

## **COUNCIL OF MINISTERS**

**Decree 41/2003**

**of 10 December**

### **Approves the Regulations of Law 3/2003 of 21 January which determines the conditions for the taking up and pursuit of the business of insurance and insurance mediation**

As it is necessary to regulate the matters contained in Law 3/2003 of 21 January, which approved the conditions for the taking up and pursuit of the business of insurance and insurance mediation, the Council of Ministers, in the exercise of the powers vested in it by article 66 (1) of that law, decrees:

#### **Article 1 Object**

The regulations of Law 3/2003 of 21 January, the table of classes of insurance in which the business of insurance and insurance mediation may be pursued, standard templates for insurance intermediary licences and identification cards, provided for in these regulations and attached hereto as an integral part of this decree, are hereby approved.

#### **Article 2 Financial guarantees**

The terms of the financial guarantees provided for in the said law shall be regulated in a specific legal instrument.

#### **Article 3 Fees**

- 1 The fee referred to in article 15 (1) of Law 3/2003 of 21 January shall be set in the following terms:

- a) 1.5% of processed premiums of direct insurance, net of insurance returns and cancellations in the financial year, in respect of non-life classes;
  - b) 0.35% of processed premiums of direct insurance, net of insurance returns and cancellations in the financial year, in respect of life classes;
- 2 The payment of the amounts of the supervision fees shall be made to the treasury offices in the respective fiscal area, by means of the M/B payment form and shall observe the following payment schedule:
- a) By the 15<sup>th</sup> day of the month following the issue of the corresponding receipts for premiums, in the case of entities referred to in article 15 (1) of Law 3/2003 of 21 January;
  - b) By 15 January each year, in the case of entities referred to in article 15 (2) of the same law.
- 3 The triplicate copy of the M/B form, showing payment at the competent treasury office, shall be sent to the General Inspectorate of Insurance [*Inspecção Geral de Seguros*] (IGS), together with a list containing the number of the policy, the number and date of issue of the receipt, the name of the insured person and the amounts of the premiums and respective fees.

#### **Article 4**

##### **Competencies of the Minister of Planning and Finance**

- 1 The Minister of Planning and Finance shall, at the proposal of the IGS:
- a) Approve the chart of accounts applicable to entities licensed to pursue the business of insurance, as well as the respective templates for the balance sheet and profit and loss account;
  - b) Make any alterations deemed necessary to the table of classes of insurance provided for in article 1 of this decree;
- 2 Update the minimum capital amounts of the compulsory professional indemnity cover for liabilities of insurance brokers and insurance agents when there is a devaluation greater than 25%.

**Article 5  
Repeal**

All legislation that is contrary to the provisions of this decree is hereby repealed.

Approved by the Council of Ministers on the 14<sup>th</sup> of October 2003

Let it be published

The Prime Minister

Pascoal Manuel Mocumbi

# **Regulations of the law that establishes the conditions for the taking up and pursuit of the business of insurance and insurance mediation**

## **CHAPTER I BUSINESS OF INSURANCE**

### **SECTION I Authorisation for the incorporation of entities licensed to pursue the business of insurance with head office in the Republic of Mozambique**

#### **Article 1 Authorisation procedure**

- 1 Individuals, corporate persons and commercial companies that intend to incorporate an insurance or reinsurance undertaking shall lodge an application, in duplicate, at IGS, addressed to the Minister of Planning and Finance, together with the following documents:
  - a) An economic and financial feasibility study of the project to incorporate the respective entity, observing the provision of paragraph 3 of this article;
  - b) Indication of the business name and head office, observing the provision of article 11 (1) of Law 3/2003 of 21 January;
  - c) Minutes of the meeting at which the incorporation of the company was discussed;
  - d) Draft of the articles of association, drawn up in accordance with the legal provisions in force, together with a certificate issued by the competent commercial registry less than ninety days before the date of application, confirming that the respective company name is available [*certidão negativa*];
  - e) Personal identification of the founder shareholders, specifying the respective holding of each one and indicating the origin of the funds, and a reasoned explanation of the suitability of the shareholding structure to the stability of the company to be incorporated;

- f) For each shareholder, a list of other companies in which the shareholder has a qualifying holding and the structure of the group;
  - g) Detailed information on the structure of the group that enables verification of the requirement provided for in article 19 (2) (f) of Law 3/2003 of 21 January;
  - h) A Criminal Record Certificate for each of the founder shareholders, when individuals, and of the respective administrators, directors or managers, when corporate persons or commercial companies, issued less than ninety days before the date of application;
  - i) A sworn statement from each of the founder shareholders with qualifying shareholdings, certifying that at no time have they or any of the commercial companies under their control or of which they were administrators, directors or managers, as the case may be, been declared insolvent or bankrupt, and that they have always practised sound and prudent management in these same companies;
  - j) Specification of the material, technical and human resources to be utilised;
  - k) Indication of the general conditions and the respective technical basis of the policies in the classes of insurance that the applicant intends to transact.
- 2 Where the founder shareholders are corporate persons or commercial companies with qualifying holdings, the following information shall be submitted in relation to every such corporate entity:
- a) The minutes of the competent corporate body that discussed participation in the respective entity to be incorporated;
  - b) Articles of association;
  - c) Reports and accounts of the last three financial years;
  - d) Identification of the members of the management bodies, together with biographical details;
  - e) Composition of share capital and a list of shareholders with 10% or more of the said capital;

- f) List of other businesses in which they have a qualifying holding, and the structure of the respective group.
- 3 The feasibility study referred to in paragraph 1 (a) of this article shall include the following information:
- a) The guiding principles to be adopted in respect of inward and outward reinsurance, indicating in particular the respective reinsurance undertakings;
  - b) Estimate of implementation and establishment expenses, namely those relating to the administrative and commercial aspects of the business;
  - c) Forecasts for each of the first three years of activity in respect of the following particulars:
    - 1st- Management expenses, namely general expenses and commissions, specified in respect of each class of insurance;
    - 2nd- Number of employees by nationality, categories or functions, and the respective wage bill;
    - 3rd- Premiums, compensations and technical provisions in respect of direct business and reinsurance;
    - 4th- Position of cash in hand and at the bank;
    - 5th- Solvency margin position, calculated in accordance with the legal dispositions in force;
    - 6th- Financial resources to guarantee liabilities assumed.
- 4 In addition to the information referred to in the preceding paragraphs, IGS may request the applicant to submit complementary information and documents considered necessary to make appropriate appraisal of the application.
- 5 After verifying the required technical and legal conditions for incorporation, IGS shall submit the application, together with its reports and duly coordinated with the Investment Promotion Centre (CPI), to the Minister of Planning and Finance for decision.

- 6 The provisions of this chapter shall be applicable, with the necessary modifications, to mutual insurance associations.

**Article 2**  
**Appointment of a representative**

The applicants shall appoint an individual or corporate person or commercial company with full powers to represent them before the authorities responsible for appraisal of the application, and such person shall be domiciled in Mozambique for purposes of notification and delivery of correspondence.

