

International Takaful Summit 2012 - Masterclass

Marketing Non-EU Products in the EU/EEA

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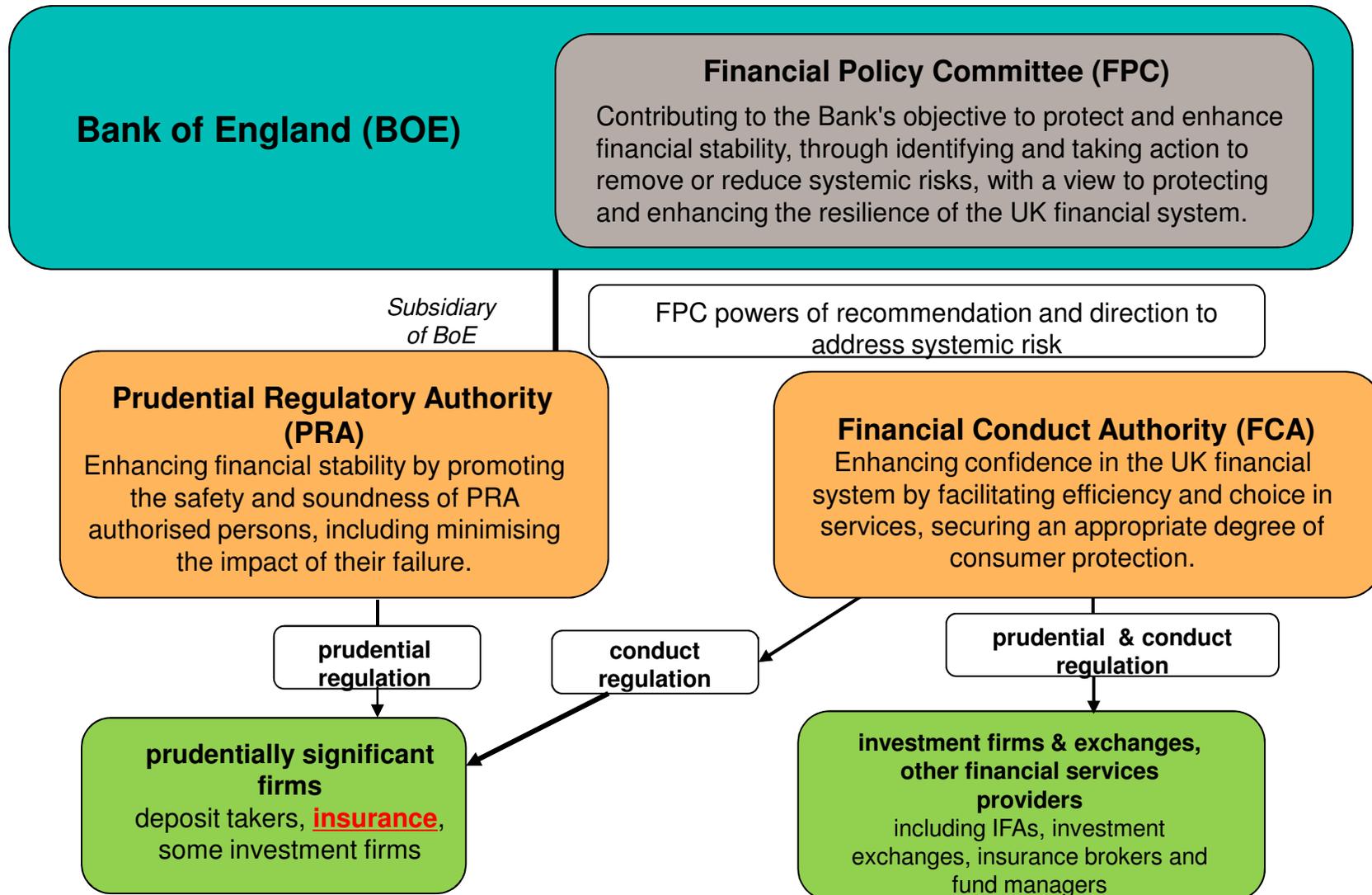
General Issues

- Location of target market
- Direct marketing permissible?
 - Regulatory requirements
- Location of Takaful vehicle
 - Regulatory requirements
 - Tax considerations

Marketing Products in the UK

- Financial Services and Markets Act 2000 (“FSMA”)
- FSA authorisation is required for carrying on a “regulated activity” in the UK
- New regulatory structure – 2013
 - Prudential Regulation Authority (PRA)
 - Financial Conduct Authority (FCA)
 - Introduction of "Twin Peaks" model from 2 April 2012

New UK Regulatory Landscape



Options in the UK (1)

- Direct marketing from “offshore”
 - Takaful vehicle based outside EEA
 - Operating without FSA authorisation
 - Restricted to very limited activities

Options in the UK (2)

- Establish a Takaful operation in the UK
 - A. New company based in the UK
 - B. Extend scope of existing UK FSA authorised operation
 - C. Acquire an existing UK insurer
 - D. Branch of an EEA based company
 - E. Branch of an “offshore” operation

Options in the UK (3)

- Distribution through an FSA authorised intermediary
 - Activities must be those authorised by FSA
 - Principal liable for acts (regulatory conduct) of its agent

Conduct of business regulations in the UK

- The FSA Handbook
 - 11 Principles for Business
 - Conduct of Business sourcebook (COBS)
Selling rules for long term insurance
 - Insurance: Conduct of Business sourcebook (ICOBS)
Selling rules for general insurance

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