|  |
| --- |
| **APPLICATION FORM IF003****APPLICATION FOR APPROVAL TO AFFECT A CAPITAL REDUCTION OTHER THAN THROUGH A NORMAL DIVIDEND PAYMENT**  |

|  |
| --- |
| **Purpose of this document**This application form needs to be completed when applying for approval to affect a capital reduction other than through a normal dividend payment, as required in terms of section 36(6)(a) of the Insurance Act, 2017 (the Act) and:* In respect of an insurer, section 2.5 of the Financial Soundness Standard for Insurers Framework for Financial Soundness of Insurers (FSI 1);
* In respect of an insurance group, section 2.5 of the Financial Soundness Standard for Insurance Groups Framework (FSG 1); and
* In respect of a microinsurer, section 2.4 of the Financial Soundness Standard for Microinsurers Framework for Financial Soundness of Microinsurers (FSM 1).
 |

|  |
| --- |
| **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

|  |  |
| --- | --- |
| **Valuation date of results** | YYYY/MM/DD |

* 1. Describe the reason for seeking this approval

|  |
| --- |
|   |

## Other Information

* 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.

|  |
| --- |
|   |

## Specific Information

* 1. Scope of capital reduction affected

#### Will the capital reduction lead to a change in the shareholding of the insurer?

[ ]  **No** 🡺 Continue to question 3.1.4

[ ]  **Yes** 🡺 Continue to question 3.1.2

#### Briefly describe how the capital reduction will affect the shareholding of the insurer and provide more detail in the accompanied Excel template.

|  |
| --- |
|   |

#### Will the capital reduction result in change in control as contemplated in section 17 of the Act?

[ ]  **No**

[ ]  **Yes** (Note:this requires an application as set out in section 17 of the Act.)

#### Explain in detail the type, amount and method to be applied for this capital reduction.

|  |
| --- |
|   |

#### Is the risk profile of the insurer expected to change materially following the capital reduction?

[ ]  **No** 🡺 Continue to question 3.1.9

[ ]  **Yes** 🡺 Continue to question 3.1.6

#### Provide a summary of changes to the risk profile as a result of the capital reduction.

|  |
| --- |
|   |

#### Will this capital reduction lead to an out-of-cycle ORSA?

[ ]  **No** 🡺 Continue to question 3.1.8

[ ]  **Yes** 🡺 If, yes please submit as part of this application a copy of the relevant sections describing the impact of the capital reduction

#### Please provide reasons why in your opinion the capital reduction does not lead to a need for an out-of-cycle ORSA.

|  |
| --- |
|   |

#### How will the capital reduction be funded?

|  |
| --- |
|   |

#### Was the capital reduction approved by the board of directors?

[ ]  **No** 🡺 Continue to question 3.1.11

[ ]  **Yes** 🡺 Continue to question 3.1.12

#### Please provide reasons why the capital reduction was not approved by the board of directors.

|  |
| --- |
|   |

#### Provide as an attachment copies of the documents submitted to the board of directors for consideration of the capital reduction as well as minutes of the meeting(s) evidencing the board of directors’ approval.

## Results

* 1. Provide the results as required in the Excel template accompanying this form

## 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 | 4.1 | Excel template |   | [ ]  |
| A2 | 6 | 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. Please add additional rows for each attachment included:

| **Attachment Number** | **Question Number** | **Description** | **Number of pages/sheets** | **Attached** |
| --- | --- | --- | --- | --- |
| e.g. B1 | 2.2 | Contact details of professional advisors | 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.