**Article 3**  
**Integrity**

- 1 The integrity required by article 19 (2) (a) and (b) of Law 3/2003 of 21 January shall mean, among other things, that the person in question has not been:
- a) Convicted of or indicted for the crimes of robbery, theft, breach of trust, issuing cheques without funds, fraud, forgery, embezzlement, bribery, extortion, usury, corruption false declarations or unauthorised receipt of deposits or other repayable funds;
  - b) Declared bankrupt or insolvent, by a final court decision, or tried for responsibility for the bankruptcy of companies controlled by him or of which he had been administrator, director or manager;
  - c) Held responsible for committing infringements of the legal and regulatory norms which govern the activities of the institutions subject to the supervision of IGS, when their seriousness or the repeated failure to comply is considered relevant.
- 2 The provisions of the preceding paragraph shall be applicable, with the necessary adaptations, to the members of the supervisory body and of the board of the general meeting of the entity licensed to pursue the business of insurance.

**Article 4**  
**Sound and prudent management**

- 1 Conditions to guarantee sound and prudent management, in the terms of article 19 (2) (a) of Law 3/2003 of 21 January, shall be deemed to exist when all of the following circumstances are absent, specifically:
  - a) Justified doubts as to the lawfulness of the provenance of the funds used in the acquisition of the holding or of the true identity of the owner of such funds;
  - b) The economic and financial situation of the person in question is inadequate to the amount of the holding he proposes to have;
  - c) The structure and characteristics of the enterprise group into which the licensed entity will be integrated make adequate supervision unviable;
  - d) The person in question refuses to accept the conditions necessary for the reorganisation of the licensed entity in question, previously established by IGS.
- 2 Entities licensed to pursue the business of insurance and insurance mediation shall adopt, in particular, organisational and internal control measures that allow the verification of money laundering transactions, in the terms of the applicable legislation.

**Article 5**  
**Professional experience**

For the purposes of the provision of article 19 (2) (b) of Law 3/2003 of 21 January, a person shall be presumed to have adequate professional experience when such person has previously performed, with competence, functions of responsibility in the financial and technical fields, and the length of time during which such functions were performed shall likewise be relevant.

**Article 6**  
**Decision**

- 1 A decision on the application shall be taken within forty-five days from the date of receipt of the application or, where such is the case, of the additional information,



and shall be communicated in writing to the applicants, in the person of their representative.

- 2 Without prejudice to any other legal proceedings that may be applicable, the application shall be refused when:
  - a) At the end of the time limit for the rectification of omissions and shortcomings set in the respective notification, the application is not supported by the documentation required in the terms of Law 3/2003 of 21 January and these regulations;
  - b) The application and accompanying documentation suffers from inaccuracies or falsification.
- 3 A lack of response within the time limit set in paragraph 1 shall be equivalent to refusal of the application.
- 4 The application shall likewise be refused when guarantees of solvency and adequate sound and prudent management are found to be lacking.

### **Article 7 Premises inspection**

The licensed entities with which these regulations deal shall only commence their business activity after the IGS has inspected their premises and the material and technical resources necessary for their operation.

## **SECTION II Special registration**

### **Article 8 Facts subject to special registration**

- 1 The registration of entities licensed to pursue the business of insurance with their head office in the Republic of Mozambique shall contain the following particulars:
  - a) Business name;
  - b) The order [*despacho*] authorising its incorporation;

- c) Authorised insurance classes or products and corresponding policies;
  - d) Date of incorporation;
  - e) Date of registration in the commercial registry;
  - f) Taxpayer number;
  - g) Share or guarantee capital authorised and paid up;
  - h) Names of shareholders with qualifying holdings and the respective values;
  - i) Address of the head office;
  - j) Agreements between shareholders regarding the exercise of voting rights;
  - k) Names of the members of the board of directors, the supervisory body and of the board of the general meeting, so too of any other representatives with managerial powers;
  - l) Name of the independent auditor;
  - m) Articles of association, by depositing a notarially authenticated copy thereof;
  - n) Alterations made to the particulars referred to in the preceding sub-paragraphs.
- 2 The provisions of the preceding paragraph, with the necessary modifications, shall be applicable to overseas branches of insurance undertakings with head office in the Republic of Mozambique.
- 3 In the case of overseas branches in Mozambique of entities with head office abroad, in addition to the particulars mentioned in paragraph (1) (a), (c), (e), (f), (l) and (n) of this article, the registration shall also contain:
- a) The order [*despacho*] authorising its establishment in the Republic of Mozambique;
  - b) Reserves and accumulated surplus;
  - c) Establishment fund of the overseas branch in the Republic of Mozambique;

- d) Name of its general representative in the Republic of Mozambique
  - e) Address of the overseas branch in Mozambique.
- 4 Branches of the entities referred to in paragraph 1 of this article shall be subject to special registration in respect of the following particulars:
- a) Address of the establishment;
  - b) Name of the person responsible for the establishment;
  - c) Date of commencement of activity;
  - d) Alterations made to the particulars referred to in the preceding sub-paragraphs.

#### **Article 9 Additional particulars**

For the purposes of special registration, the IGS may request particulars of information in addition to those provided for in the preceding articles.

#### **Article 10 Time limit for registration**

- 1 The time limit for the registration of the facts provided for in this section shall be thirty days, counting from the date on which they occur or become known.
- 2 Annotation of alternations not subject to authorisation shall be requested within thirty days from the date on which such alterations occur.

### **SECTION III Qualifying holdings**

#### **Article 11 Acquisition or increase of qualifying holding**

- 1 Any individual person, corporate person or commercial company that intends to have, directly or indirectly, a qualifying holding in an entity licensed to pursue the business of insurance or to increase a qualifying holding already held, such that the percentage of voting rights or capital is equal to or exceeds any of the thresholds of

20%, 33% or 50%, shall request authorisation in advance from the Minister of Planning and Finance, indicating the amount of the shareholding it is proposed to acquire.

- 2 The Minister of Planning and Finance shall approve the acquisition or increase of the qualifying holding, on the advice of the IGS, if it is deemed that adequate conditions exist to guarantee the sound and prudent management of the entity licensed to pursue the business of Insurance.
- 3 The appraisal of the request shall further take account of the following factors:
  - a) The way in which the person normally conducts his business or the nature of his professional activity, where he does not demonstrate a marked propensity for taking excessive risks;
  - b) Adequacy of the economic and financial situation of the person, verified on the basis of the amount of the holding which plans to hold;
  - c) The structure and the characteristics of the group relationship wherein the entity licensed to pursue the business of insurance will be integrated, when it ensures that supervision is viable;
  - d) The fact that the person has demonstrated his willingness to comply or give assurances that he will comply with any conditions necessary for the economic and financial reorganisation of this insurance undertaking that have been laid down beforehand by the IGS;
  - e) The said qualifying holding represents no threat to healthy competition in the market.
- 4 The authorisation shall be deemed to have been granted tacitly if there is no notification of the decision within fifteen days from the date of the application or, where such is the case, of the additional information required by the IGS.

## **Article 12**

### **Prohibition of voting rights**

- 1 Without prejudice to the sanctions applicable, if any person acquires or increases a qualifying holding without having first obtained the respective authorisation, the

person concerned shall be prohibited from exercising the voting rights thereby acquired.

