurance Managers to hold adequate capital and financial resources, and professional indemnity insurance, sufficient to cover the risks arising from their business.

If the Rules operate as intended, an Insurance Intermediary or Insurance Manager should have a sufficient buffer of assets in excess of its liabilities, and other financial protections, so that there is only a very remote chance that it will become insolvent and thereby cause a loss to its customers and the wider financial markets (although the Rules do not guarantee that this will never happen).

The Rules also provide a legal basis on which the AFSA may take action against an Insurance Intermediary or an Insurance Manager which it considers does not have sufficient capital and financial resources and other financial protections - for example by requiring it to stop transacting any new business, so as to minimise the losses to clients and/or potential market participants that might result from a failing Insurance Intermediary or Insurance Manager. Such action would also further the AFSA's objectives to avert any potential harm to wider market stability and manifestation of systemic risk.

1. APPLICATION

1.1 Introduction

(1) This Chapter sets out the scope of application of these PRU(INT) Rules.

(2) These PRU(INT) Rules create:

(a) a general financial resources requirement in accordance with Chapter 2;

(b) a minimum capital requirement in accordance with Chapter 3; and

(c) a requirement to maintain professional indemnity insurance in accordance with Chapter 4.

(3) Chapter 5 imposes reporting and notification requirements that relate to the matters covered by these PRU(INT) Rules.

1.2 Commencement

These PRU(INT) Rules commence on 1 January 2018.

1.3 Application of these PRU(INT) Rules

(1) These PRU(INT) Rules apply to Insurance Intermediaries and Insurance Managers. The term "Authorised Firm" is used where rules apply to both Insurance Intermediaries and Insurance Managers.

(2) If an Insurance Intermediary holds both an Authorisation to carry on Insurance Mediation and an Authorisation to carry on PRU Investment Business or other Non-PRU(INV) Investment Business, it will be subject to these PRU(INT) Rules in relation to the whole of its business, including its PRU Investment Business and other Non-PRU(INV) Investment Business. However, the AFSA may direct that the Insurance Intermediary will be deemed to satisfy:

(a) some or all of these PRU(INT) Rules where it satisfies the rules that apply to it by reason of the Authorisation to carry on PRU Investment Business or other Non-PRU(INV) Investment Business; or

(b) some or all of these PRU(INT) Rules that apply to it by reason of the Authorisation to carry on PRU Investment Business or other Non-PRU(INV) Investment Business where it satisfies these PRU(INT) Rules.

(3) Where an Authorised Firm ~~Insurance Intermediary~~ is also regulated by another Financial Services Regulator (in addition to being regulated by the AFSA), it must comply with these PRU(INT) Rules and with the rules of any other Financial Services Regulator, in each case to the extent applicable.

2. GENERAL FINANCIAL RESOURCES REQUIREMENTS

2.1 General

2.1.1 Governing Body's responsibilities

(1) An Authorised Firm~~Insurance Intermediary~~'s Governing Body must consider whether the minimum Capital Resources and professional indemnity insurance required by these PRU(INT) Rules are adequate to ensure that there is no significant risk that the firm's liabilities cannot be met as they fall due. The firm must obtain additional Capital Resources and professional indemnity insurance if its Governing Body considers that the minimum required does not adequately reflect the risks of its business.

(2) The Governing Body is also responsible for:

(a) ensuring that the management of the firm's financial resources (including the firm's Capital Resources, liquid assets and professional indemnity insurance) is part of the firm's overall risk management, and is aligned with the nature, scale and complexity of its business and its risk profile;

(b) ensuring that the firm complies with these PRU(INT) Rules; and

(c) monitoring the adequacy and appropriateness of the firm's systems and controls and the firm's compliance with them.

2.1.2 Systems and controls

(1) An Authorised Firm ~~Insurance Intermediary~~ must have adequate systems and controls to enable it to calculate and monitor its Capital Resources, liquid assets and professional indemnity insurance, and its compliance with the requirements of these PRU(INT) Rules.

(2) The systems and controls must be in writing and must be appropriate for the nature, scale and complexity of the firm's business and its risk profile.

(3) The systems and controls must enable the firm to demonstrate its compliance with these PRU(INT) Rules at all times.

(4) The systems and controls must enable the firm to manage its Capital Resources, liquid assets and professional indemnity insurance in anticipation of events or changes in market conditions.

2.2 Financial Resources

(1) An Authorised Firm ~~Insurance Intermediary~~ must at all times have Capital Resources and professional indemnity insurance of at least the minimum kinds and amounts required by, and calculated in accordance with, these PRU(INT) Rules.

