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| **NOTIFICATION FORM IF013**  **NOTIFICATION TO OUTSOURCE A MATERIAL BUSINESS ACTIVITY** |

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| **Purpose of this document**  This notification form needs to be completed when notifying the Prudential Authority of the proposed outsourcing of a material business activity, as required by:   * In respect of an insurer, section 7.1 of the Governance and Operational Standards of Insurers Outsourcing (GOI 5); * In respect of an insurance group, section 8.1 of the Governance and Operational Standards for Insurance Groups (GOG); * In respect of a microinsurer, section 9.5 of the Governance and Operational Standards of Microinsurers (GOM); * In respect of Lloyd’s, section 8.5 of the Governance and Operational Standards of Lloyd’s (GOL); and * In respect of a branch of a foreign reinsurer, section 8.5 of the Governance and Operational Standards of Branches (GOB). |

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| **Important information to complete this form**  Before completing this form, read the Fact Sheet Application and Notification Forms (Fact Sheet) that is available on the website of the SARB. The Fact Sheet contains important information on consent and declarations required. Please note: this application could include a prescribed fee, in accordance with [Prudential Standard IAF](http://www.resbank.co.za/PrudentialAuthority/Insurers/Post%20Insurance%20Act/Legislation%20and%20Regulatory%20instruments/Prudential%20Standards/Documents/Prudential%20Standard%20IAF.pdf), 2019 with the process for payment found [here](http://www.resbank.co.za/PrudentialAuthority/Insurers/Post%20Insurance%20Act/Legislation%20and%20Regulatory%20instruments/Prudential%20Standards/Documents/Process%20for%20payment%20of%20fees%20prescribed%20in%20terms%20of%20the%20Insurance%20Act.pdf). |

## Company information and reason for approval

* 1. Does this notification relate to:

**Insurer**

**Controlling company**

**Microinsurer**

**Lloyd’s**

**Branch of a foreign reinsurer**

* 1. Provide the following additional details for this notification:

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| --- | --- |
| **Insurer/Insurance group /Microinsurer/ Lloyd’s/Branch number** |  |
| **Insurer/Insurance group /Microinsurer/ Lloyd’s/Branch name** |  |
| **Effective date related to the notification** | YYYY/MM/DD |

* 1. Provide the reason(s) for this notification

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## Contact and Basic Information

* 1. Contact details of the person for correspondence related to this form

This must be someone who works for the insurance company and not a professional advisor.

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| --- | --- |
| **Title** |  |
| **First names** |  |
| **Surname** |  |
| **Position** |  |
| **Business address** |  |
| **Contact number** |  |
| **Email address** |  |

* 1. Details of professional advisors

#### Have you used third-party professional advisors to help with this form?

**No** 🡺 Continue to section 2.3

**Yes** 🡺 Complete the remainder of this section

#### Provide the name and contact details of the third-party professional advisor(s) used (i.e. the consultants, auditors, actuaries and/or lawyers used in compiling this form). This information should be included in an attachment accompanying this form, e.g.:

|  |  |
| --- | --- |
| **Name of firm** |  |
| **Title** |  |
| **First names** |  |
| **Surname** |  |
| **Position** |  |
| **Business address** |  |
| **Contact number** |  |
| **Email address** |  |

* 1. Other information

#### Is there any additional information that is not requested elsewhere in this form, that is relevant for the Prudential Authority to assess this form?

**No** 🡺 Continue to section 3

**Yes** 🡺 Complete question 2.3.2

#### Provide a summary or list of the additional information, including the reasons for providing this additional information and attach to this form.

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## Specific Information

* 1. Assessment of the risks associated with the outsourcing arrangement

#### Provide brief description of the proposed outsourcing arrangement.

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#### Provide the following details of the proposed service provider to whom the insurer will outsource.

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| **Name of entity** |  |
| **Company registration or ID number or passport number if not South African citizen** |  |
| **Within insurance group (Y/N)** |  |
| **Function outsourced** |  |
| **Function type** |  |
| **Date of agreement** | YYYY/MM/DD |
| **Termination notification period** |  |
| **Annual outsource fee payable (estimate)** |  |

#### Describe the key risks introduced by the outsourcing arrangement and the risk mitigation strategies that will be put in place to address these risks.

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| **Key Risks** | **Description** | **Risk Mitigation** |
| **Contractual risk** |  |  |
| **Strategic risk** |  |  |
| **Reputation risk** |  |  |
| **Compliance risk** |  |  |
| **Operational risk** |  |  |
| **Exit strategy risk** |  |  |
| **Country risk** |  |  |
| **Access risk** |  |  |
| **Concentration and systemic risk** |  |  |

#### Attach independent verification of compliance with the requirements of section 7.2 in GOI 5 as an attachment (Note that section 7.2 of GOI 5 is included by reference in the Prudential Standards for relating to applies in respect of insurance groups, microinsurers, Lloyd’s and branches of foreign reinsurers).

#### Confirm that the outsourcing arrangement is compliant with the insurer’s outsourcing policy and within the risk appetite set by the board of directors.

**No**

**Yes**

* 1. Outsourcing arrangement

#### Attach the outsourcing arrangement as an attachment.

## Attachment Checklist

* 1. Compulsory attachments

Complete the following table with details of the attachments provided.

| **Attachment Number** | **Question Number** | **Description** | **Number of pages/sheets** | **Attached** |
| --- | --- | --- | --- | --- |
| A1 | 3.1.4 | Independent verification of compliance with the requirements |  |  |
| A2 | 3.2.1 | Outsourcing arrangement |  |  |
| A3 | 5 | Consent and Declarations |  |  |

* 1. Other Attachments

Complete the following table with details of the attachments provided, also indicating the number of pages of each attachment. For example, attachments might be required if there was not sufficient space to include the information in the form itself or if your responses in this form refer to external documents. Add additional rows for each attachment included:

| **Attachment Number** | **Question Number** | **Description** | **Number of pages/sheets** | **Attached** |
| --- | --- | --- | --- | --- |
| e.g. B1 | 2.2 |  | 8 |  |

## Consent and Declarations

To assess the application or notification, the Prudential Authority needs to ensure that the information in the application or notification is accurate and complete, and may be verified and shared with other regulatory authorities. Please see the Fact Sheet on the SARB website for the required consent and declarations that must accompany this form.