- 2 Where the IGS has knowledge of any of the facts mentioned in the preceding paragraph, it shall inform the management body of the insurance undertaking of such facts and the attached prohibition.
- 3 The said management body shall communicate the facts referred to in the preceding paragraph and the corresponding prohibition to the general meeting.
- 4 Any resolution in which the shareholder has exercised voting rights from which he is prohibited, under the terms of the preceding paragraph 1, shall be voidable, except if it is shown that the resolution would have been passed even without the said votes.
- 5 If, in spite of the provision of paragraph 3, the shareholder exercises voting rights from which he is prohibited, the minutes of the meeting shall record how he voted.
- 6 The decision to annul a resolution may be taken by the shareholders, by the supervisory body, according to the general rules, or by the IGS.
- 7 While proceedings are pending for the annulment of a resolution in respect of the election of the management or supervisory bodies, the exercise of voting rights covered by the prohibition, which was decisive in passing the resolutions, shall constitute grounds for refusal of the registration laid down in article 8 (1) (n) of these regulations.

### **Article 13 Cessation of prohibition**

In case of non-compliance with the provision of Article 12 (1), the prohibition of the voting rights shall cease if the interested party subsequently requests authorisation and there is no opposition.

### **Article 14 Reduction of qualifying holding**

Any individual or corporate person or commercial company that no longer intends to have a qualifying holding or intends to reduce it such that the percentage of voting rights or capital held falls below the percentages referred to in article 11 (1) herein, shall inform the IGS in advance and notify it of the new amount of the holding.

**Article 15**  
**Duty of communication**

- 1 Insurance and reinsurance undertakings with head office in the Republic of Mozambique shall:
  - a) Notify the IGS of the alterations referred to in articles 11 and 14 herein as soon as they have knowledge of the same.
  - b) Send the IGS, in the month of May of each year, a list of shareholders with qualifying holdings.

**SECTION IV**  
**Management and supervision**

**Article 16**  
**Requirements for officeholders in corporate bodies**

The members of the management and supervisory bodies of public limited companies [*sociedades anónimas*] and of mutual associations shall meet adequate qualification requirements, specifically through professional experience or academic degrees and by being persons of recognised integrity.

**Article 17**  
**Notification of the composition of corporate bodies**

- 1 The registration of the members of the management and supervisory bodies shall be requested at the IGS, within fifteen days of their appointment, by means of an application from the company or from the interested parties, together with evidence that the legal requirements have been met.
- 2 The company or the interested parties may request provisional registration before the appointment, and the conversion of the registration into definitive registration shall be requested within thirty days from the appointment, under penalty of expiry.
- 3 In the event of reappointment, this shall be annotated in the registration, at the request of the company or of the interested parties.

- 4 The refusal of registration on grounds of the absence of some legal requisites shall be communicated to the interested parties and to the company, which shall take appropriate measures to ensure that the former cease their functions immediately.
- 5 The refusal of registration shall affect only those persons who are not recognised as having the necessary qualities, unless such circumstance relates to a majority of the members of the body in question, or if the legal requirements or those of the articles of association for the normal functioning of the body otherwise cease to be fulfilled, in which case the IGS shall set a time limit for the rectification of the situation.
- 6 If the situation is not rectified within the time limit set, the authorisation may be revoked, in the terms of article 33 (2) (g) of Law 3/2003 of 21 January.
- 7 The IGS shall, within fifteen days, analyse the documents received in compliance with the provisions of the preceding paragraphs and inform the Minister of Planning and Finance of the irregularities detected, when such is the case, and propose revocation of the authorisation.
- 8 Without prejudice to the outcome of other applicable legal provisions, the absence of registration, in itself, shall not invalidate the acts of the person in question, in the performance of his functions.
- 9 The provisions of this article shall be applicable, with the necessary modifications, to general representatives, taking account of the respective requirements laid down in these regulations.

## **SECTION V**

### **Authorisation for the establishment of overseas branches in Mozambique**

#### **Article 18**

##### **Authorisation procedure**

- 1 The provisions of article 1 of these regulations, with the necessary modifications, and the special provisions in the following paragraphs, shall be applicable to applications for authorisation for the establishment of overseas branches in Mozambique of insurance undertakings with head office abroad.
- 2 The applications to be lodged at IGS shall be accompanied by the documents referred to in article 1 (1) (a) and (k) of these regulations, and also by the following:

- a) Authorisation of the general meeting of partners or shareholders or of the legal representatives of the insurance undertaking, where these have sufficient powers, to establish itself in Mozambican territory;
  - b) Memorandum explaining the international business of the applicant;
  - c) Articles of association and reports and accounts for the previous three financial years;
  - d) Names of the members of the management bodies, along with biographical notes;
  - e) Certificate issued by the competent authority of the country or territory where the head office is located attesting that the insurance undertaking is legally incorporated and operates according to the legal provisions in force, and further that it is authorised to deal in the class or classes of insurance that it intends to transact in the Republic of Mozambique;
  - f) Name of the general representative, with powers in accordance with the provisions of article 19 (1) of these regulations;
  - g) Any other documents deemed by the IGS to be necessary to support the authorisation procedure in question.
- 3 The application for authorisation shall further be supported by a business plan comprising the items referred to in article 1 (3) of these regulations.
- 4 The documents mentioned in the preceding sub-paragraphs shall be presented in the Portuguese language.

### **Article 19**

#### **General representative**

1. The management of the overseas branch in Mozambique shall be entrusted to a general representative [*mandatário*] whose moral and professional integrity is accepted by IGS, and who shall have the powers necessary to resolve definitively, in representation and on behalf of the insurance undertaking, with any public or private entity, all matters relating to the pursuit of the business of insurance, namely the conclusion of insurance and reinsurance contracts, and employment contracts, and assuming all commitments arising therefrom.



2. The general representative shall reside permanently in the Republic of Mozambique.
3. In the event the insurance undertaking revokes the mandate of the general representative, it shall simultaneously appoint a new general representative.
4. The provisions of articles 3 and 5 of these regulations, with the necessary modifications, shall be applicable for the purposes of the provision of paragraph 1 of this article.

## **SECTION VI Book-keeping**

### **Article 20 Depreciation and amortisation**

1. Establishment and preliminary expenses and other intangible fixed asset investments shall be totally written off over the three financial years following the year in which the expenses are incurred, and they shall not exceed 10% of the share capital.
2. Immovable property and other tangible fixed asset investments shall be depreciated in accordance with the criteria established under the specific corresponding regulations.

### **Article 21 Time limits for submission of accounts**

Entities licensed to pursue the business of insurance shall submit the report, balance sheet and accounts, audited in the terms of article 26 of these regulations, to the IGS for ratification by 31 May each year, as well as any other statistical data requested by the IGS.

### **Article 22 Records of insurance policies**

Entities licensed to pursue the business of insurance shall keep up-to-date records of their insurance policies, by class, which may be done on magnetic medium proper to computer processing, and which shall contain at least the following particulars:

- a) Policy number;

- b) Name of insured;
- c) Object of insurance;
- d) Sum insured;
- e) Date of commencement of the policy;
- f) Intermediary, when one exists;
- g) All relevant information in respect of associated claims.

### **Article 23**

#### **Rendering documents ineffective**

- 1 Without prejudice to longer periods of time in respect of life assurance, documents may be rendered ineffective on expiry of the periods of time for which documents must be preserved pursuant to article 35 of Law 3/2003 of 21 January, except for documents deemed to be of historical interest in the terms of applicable legislation, which shall be transferred to appropriate archives.
- 2 Documents to be rendered ineffective immediately may be destroyed as soon as knowledge of them is taken, or after completion of the paperwork for issuing a destruction order, signed by the persons involved in this act. The destruction order shall constitute legal evidence of the disposal of property.

