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| **APPLICATION FORM IF061**  **APPLICATION FOR THE CONCLUSION OF A TRANSACTION CONTEMPLATED IN SECTION 45 (LOANS OR OTHER FINANCIAL ASSISTANCE TO DIRECTORS OR TO A RELATED/INTER-RELATED COMPANY/ CORPORATION) OF THE COMPANIES ACT, 2008** |

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| **Purpose of this document**  This application form needs to be completed by an insurer or controlling company in relation to transactions contemplated in section 45 (loans or other ﬁnancial assistance to directors or to a related/inter related company/ corporation) of the Companies Act, 2008 (Companies Act) referred to in section 38(1) of the Insurance Act, 2017 (the Act). |

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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. |

## Company information and reason for approval

* 1. Does this application relate to a/ an:

**Insurer**

**Controlling company**

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

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| **Insurer/Insurance group number** |  |
| **Insurer/Insurance group name** |  |
| **Effective date for which approval is requested** | YYYY/MM/DD |

* 1. Describe the reason(s) for seeking this approval

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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 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 2.2.2

#### 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.:

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| **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. Specifications for the purpose of this application form

#### Select the recipient of the loan or financial assistance in terms of section 45(2) of the Companies Act.

**Director**

**Related Company/Corporation**

**Inter-Related Company/Corporation**

**Member of a Related or Inter-Related Company/Corporation**

**Related Person**

#### Provide the name of the recipient receiving the loan or other financial assistance and describe the relationship with the insurer/controlling company.

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#### What will the impact on policyholders be if the approval is granted?

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#### Provide details of the nature of the agreement (loan or other financial assistance) proposed.

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#### Provide details of the commencement date, term, amount, interest rate and repayment agreements of the loan or other financial assistance.

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#### Explain the actions to be taken if the recipient of the loan or financial assistance does not make payments as per the agreement.

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#### Provide details of any other loans or other financial assistance provided to the recipient

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#### Provide the total amount of all loans or other financial assistance in the current year expressed in terms of the insurer/controlling company net asset value.

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#### Provide detail if the loan or financial assistance complies with section 45(3)[[1]](#footnote-1) of the Companies Act and where contrary, submit a provision in the company’s Memorandum of Incorporation (MOI) to that effect.

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*Attachments*

* *Submit a projected solvency and liquidity test assessment after the loan or financial assistance*
* *Submit the insurer/ controlling company MOI*

#### Where the loan or financial assistance has been issued in terms of the provisions of the MOI, explain how the shareholders have been notified.

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#### Will any assets serve as security for the loan or financial assistance?

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#### Will there be any subordination arrangements in place between the insurer/controlling company and the recipient of such loan or financial assistance?

**No** 🡺 Continue to question 4

**Yes** 🡺 Continue to question 3.1.14.

#### Provide details of the subordination arrangement.

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#### Attach a copy of the written undertaking between the insurer/controlling company and the recipient of the loan or financial assistance.

## 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 | 3.1.11 | Projected solvency and liquidity test assessment |  |  |
| A2 | 3.1.11 | Memorandum of incorporation |  |  |
| A3 | 3.1.14 | Written undertaking |  |  |
| A4 | 5 | Consent and Declarations |  |  |

* 1. Other Attachments

Complete the following table with details of the attachments provided, also indicating the number of pages/sheets 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 | 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.

1. Section 45(3) of the Companies Act requires the board to authorise any financial assistance if the particular provision of financial assistance is pursuant to an employee share scheme that satisfies the requirements of section 97 or is pursuant to a special resolution of the shareholders, adopted within the previous two years, which approved such assistance either for the specific recipient, or generally for a category of potential recipients and the specific recipient falls within that category. An exception will be if the company’s MOI has a provision to the contrary. [↑](#footnote-ref-1)