(2) An Authorised Firm ~~Insurance Intermediary~~ must have, at all times:

(a) sufficient liquid assets; and

(b) Capital Resources and professional indemnity insurance (including those required by paragraph (1)),

that are adequate in relation to the nature, scale and complexity of its business and its risk profile to ensure that there is no significant risk that its liabilities cannot be met as they fall due.

(3) If the AFSA is not satisfied that an Authorised Firm ~~Insurance Intermediary~~ is in compliance with paragraph (2) then it may impose a requirement on that Authorised Firm ~~Insurance Intermediary~~ to hold additional amounts of Capital Resources, liquid assets and professional indemnity insurance, and the Authorised Firm ~~Insurance Intermediary~~ must comply with that requirement.

3. MINIMUM CAPITAL REQUIREMENT

3.1 References to Capital Resources

(1) In these PRU(INT) Rules, "Capital Resources" must be calculated as the sum of the following capital elements, subject to deductions listed in (2) below:

(a) the ordinary equity share capital of the Authorised Firm~~Insurance Intermediary~~, to the extent fully paid up;

(b) share premium accounts related to the equity share capital referred in paragraph (a); and

(c) any retained earnings and reserves created out of earnings of past periods of the Authorised Firm~~Insurance Intermediary~~, and accumulated other comprehensive income, as defined in the International Financial Reporting Standards, to the extent shown in its audited financial statements and accounts.

(2) In determining its Capital Resources, an Authorised Firm ~~Insurance Intermediary~~ must deduct the following items from the sum of the capital elements in (1) above:

(a) any interim losses incurred by the Authorised Firm ~~Insurance Intermediary~~ in the current financial year, irrespective of whether or not shown in audited financial statements and accounts;

(b) each of the following, to the extent that its value contributes to the sum of the capital elements in (1) above:

(i) goodwill and other intangible assets as defined in the International Financial Reporting Standards;

(ii) tangible fixed assets, including equipment and vehicles;

(iii) deferred tax assets that rely on future profitability;

(iv) defined benefit pension fund assets of the Authorised Firm~~Insurance Intermediary~~;

(v) investments by the Authorised Firm ~~Insurance Intermediary~~ or by any of its Subsidiaries in the Authorised Firm~~Insurance Intermediary~~'s own shares;

(vi) holdings of equity shares of Affiliates or Related Persons which give rise to a reciprocal cross holding with the Authorised Firm ~~Insurance Intermediary~~ which has the effect of artificially inflating the Capital Resources of the Authorised Firm~~Insurance Intermediary~~; and

(vii) holdings of other investments and assets that are not readily realisable into cash; and

(c) any amount to be deducted from Capital Resources as directed by the AFSA.

3.2 Minimum Capital Requirement

(1) An Authorised Firm ~~Insurance Intermediary~~ must at all times have and maintain Capital Resources of an amount not less than its Minimum Capital Requirement.

(2) The Minimum Capital Requirement:

(a) for an Insurance Intermediary that is not permitted to hold Client Money, is the greater of:

(i) USD 7,000 ; and

(ii) 2.5 per cent of the annual income of the Insurance Intermediary.

(b) for an Insurance Intermediary that is permitted to hold Client Money, is the greater of:

~~(a)~~

(i) USD 13,000; and

(ii) 5 per cent of the annual income of the Insurance Intermediary.

(c) for an Insurance Manager that is not permitted to hold Client Money, is the greater of

(i) USD 7,000 ; and

(ii) 2.5 per cent of the annual income of the Insurance Manager.

(d) for an Insurance Manager that is not permitted to hold Client Money, is the greater of

(i) USD 13,000; and

(ii) 5 per cent of the annual income of the Insurance Manager.

~~(4)~~(3) The "annual income" of an Authorised Firm ~~Insurance Intermediary~~ means the income of the Authorised Firm~~Insurance Intermediary~~ arising from its Insurance Intermediation or Insurance Management activities, but excluding premiums received from clients which are due to be paid on to the insurance produce provider.

~~(5)~~(4) Annual income shall be assessed by reference to the Authorised Firm~~Insurance Intermediary~~'s most recent annual financial statements or, in the case of an Authorised Firm ~~Insurance Intermediary~~ whose most recent financial statements do not represent a full financial year as an Authorised Firm~~Insurance Intermediary~~, by reference to the business plan of the Authorised Firm ~~Insurance Intermediary~~ submitted as part of its application for authorisation as an Authorised Firm~~Insurance Intermediary~~.