### **Article 24**

#### **Preservation by technological means**

- 1 The preservation by technological means and rendering documents ineffective shall be decided by the management body of the licensed entities or by a representative with sufficient powers, provided that the IGS shall be notified in advance of such operations and of the name of the person responsible.
- 2 Microfilm operations shall be carried out with the utmost technical precision so as to guarantee reliable reproduction of the documents concerned.
- 3 The operations mentioned in the preceding paragraph shall be regulated in a ministerial diploma of the Minister of Planning and Finance.

**Article 25**  
**Compulsory publications**

- 1 Entities licensed to pursue the business of insurance with head office in the Republic of Mozambique shall publish, within sixty days from the date of the annual general meeting for the approval of the report and accounts, in one of the largest circulation newspapers published in the country, the following information in respect of the last financial year:
  - a) Balance sheet, operating accounts and profit and loss accounts;
  - b) Activity report;
  - c) Report of the audit committee;
  - d) Report of the independent auditor;
  - e) Names of the officeholders in the corporate bodies.
- 2 The entities referred to in the preceding paragraph that have subsidiaries abroad shall also publish the consolidated reports and accounts of these.
- 3 The overseas branches in Mozambique of entities with head office abroad shall publish, as stipulated in the preceding paragraph 1, the report and accounts and the report of the independent auditor, relating to their activity in the Republic of Mozambique.
- 4 The overseas branches in Mozambique shall also submit to the IGS, within 30 days after publication, a copy of the report and accounts of the respective head office, maintaining another copy at its principal establishment for public consultation.
- 5 The obligation laid down in the preceding paragraphs 1 to 3 shall not prejudice the publication of the same information for which the IGS is responsible within the scope of its powers and duties.
- 6 Entities licensed to pursue the business of insurance shall submit to the IGS, at least fifteen days in advance, copies of all material due for publication in the terms of this article, together with the following details:
  - a) A list of shareholders with qualifying holdings and the respective values;

- b) A list of companies in which they have holdings of greater than 5% of the capital, indicating the corresponding percentage value.
- 7 When any entity licensed to pursue the business of insurance intends to transfer its insurance portfolio, in whole or in part, in the terms of article 30 (1) of these regulations, it shall publish an announcement of its intention to request such transfer in one of the largest circulation newspapers published in Mozambique, fifteen days in advance.

## **SECTION VII**

### **External audit**

#### **Article 26**

#### **Auditing of annual accounts**

- 1 Independent and professionally capable auditors licensed in the Republic of Mozambique shall verify the annual financial statements of entities licensed to pursue the business of insurance.
- 2 The audit referred to in the preceding paragraph shall certify, in good faith and observing applicable norms and internationally accepted practice:
  - a) That the accounts and balance sheet have been properly prepared in accordance with the legal and regulatory provisions governing the insurance sector;
  - b) That the balance sheet reflects a relevant view of the financial state of affairs of the insurance undertaking in question, including with respect to compliance with the legal provisions on required financial guarantees;
  - c) That the account books of the licensed entity in question have been maintained in adequate form and contain proper records of its transactions;
  - d) Whether or not the licensed entity has given the information and explanations requested of it, specifying the cases where there has been refusal to give information and explanations, as well as any falsification of information.

- 3 In addition to the information referred to in article 21, the IGS may request the independent auditor to furnish any other details and information deemed necessary, in respect of the licensed entities audited in the terms of these regulations.

### **Article 27**

#### **Urgent information**

Without prejudice to other obligations to provide information stipulated in this decree or in the general law, the independent auditors shall communicate to the IGS, immediately and in writing, any facts that have been detected in the performance of their functions which are likely to cause serious loss to the entity licensed to pursue the business of insurance or to the insurance sector in the Republic of Mozambique, namely the following:

- a) Involvement of the entity licensed to pursue the business of insurance, the officeholders of its corporate bodies or its employees in any criminal activities or illegal practices;
- b) Irregularities that put the solvency of the entity referred to in sub-paragraph (a) at risk;
- c) Carrying on of unauthorised operations;
- d) Other facts, which, in its opinion, are relevant for the purposes of this article.

### **Article 28**

#### **Extraordinary audit**

- 1. In exceptional and duly justified cases, the IGS may determine that an extraordinary audit be carried out, conducted by the auditor of the entity licensed to pursue the business of insurance, or by another auditor, at the expense of the licensed entity in question.
- 2. Any shareholder shall enjoy the right to request that an extraordinary audit be carried out, in specific and duly justified cases, at the expense of the respective licensed entity, provided that the request meets the approval of a general meeting of shareholders who represent at least 10% of the capital.

## **SECTION VIII**

### **Transformation of entities licensed to pursue the business of insurance**

#### **Article 29 Transformation**

- 1 The transfer of ownership of an the entity licensed to pursue the business of insurance with head office in Mozambique, or its merger or demerger or any other form of company transformation shall require the authorisation of the Minister of Planning and Finance, after hearing the opinion of the IGS, specifically in respect of the viability of such entity continuing to operate in the Republic of Mozambique.
- 2 In the case of an entity with head office abroad, its overseas branch in Mozambique shall inform the IGS, in order for an opinion to be submitted to the Minister of Planning and Finance on the viability of the branch continuing to operate in the Republic of Mozambique.

#### **Article 30 Transfer of insurance portfolio**

- 1 Any transfer, in whole or in part, of insurance portfolios, comprising premiums, claims or both, shall be subject to prior authorisation of the IGS.
- 2 For the authorisation mentioned in the preceding paragraph, the entity licensed to pursue the business of insurance shall show evidence of compliance with the provisions of paragraphs 4 and 5 of this article.
- 3 The authorisation mentioned in the preceding paragraph shall be published in one of the largest circulation newspapers published in Mozambique.
- 4 The transfer of insurance portfolios shall require the consent of the respective policyholders, within fifteen days after notification of the interested parties or an announcement in one of the largest circulation newspapers published in Mozambique.
- 5 Any transfer of a life insurance portfolio shall not be authorised where the transfer is opposed by at least 20% of the persons insured under the contracts in the portfolio to be transferred.

- 6 The provision of paragraph 1 of this article shall not prejudice the right of interested parties to cancel the policy to be transferred.

**Article 31**  
**Transfer of technical provisions**

1. In the event of a merger of entities licensed to pursue the business of insurance, the technical provisions established shall pass on to the new entity in the part necessary to make up its respective provisions.
2. The disposition of the preceding paragraph shall be applicable, with the necessary modifications, to the demerger of the entities referred to therein, as well as to the transfer of insurance portfolios.

**CHAPTER II**  
**INSURANCE MEDIATION**

**SECTION I**  
**General provisions**

**Article 32**  
**Intermediary intervention in insurance contracts**

- 1 There shall be only one intermediary for each insurance contract, specifically for purposes of remuneration.
- 2 The provision of the preceding paragraph notwithstanding, insurance brokers may, in the pursuit of their activity, collaborate with other intermediaries.
- 3 A policyholder may, at any time, nominate, dispense with the services of or change intermediaries, and shall, for this purpose, notify both the intermediary and the respective entity licensed to pursue the business of insurance of his decision, at least thirty days in advance.
- 4 In cases of nomination or change of intermediary in the terms of the preceding paragraph, and within twenty days of the receipt of the notification referred to therein, any entity licensed to pursue the business of insurance that intends to refuse the collaboration of the designated intermediary shall express such refusal to the policyholder by registered letter or by other means recorded in writing, otherwise that intermediary shall be deemed to be accepted.

- 5 In cases provided for in paragraph 3 of this article, the entity licensed to pursue the business of insurance shall also communicate the fact to the intermediary whose services have been dispensed with or substituted.
- 6 The intermediary whose services have been dispensed with or substituted in the terms of paragraph 3 of this article shall have the right to the commissions in respect of premiums due up to the date of the dispensation or change.
- 7 An intermediary may cease to pursue its activity in respect of any contract in its portfolio, provided that it gives written notice of this fact to both the policyholder and the insurance undertaking, at least sixty days before the date of the anniversary or renewal of the contract.
- 8 For the purposes of these regulations, the portfolio of an insurance intermediary means all the contracts in respect of which the insurance intermediary guarantees a link with the entity licensed to pursue the business of insurance and provides assistance.

### **Article 33**

#### **Intermediaries with powers of representation**

A broker or agent shall only conclude insurance contracts in the name and on behalf of an entity licensed to pursue the business of insurance when the insurance undertaking has conferred such powers in writing.

### **Article 34**

#### **Collection of premiums and entry in accounts**

- 1 The intermediaries referred to in the preceding article may collect premiums, provided that they have been authorised to do so, in writing, by the respective entity licensed to pursue the business of insurance.
- 2 Without prejudice to instructions issued by the IGS in respect of entering mediation commissions into accounts, any intermediary that collects premiums in the terms provided for in the preceding paragraph shall keep, separately from its own accounts, one or more accounts for persons insured, opened specifically with one or more credit institutions authorised to operate in the country, for the deposit of the said premiums, and the accounts shall be operated solely and exclusively for the purposes of the corresponding payments to the respective entity licensed to pursue



the business of insurance and to customers, as the case may be, within the established time limits.

- 3 For the purpose of the collection of premiums by an authorised intermediary, the respective entity licensed to pursue the business of insurance shall furnish the intermediary with the corresponding receipts, at least ten days in advance of the date of the notice of collection, so that they may be checked and delivered to the policyholder, against the payments due.
- 4 The notice referred to in the preceding paragraph shall stipulate the consequences of failure to pay the premium, specifically the date on which the contract lapses automatically, in the terms of paragraph 7 of this article.
- 5 Intermediaries covered by the provisions of this article shall render accounts to the entities licensed to pursue the business of insurance within eight days after the collection of a premium or part thereof, calculating the corresponding balance, in compliance with the contractual terms agreed with the licensed entity in question.
- 6 At the end of the legal time limit for collection, the intermediary shall return the receipts in respect of premiums not collected that had been entrusted to it, to the entity licensed to pursue the business of insurance, within the time limit referred to in the preceding paragraph, under pain of refusal by the said entity to accept the return of such receipts and the intermediary in question being held liable for the value of the respective premiums.
- 7 At the end of the time limit of thirty days after the notice of collection of premiums, the insurance contract shall be deemed to be null and void.

### **Article 35**

#### **Professional indemnity insurance**

- 1 A broker or agent who has met the prescribed legal requirements shall, within ninety days after receiving notification of his authorisation, present to the IGS copies of the professional indemnity insurance policy referred to in article 49 (2) of Law 3/2003 of 21 January, as a prerequisite for registration and subsequent issuing of a licence for the pursuit of the activity or identification card of an individual agent, as the case may be.
- 2 The limit per claim and per annuity, in the first year, shall be equivalent to ten per cent of the average projected premiums for the first three financial years, and, in

subsequent years, shall be ten per cent of the total premiums in the preceding financial year, less the corresponding commissions due, but shall in no event be less than the following minimum amounts:

- a) Three hundred million Meticaïs, in the case of an insurance broker;
  - b) Ninety million Meticaïs in the case of an insurance agent.
- 3 Any excesses applicable in the context of the aforementioned insurance shall not be enforceable against injured third parties.
  - 4 The insurance contracts referred to in paragraph 1 of this article shall not be annulled or caused to lapse without prior authorisation from the IGS, and for this purpose, the IGS shall be notified of such intention at least fifteen days in advance, during which time, the IGS shall take the necessary steps to verify the protection of the legitimate interests of insured persons and of the respective entities licensed to pursue the business of insurance.
  - 5 When at least three entities licensed to pursue the business of insurance refuse to accept the insurance, the insurance proposer may appeal to the IGS for it to define special conditions for the acceptance and fulfilment of the insurance by several entities licensed to pursue the business of insurance, as co-insurers.
  - 6 In the case provided for in the preceding paragraph, the entities licensed to pursue the business of insurance indicated by the IGS shall be obliged to accept the said insurance, under the conditions laid down by the supervisory authority, under pain of their suspension from operating in the civil liability class for a period of from six months to three years.
  - 7 There shall be no intervention by intermediaries in the contracts concluded in accordance with the conditions laid down in this article, nor shall such contracts confer rights to any type of commission.

### **Article 36**

#### **Registration and issue of intermediary licence and identification card**

- 1 Once the prerequisites for the commencement of activity are complete, specifically the required authorisation and the technical and administrative organisation in the establishment of an insurance broker or an agent in the form of a commercial company, the broker or agent shall notify the IGS of this at least fifteen days prior to

the date of the commencement of its activity, so that IGS can arrange the inspection, registration and issue of the corresponding licence in the five days following receipt of the notification.

- 2 The provision of the preceding paragraph shall likewise apply to individual agents when they intend to conduct this activity on their own account.
- 3 In the interim before the issue of the licence in the terms of this decree, the IGS shall issue a certificate to substitute such licence on a temporary basis, when requested by the interested party, for the purpose of dealing on official matters with the competent authorities.
- 4 In addition to the provision laid down in paragraph 2 of this article, individual agents shall comply with the provision of article 46 (3) of Law 3/2003 of 21 January.
- 5 The IGS shall keep registration books of insurance intermediaries, duly organised by category of intermediary, in which the following particulars shall be entered, in the applicable cases:
  - a) Name and address of the intermediary;
  - b) Authorisation order [*despacho*] in the case of broker or agent;
  - c) Authorised classes of insurance;
  - d) Date of incorporation, in the case of corporate agents or brokers;
  - e) Date of registration at the competent commercial registry, in the case of brokers or corporate agents, or individual agents when they effectively carry out the activity on their own account.
  - f) Date of registration at the IGS;
  - g) Taxpayer number;
  - h) Intermediary number, either individual agent or tied insurance intermediary, according to the order of registration at the IGS;
  - i) Licence number of the broker or agent;

- j) Share capital subscribed and paid up, in the case of a broker or agent in the form of a commercial company;
  - k) Names of partners or shareholders with qualifying holdings, and the respective values, in the case of brokers or agents in the form of a commercial company;
  - l) Name of the person in charge of each establishment where insurance brokerage or agent activity is carried out;
  - m) Date of IGS examination pass, in the case of an individual agent, or of the successful completion of a training course in insurance, organised by the proposing insurance undertaking in the terms of article 46 (4) of Law 3/2003 of 21 January;
  - n) Other relevant particulars, specifically the proposing insurance undertaking or broker, in the case of agents or tied intermediaries, and the terms of the activity, whether exclusive or not, in respect of agents;
  - o) Any alterations made to the particulars referred to in the preceding subparagraphs.
- 6 Where a candidate for admission as an insurance agent is exempted from the examination, in the terms provided for in article 43 herein, this fact and the reasons for it shall be entered in the registration.
- 7 The IGS shall notify immediately entities licensed to pursue the business of insurance and the respective professional association of the registration of a new intermediary in the category of broker.