4. PROFESSIONAL INDEMNITY INSURANCE

4.1 Firms must take out and maintain professional indemnity insurance

(1) Subject to Rule 4.1(2), an Authorised Firm ~~Insurance Intermediary~~ must take out and maintain professional indemnity insurance cover that is appropriate to the nature, scale, complexity and risk profile of its business and activities in accordance with this Chapter 4.

(2) An Authorised Firm ~~Insurance Intermediary~~ need not take out or maintain professional indemnity insurance if the AFSA gives written approval for some other form of financial protection, such as a guarantee provided by another Authorised Firm, that the AFSA considers to provide at least the same financial strength and legal certainty as professional indemnity insurance otherwise required under this Chapter 4.

4.2 Who is suitable to provide professional indemnity insurance?

(1) Before an Authorised Firm ~~Insurance Intermediary~~ takes out or renews a professional indemnity insurance policy with an insurer, the Insurance Intermediary must be satisfied, on reasonable grounds after conducting an appropriate assessment, that the insurer is a suitable Person to provide the insurance policy to the Insurance Intermediary and that the insurer is financially sound and capable to meet any liabilities related to claims.

(2) If, at any time after the Authorised Firm ~~Insurance Intermediary~~ has taken out or renewed a professional indemnity insurance policy with an insurer, the AFSA considers that the insurer is, or is likely to become, unsuitable to provide the insurance policy, the AFSA may, by written notice given to the Authorised Firm~~Insurance Intermediary~~, require the Authorised Firm ~~Insurance Intermediary~~ to cancel the insurance policy and take out equivalent professional indemnity insurance with another insurer in accordance with this Rule.

(3) If the Authorised Firm ~~Insurance Intermediary~~ is given a notice under Rule 4.2(2), the Authorised Firm~~Insurance Intermediary~~ must comply with the notice within:

(a) the time stated in the notice; or

(b) if the AFSA allows additional time to comply with the notice, the additional time.

4.3 Requirements for professional indemnity insurance policies

(1) A professional indemnity insurance policy taken out or renewed by an Authorised Firm ~~Insurance Intermediary~~ for this part must make provision for:

(a) an appropriate level of cover in relation to claims for which the ~~Insura~~ Authorised Firm~~nce Intermediary~~ may be liable as a result of its conduct or the conduct of its Employees and agents, taking into account the aggregate limit of indemnity, the limit of indemnity for individual claims, the excess that applies in relation to any individual claim under the policy, and the extent to which the benefit of the policy is shared with any other entity;

(b) appropriate cover in relation to legal defence costs;

(c) continuous cover for claims arising from work carried out from when the Authorised Firm ~~Insurance Intermediary~~ was Authorised to conduct Insurance Intermediation or Insurance Management in or from the AIFC; and

(d) awards made against the Authorised Firm ~~Insurance Intermediary~~ under any applicable consumer protection or ombudsman scheme.

(2) The Authorised Firm ~~Insurance Intermediary~~ must not take out professional indemnity insurance that makes provision for the payment of fines imposed by the AFSA.

5. REPORTING AND NOTIFICATION REQUIREMENTS

5.1 Introduction

This Chapter sets out the prudential reporting requirements for ~~an~~ Insurance ~~Intermediary~~Intermediaries and Insurance Managers.

5.2 Preparing Returns

(1) An Authorised Firm ~~Insurance Intermediary~~ must submit quarterly and annual prudential returns to the AFSA using the templates prescribed for this purpose by the AFSA from time to time.

(2) Annual prudential returns of an Authorised Firm ~~Insurance Intermediary~~ must contain a certification by the same auditor that is responsible for auditing the Authorised Firm~~Insurance Intermediary~~'s annual financial statements. The certification must relate to the annual prudential returns and each set of unaudited quarterly returns that have been submitted to the AFSA by the PRU Investment Firm in the previous year.

5.3 Signing Returns

(1) A prudential return must be signed by 2 individuals, and in each case:

(a) one of those individuals must be the individual approved to exercise the Finance Officer Function; and

(b) the other individual must be either the individual approved to exercise the Senior Executive Officer Function for the Authorised Firm ~~Insurance Intermediary~~ or one of the individuals approved to exercise the Director Function for the Authorised Firm~~Insurance Intermediary~~.

(2) In paragraph (1), Senior Executive Officer Function and Director Function have the same meanings as in GEN.