### **Article 37**

#### **Expiry of authorisation**

On the expiry of authorisation, for any of the circumstances mentioned in article 5 (1) of Law 3/2003 of 21 January, the intermediary in question shall return to the IGS the licence and identification card which he holds, within five days after the date of the fact giving rise to the expiry, under pain of a fine for unauthorised use of the title of insurance intermediary.

**Article 38**  
**Transfer of insurance portfolio**

1. Without prejudice to the right of policyholders to freedom to choose an insurance intermediary, when insurance portfolios are transferred between intermediaries, namely agents and brokers, the portfolios shall be transferred by written contract to an intermediary registered at the IGS, in accordance with the respective legal provisions.
2. Insurance undertakings may likewise acquire insurance portfolios, in whole or in part, from intermediaries, provided that they are party to the contract of transfer, without prejudice to the right of policyholders to freedom of choice of an intermediary for their contracts.
3. Without prejudice to the right of policyholders provided for in paragraph 1 of this article, the portfolios of tied intermediaries are transferable to the insurance undertaking party to the contracts being transferred, observing the provisions of paragraphs 5 and 6 of this article, with the necessary modifications, and the provisions of paragraph 8 relating to payment for customers.
4. The transferor shall notify both the licensed entities and the policyholders of the identity of the new intermediary, at least sixty days in advance of the date of the transfer, and the provisions of article 32 (4) herein shall apply, with the necessary modifications.
5. The licensed entity shall inform the policyholder, in writing, within the time limit laid down in the preceding paragraph, of the cessation of the involvement of the intermediary in the respective insurance contract, and the provisions of article 32 (4) herein shall apply, with the necessary modifications.
6. The transfer of contracts in an insurance portfolio shall only take effect in respect of each one of them on the date of its anniversary, or in the case of renewable contracts, on the date of renewal.
7. When the transfer is *in mortis causa*, the insurance portfolio of the intermediary in question shall be transferred to his heirs or legatees who are registered at the IGS on the date of death, without prejudice to the policyholder's freedom to choose an intermediary.

8. The heirs or legatees referred to in the preceding paragraph may choose to receive, instead of the portfolio, payment for customers from the entity licensed to pursue the business of insurance, corresponding to the commissions on premiums of contracts valid on the date of death, in which case the contracts shall become direct contracts, with the consequent and immediate loss of any rights of the heirs or legatees over such portfolio.
9. When there are no heirs or legatees registered as intermediaries on the date of death, the successors shall have the right to receive from the respective entities licensed to pursue the business of insurance, payment for customers, calculated in the terms of the preceding paragraph.

## **SECTION II**

### **Insurance brokers**

#### **Article 39**

#### **Authorisation procedure**

- 1 The application for authorisation for the incorporation of an insurance broker, in accordance with article 45 (1) and (2) of Law 3/2003 of 21 January, shall be lodged at the IGS, together with the following documents:
  - a) Minutes of the meeting at which the incorporation of the company was discussed, with the designation of who shall represent the remaining proponents before the authorities responsible for appraisal of the application for authorisation;
  - b) Indication of the company name, observing the provision of article 11 (2) of Law 3/2003 of 21 January;
  - c) Draft of the articles of association, drawn up in accordance with the legal provisions in force, together with a certificate issued by the competent commercial registry less than ninety days before the date of application, confirming that the respective company name is available [*certidão negativa*];
  - d) Indication of the class or classes of insurance in which authorisation is sought for the pursuit of insurance brokerage, specifically life or non-life classes or both;

- e) Personal identification of the founder partners or shareholders of the company to be incorporated, specifying the respective share of each one and indicating the origin of the funds and, for each founder that is a corporate person or commercial company, a copy of their articles of association shall also be attached;
- f) Statement of commitment that, upon incorporation, it shall be shown that half of the capital required by law is deposited at a credit institution authorised to operate in the country;
- g) Criminal record certificate in respect of each of the founder partners or shareholders, when individuals, and of the respective directors or managers, when corporate persons or commercial companies, issued less than ninety days before the date of application, which contains no convictions for the crimes of theft, breach of trust, fraud, fraudulent bankruptcy, or any other crime against property to which a major sentence [*pena maior*] attaches, save evidence of discharge or rehabilitation;
- h) A sworn statement from each of the founder partners or shareholders with a qualifying shareholding certifying that they do not suffer any of the incompatibilities or impediments provided for in article 47 of Law 3/2003 of 21 January, and that at no time have they or any of the companies or firms under their control or of which they were administrators, directors or managers, as the case may be, been declared insolvent or bankrupt;
- i) The name of at least one director or manager of the company, who has been registered as an individual agent at the IGS for at least four years or who has proven technical experience in the field of insurance of an equal period, together with the necessary documentary evidence, including the respective curriculum vitae, and a criminal record certificate which contains no convictions for the crimes mentioned in sub-paragraph (g), issued less than ninety days before the date of the application;
- j) An economic feasibility study with forecasts for three years, based on the scope of mediation requested in accordance with sub-paragraph (d) of this article, which also indicates the number of employees, by job, and the respective wage bill, observing the relevant legal provisions on matters of legal terms and conditions of employment.



- 2 At each establishment where mediation is to be carried on, a person who meets the requirements laid down in sub-paragraph (i) of the preceding paragraph shall be appointed to be in charge, with notice given to the IGS.
- 3 In the case of a company incorporated in the context of direct investment, when a founder partner or shareholder takes on the management of the company and he is a non-resident in Mozambique in the terms of article 4 of Law 3/96 of 4 January, then he shall provide evidence, in the form of a valid document issued by the competent licensing authority, that he has been authorised to pursue insurance brokerage for at least four years in his country of residence, and shall attach the balance sheet of the last financial year in respect of insurance brokerage activity, together with any other documents he considers relevant to the appraisal of the application.
- 4 The IGS may request additional information that it deems necessary, giving the applicants a time limit of thirty days from the date of the notification to furnish the said information or to rectify any irregularities or shortcomings in the documentation supporting the application, under pain of lapse and shelving of the application on the expiry of this time limit.
- 5 Without prejudice to the provisions of paragraphs 1 (i) and 2 of this article, the broker may integrate into its technical staff persons who are registered as insurance agents in the terms of these regulations.
- 6 Insurance brokers who, on the date these regulations enter into force, are authorised to operate in the Republic of Mozambique shall have a maximum period of three years to adjust to the provisions laid down in article 45 (3) of Law 3/2003 of 21 January.

#### **Article 40 Decision**

- 1 Once the relevant legal requisites have been verified, the IGS shall where applicable take a decision and notify the interested parties of its decision in writing, observing for this purpose a time limit of thirty days from the date of receipt of the application or, when applicable, of any additional information that may have been requested.
- 2 In the case of applications that fall within the framework of direct investment, and observing any other legal requirements in force on the matter, once the requisites referred to in the preceding paragraph have been verified, the IGS shall submit the



application to the Minister of Planning and Finance for decision, together with its opinion and in coordination with the CPI, and in all other respects, the provision of paragraph 1 of this article shall apply.

- 3 Without prejudice to other legal proceedings that may be applicable, the application shall be refused when:
  - a) At the end of the time limit for the rectification of omissions and shortcomings set by the IGS in its notification, the application is not supported by the documentation laid down in these regulations;
  - b) The accompanying documentation suffers from inaccuracies or falsification.
- 4 Where there is no reply within the time limit set in paragraph 1, the application shall be considered as refused.

#### **Article 41**

##### **Rules of conduct**

- 1 In defence of the interests of customers and of the public in general, a broker shall act in strict compliance with the applicable legal provisions, especially maintaining standards of professional conduct guided by the following principles:
  - a) Utmost good faith and integrity;
  - b) Making every possible effort to satisfy the requests of customers in insurance and other related matters;
  - c) Giving customers clear and objective advice that is in no way misleading.
- 2 In accordance with the aforementioned principles, a broker shall, in particular:
  - a) Provide objective and independent advice;
  - b) Ensure that its activity is conducted under the control and supervision of a person who meets the legally established requirements and is registered at the IGS, and all employees shall likewise observe these rules of conduct;
  - c) Explain the differences, including the costs, between the principal types of insurance that, in the opinion of the broker, meet the needs of the customer;

- d) Use a sufficient number of insurance undertakings so as best to meet the needs of customers seeking insurance, and faithfully give the insurance undertaking factual and technical information that may influence the opinion of the insurance undertaking as to the risks to be assumed;
  - e) Use its expertise objectively in the choice of the entity licensed to pursue the business of insurance, weighing up the best solution among the various alternatives in the interests of its customer, whom it shall likewise notify of the insurance undertaking or undertakings selected, at the commencement of the contract, and of any alteration that occurs;
  - f) Inform the entity licensed to pursue the business of insurance as soon as possible of the effective date of commencement, so that an adjustment may be made to the final premium of the policy, where a provisional premium had been based on an estimated date;
  - g) Provide the customer with information, when requested, on the amount of the commissions paid by the entity licensed to pursue the business of insurance in respect of the policy that it has mediated;
  - h) Not charge the policyholder any administrative or other type of fee in respect of the policy it has mediated;
  - i) Take a correct stance towards customers who wish to terminate any established mediation agreement;
  - j) Respect the confidentiality of any information in respect of customers, save that which is strictly in the interests of negotiation, maintenance or renewal of the insurance contract.
- 3 The association representing insurance brokers may adopt additional rules of conduct for its members and their employees in the pursuit of their activity, based on healthy competition and greatest protection of customers, in order to strengthen ethics and discipline in the market, provided that they are in accordance with the law and notified to the IGS.
- 4 Any duly reasoned complaint by interested parties arising from the unprofessional conduct of any insurance broker may be individually or jointly addressed to the IGS, for the appropriate legal purposes.

**SECTION III  
Agents**

**Article 42  
Qualification Examination**

- 1 For the purposes of the examination provided for in article 36 (5) (m) herein, each interested insurance undertaking or broker shall, after having given basic training in insurance mediation, submit a list of its candidates to the IGS.
- 2 The list referred to in the preceding paragraph, which shall also mention the period in which each candidate has undergone basic training, shall be submitted together with applications from the interested parties themselves for authorisation for the pursuit of insurance mediation activity, addressed to the IGS. These applications shall contain the following particulars:
  - a) Nationality and age of the candidate;
  - b) Address and, where such is the case, the address of the commercial establishment from which mediation activity will be conducted;
  - c) Educational qualifications of 12<sup>th</sup> grade or equivalent;
  - d) Indication of the class or classes in which the candidate intends to work;
  - e) Indication of whether the candidate intends to pursue the activity on his own account or as agent of a corporate person;
  - f) Declaration that the candidate is not covered by any of the incompatibilities provided for in article 47 (1) and (3) of Law 3/2003 of 21 January.
- 3 The basic training referred to in paragraph 1 of this article shall respect the programmes prepared and distributed by the IGS.
- 4 The examinations, covering different subjects, according to the scope of activity intended, shall be held by the IGS on a date and at a place indicated by it, within ninety days after the submission of the list of candidates heretofore mentioned.
- 5 In the event of justified absence from the examination, a new date shall be set, absence on which shall result in lapse of the initial proposal, and the candidate shall

be proposed for a new examination only after one year has elapsed from the second date set for the same examination.

- 6 The IGS shall mark the examinations and shall notify the proposing entity of the results within fifteen days after the examination is held.
- 7 A failed candidate who disagrees fundamentally with his mark shall have thirty days from the date of notification to contact the proposing entity, and together with such entity, within the time limit set, request the IGS for a review of the examinations, which shall be done in the presence of a qualified representative of the proposing entity.
- 8 A failed candidate may be proposed to sit new examinations, in accordance with the availability of the IGS, after a period of ninety days has elapsed, and in the event of a repeat failure, may only be proposed for examination one more time, after the elapse of ninety days.
- 9 All other legal procedures having been observed, each successful candidate shall be registered at the IGS and issued with an individual agent identification card.

### **Article 43 Exceptions**

Any person who shows evidence of having professional technical or commercial experience of insurance of at least four years, specifically any person who is already authorised and has pursued the activity of insurance agent for four years in his country of origin, shall be exempt from examination, provided that the requirements of basic training in insurance and of examination are observed, in the terms of the respective legislation.

### **Article 44 Authorisation procedure**

- 1 The application for authorisation and registration of an individual agent shall be accompanied by valid documentation showing the personal particulars mentioned in article 42 (2) (a), (b) and (c) herein, as well as a criminal record certificate and declarations from the competent administrative and fiscal authorities, respectively on the integrity of the candidate, the manner in which he normally conducts his activity in the area, where such is the case, and compliance with the corresponding fiscal obligations.

- 2 Where the applicant is an sole trader who already pursues another service provision activity, in addition to compliance with the provision of article 42 (2) herein and of paragraph 1 of this article, he shall state the branch of service provision in which he is already licensed, and shall attach the necessary documentation to evidence this, and documentation relating to the corresponding commercial registration.
- 3 The provision of the preceding paragraph shall be applicable, with the necessary modifications, to corporate agents who, at the date of the application, legally pursue other service provision activities, and in such case the applicant shall also attach the number of the agent identification card of the applicant's designated director or agent.
- 4 In the case of a commercial company that is a private limited company [*sociedade por quotas*] or a public limited company [*sociedade anónima*], incorporated specifically for the exclusive pursuit of insurance agent activity, the designated director or manager, registered as an individual agent in the terms of this decree, shall lodge the application for authorisation to pursue the activity, together with:
  - a) Documentation showing the personal particulars mentioned in article 42 (2) (a), (b) and (c) herein of such director or manager;
  - b) Criminal record certificate, issued less than ninety days before the date of the application, which contains no convictions for any of the crimes mentioned in article 39 (1) (g) herein.
  - c) Agent identification card number;
  - d) Articles of association and commercial registry certificate of the company;
  - e) Criminal record certificate in respect of each founder shareholder, issued less than ninety days before the date of the application, which contains no convictions for any of the crimes mentioned in article 39 (1) (g) herein;
  - f) Declaration from each shareholder that he is not covered by any of the incompatibilities provided for in article 47 (1) and (3) of Law 3/2003 of 21 January;
  - g) Indication of the organisational and technical structure that the company will have for the pursuit of the activity.