5.4 Reductions in paid-up share capital and other capital instruments

An Authorised Firm ~~Insurance Intermediary~~ must not reduce its paid-up share capital, or repay or redeem any part of any capital instrument the liabilities under which are included in its Capital Resources in accordance with Chapter 3, without the AFSA's written approval.

5.5 Breaches of PRU(INT)

If an Authorised Firm ~~Insurance Intermediary~~ becomes aware, or has reasonable grounds to believe, that it is or may be (or may be about to be) in breach of any of the rules in PRU(INT), it must:

(a) notify the AFSA in writing about the breach and the relevant circumstances immediately and not later than within 1 Business Day; and

(b) not make any cash transfers or payments or transfer of liquid assets to its Affiliates or Related Persons, whether by way of dividends or otherwise, without the AFSA's written permission.

Guidance

In dealing with a breach, or possible breach, of this part, the AFSA's primary concern will be the interests of existing and prospective policyholders and Clients. The AFSA recognises that there will be circumstances in which a problem may be resolved quickly, for example by support from a Parent Entity, without jeopardising the interests of policyholders and Clients. In such circumstances, it will be in the interests of all parties for there to be minimum disruption to the firm's business. The AFSA's normal approach will be to seek to work cooperatively with firms to deal with any problems. There will, however, be circumstances in which it is necessary to take regulatory action to avoid exposing further policyholders and Clients to the risk of the firm's Failure, and the AFSA will not hesitate to take appropriate action if it considers this necessary.

Annex 2

to Consultation Paper 15

In this section, the underlining indicates a new text in the proposed amendments

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Proposed Amendments to the AIFC GLOSSARY

(PRU INT)

AIFC RULES NO. _ OF 2017

AIFC-Incorporated Insurer	an Insurer that is incorporated as a legal entity under the laws of the AIFC
Approved Actuary	The Approved Individual performing the role identified at PINS 2.2.5 (Approved Actuary).
Asset Risk Component	The capital component identified in paragraph 4.1 of PINS Schedule 5 (Asset Risk Component)
Associated Party	(a) a holding company, subsidiary or related company of an AIFC-Incorporated Insurer, (b) a subsidiary or related company of a holding company of an AIFC-Incorporated Insurer, (c) a holding company of a subsidiary of an AIFC-Incorporated Insurer, or (d) a company that, alone or with associates, is entitled to exercise, or control the exercise of, more than 50% of the voting power in the general meeting of an AIFC-Incorporated Insurer.
Capital Floor	The minimum paid up share capital, or equivalent in any currency acceptable to the AFSA, which must be maintained by an AIFC-Incorporated Insurer pursuant to paragraph 1.1 (The Capital Floor) of PINS Schedule 4(Calculation of Minimum Capital Requirement (MCR)).
Contract of Insurance	any contract of insurance which is a Long-Term Insurance Contract or a General Insurance Contract
Contract of Reinsurance	a Contract of Insurance covering all or part of a risk to which a Person is exposed under a Contract of Insurance
Counterparty Grade	the grade of an asset according to the rating of its counterparty, in accordance with the table at paragraph 3.2 (Table A Grade of assets according to counterparty ratings) of PINS Schedule 5 (Calculation of Prescribed Capital Requirement (PCR))
Eligible Capital	the capital instrument that may be recognised by an AIFC-Incorporated Insurer for the purpose of meeting its MCR and PCR in accordance with PINS Schedule 3 (Calculation of Eligible capital)
Financial Condition Report	the report identified in PINS 9.1.2 (Financial Condition Reports)
General Insurance Business	Insurance Business in relation to General Insurance Contracts

General Insurance Contract	a Contract of Insurance that falls within one of the categories set out in Schedule 1 of PINS.
Insurance Business	the business of conducting either or both of the following regulated activities: (a) effecting Contracts of Insurance; (b) carrying out Contracts of Insurance.
Insurance Liabilities	liabilities of an Insurer arising out of its General Insurance Business and Long-Term Insurance Business.
Insurance Risk Requirement	The capital component identified in 2.3 (Insurance Risk Requirement) of PINS Schedule 5 (Calculation of Prescribed Capital Requirement (PCR)).
Insurer	an Authorised Firm with an authorisation to conduct Insurance Business.
Internal Auditor	The Approved Individual performing the role identified at PINS 2.2.4 (Internal Auditor).
Investment Risk Requirement	the sum of an AIFC-Incorporated Insurer's Asset Risk Component, Off-Balance Sheet Asset Risk Component and Off-Balance Sheet Liability Risk Component
Life Policy	a Long-Term Insurance Contract (other than a Contract of Reinsurance or a Pure Protection Contract) and includes a Long-Term Care Insurance Contract
Long-Term Care Insurance Contract	a Long-Term Insurance Contract: (a) that satisfies the following conditions: (i) it provides (or would at the Policyholder's option provide) benefits for the Policyholder in the event that the Policyholder's mental or physical health deteriorates to the extent that he or she is incapacitated, is unable to live independently without assistance, and is not expected to recover to the extent that he or she could live independently without assistance; (ii) those benefits are payable or provided for services, accommodation or goods that are necessary or desirable for the continuing care of the Policyholder because of that incapacity; (iii) those benefits can be paid periodically for all or part of the period during which the Policyholder is unable to live

	independently without assistance; or (b) that is sold or held out as providing benefits for the Policyholder as set out in paragraph (a).
Long-Term Insurance Business	Insurance Business in relation to Long-Term Insurance Contracts
Long-Term Insurance Contract	a Contract of Insurance that falls within one of the categories set out in Schedule 2 of PINS
Long-Term Insurance Fund	A fund established by an Insurer for the purposes of PINS 7 (Segregation of Long-Term Insurance assets and liabilities)
Long-Term Insurance Risk Component	The capital component identified in paragraph 9.2 (Long-Term Insurance Risk Component) of PINS Schedule 5 (Calculation of Prescribed Capital Requirement (PCR)).
MCR	Minimum Capital Requirement
Non-Investment Insurance Contract	a Contract of Insurance that is a General Insurance Contract or a Pure Protection Contract but is not a Long-Term Care Insurance Contract
Off-Balance Sheet Asset Risk Component	The capital component identified in paragraph 5 (Off-Balance Sheet Asset Risk Component) of PINS Schedule 5 (Calculation of Prescribed Capital Requirement (PCR)).
Off-Balance Sheet Liability Risk Component	The capital component identified in paragraph 6 (Off-Balance Sheet Liability Risk Component) of PINS Schedule 5 (Calculation of Prescribed Capital Requirement (PCR)).
Operational Risk Requirement	The capital component identified in paragraph 2.4 (Operational Risk Requirement) of PINS Schedule 5 (Calculation of Prescribed Capital Requirement (PCR))
Outstanding Claims Risk Component	The capital component identified in paragraph 8 (Outstanding Claims Risk Component) of PINS Schedule 5 (Calculation of Prescribed Capital Requirement (PCR))
Packaged Product	(a) a Life Policy; or (b) a Unit in a Collective Investment Scheme
PCR	Prescribed Capital Requirement
Policyholder	the Person who for the time being is the legal holder of a Contract of Insurance, including any Person to whom, under the Contract of Insurance, a sum is due, a periodic payment is payable or any other benefit is to be provided or to whom

	such a sum, payment or benefit is contingently due, payable or to be provided
Premium Risk Component	The capital component identified in paragraph 7 (Premium Risk Component) of PINS Schedule 5 (Calculation of Prescribed Capital Requirement (PCR))
Product Disclosure Document	for a Packaged Product produced by an Authorised Firm : a statement in writing prepared by the firm for the product in accordance with COB 5.6 (Packaged products—additional disclosure)
Pure Protection Contract	a Long-Term Insurance Contract that meets all of the following conditions: (a) the benefits under the contract are payable only on death or for incapacity due to injury, sickness or infirmity; (b) the contract has no surrender value, or the consideration consists of a single premium and the surrender value does not exceed that premium; (c) the contract makes no provision for its conversion or extension in a way that would result in it ceasing to comply with paragraph (a) or (b); (d) the contract is not a Contract of Reinsurance.
Risk Management Policy	a written policy that complies with the requirements of PINS 3.1.3 (Contents of Risk Management Policy)
Risk Management Strategy	a written strategy document that complies with the requirements of PINS 3.1.2 (Contents of Risk Management Strategy)
Risk Officer	the Approved Individual performing the role identified at PINS 2.2.3 (Risk Officer)
Solvency Reference Date	The date at which an Insurer's compliance with the requirements of PINS 5 (Capital adequacy requirements) is assessed.
Tier 1 Capital	The components of capital identified at paragraph 3 (Components of Tier 1 Capital) of PINS Schedule 3 (Calculation of Eligible capital)
Tier 2 Capital	The components of capital identified at paragraph 4 (Components of Tier 2 Capital) of PINS Schedule 3 (Calculation of Eligible capital)