- 5 The provision of article 39 (5) herein shall be applicable, with the necessary modifications, to corporate agents or to individual agents who pursue mediation on their own account.

#### **Article 45 Decision**

The decision shall be taken respecting in full the provisions of article 40 herein, with the necessary modifications.

### **SECTION IV Tied insurance intermediaries**

#### **Article 46 Registration**

- 1 After successful completion of a training course in insurance given by the respective entity licensed to pursue the business of insurance, such entity shall notify the IGS of the name of each person with whom it intends to conclude a written contract for the provision of services as its tied insurance intermediary, at least eight days in advance of recruitment, for purposes of registration as an intermediary, likewise indicating the class or classes of insurance in which each person is qualified to pursue the activity.
- 2 The training referred to in the preceding paragraph shall respect the programme submitted by the insurance undertaking for approval by the IGS.
- 3 A certified photocopy of the identity card of the proposed intermediary shall accompany the notification referred to in paragraph 1 of this article.
- 4 The IGS shall proceed with the registration and inform such entity licensed to pursue the business of insurance of the registration number allocated to the intermediary in question within two working days after receipt of the abovementioned notification.
- 5 After conclusion of the contract, the entity licensed to pursue the business of insurance shall issue its tied intermediary with an identification card that shall adhere to the numbering allocated by the contracting licensed entity, followed by the IGS registration number.

- 6 The presentation of the identification card of the tied intermediary shall be compulsory whenever required by the competent authorities or by the policyholders.

**Article 47  
Pursuit of activity**

The tied intermediary shall pursue his activity in compliance with the legislation in force and with the specific stipulations set down in the contract with the respective insurance undertaking, and shall always present himself in the performance of his functions as the exclusive representative of such undertaking.

**Article 48  
Cessation of activity**

- 1 When an intermediary ceases to pursue his activity, for any reason, he shall return the identification card that he carries in the terms of article 46 (5) to the respective entity licensed to pursue the business of insurance, under pain of a fine for unauthorised use of the title of insurance intermediary.
- 2 In the case referred to in the preceding paragraph, the entity licensed to pursue the business of insurance shall notify the IGS of the fact within eight days, for purposes of cancellation of the registration.

**CHAPTER III  
SUPERVISION**

**Article 49  
Supervisory authority**

- 1 The IGS, created by decree 42/99 of 20 July, shall have the duty of supervision of entities licensed to pursue the business of insurance and of insurance mediation.
- 2 In the exercise of its supervisory function, the IGS shall have powers to:
  - a) Verify the technical, financial, legal and fiscal compliance of the activity of entities licensed to pursue the business of insurance and insurance mediation;
  - b) Obtain detailed information of the situation in respect of the activities of the licensed entities referred to in the preceding sub-paragraph;

- c) Adopt appropriate measures in respect of entities licensed to pursue the business of insurance, their managers and persons who control them, to ensure compliance with the legal and regulatory provisions applicable to them, and to safeguard transparent, healthy and balanced management of such entities;
  - d) Obtain all necessary information that it requires on contracts subject to mediation;
  - e) Issue technical and additional instructions for proper compliance with the law and other regulatory provisions and, in particular, instructions relating to procedures to be observed by entities licensed to pursue the business of insurance and insurance mediation in respect of the prevention and deterrence of money laundering transactions, in the terms of the applicable legislation;
  - f) Keep properly organised and up-to-date registers of matters subject to registration, in legal and regulatory terms, in books that it shall approve;
  - g) Issue the licences and identification cards provided for herein, that show legal authorisation for the pursuit of the respective activity;
  - h) Carry out other functions and duties provided for in law, in this decree and in other complementary regulations.
- 3 Within the scope of its functions, it shall also be incumbent on the IGS to verify compliance with the prudential rules applicable to the system of social security, and it shall issue technical instructions deemed relevant to this purpose.
- 4 The IGS may directly require third parties to provide information necessary to fulfil its functions, specifically public or private entities that have had dealings with entities that conduct activities subject to IGS supervision in the terms of the law and with entities licensed to pursue the business of insurance and insurance mediation, and it may also request the services of other entities, whether or not they reside in the Republic of Mozambique.
- 5 The powers, duties and competencies of the IGS, in respect of the activities subject to its supervision, shall continue to be operative in cases of expiry or revocation of authorisation, as well as the suspension or cessation of activity, for whatever reason, until all creditors are paid or the respective winding up is declared concluded.



- 6 Within the scope of their respective powers and duties, the IGS and the Bank of Mozambique shall establish mechanisms necessary for consolidated supervision of financial conglomerates in which entities licensed to pursue the business of insurance have holdings.
- 7 Entities licensed to pursue the business of insurance and the management entity of the social security system shall notify the IGS of their integration into a group or the alteration of the structure of the group, as required [by the IGS] for the fulfilment of its powers and duties, in the terms and within the time limits established for this purpose.
- 8 The code of ethical conduct that is approved by the representative associations of the entities referred to in the preceding paragraph, to supplement the legal and regulatory provisions, shall also be sent to the IGS within fifteen days after its approval.

#### **Article 50 Duty of information**

- 1 Entities subject to supervision shall furnish the IGS with such information as it requests for the fulfilment of its powers and duties, in the terms and within the time limits established for this purpose.
- 2 The code of ethical conduct that is approved by the representative associations of the entities referred to in the preceding paragraph, to supplement the legal and regulatory provisions, shall also be sent to the IGS within fifteen days after its publication.

#### **Article 51 Duty of confidentiality**

- 1 IGS officials, managers and employees of entities subject to its supervision, auditors, experts, representatives and any other persons who provide or have provided services on either a permanent or an incidental basis, shall be subject to the duty of confidentiality in respect of facts that have come to their knowledge exclusively in the performance of their functions.
- 2 The provision of the preceding paragraph notwithstanding, the IGS shall exchange information necessary to the supervision of the business of insurance and insurance mediation with other supervisory authorities, on the basis of reciprocity of treatment.

**CHAPTER IV  
FINAL AND TRANSITORY PROVISIONS**

**Article 52  
Marketing of insurance by banks**

- 1 Marketing of insurance by banks shall be done on an exclusive basis, in the terms of an agreement entered into for this purpose with entities licensed to pursue the business of insurance, for each of the classes of life insurance, including capital redemption operations, and non-life insurance.
- 2 For the purposes of the preceding paragraph, the entity licensed to pursue the business of insurance and the corresponding bank shall nominate a person to be responsible for the portfolio who has the necessary technical qualifications in insurance business.
- 3 Persons nominated in the terms and for the purposes of the preceding paragraph, for the performance of functions related to the distribution of insurance products, shall be registered at the IGS as individual agents and shall comply in full with other provisions applicable to them under these regulations, with the necessary modifications.
- 4 Insurance marketed by banks shall be part of the portfolio of direct insurance of the entity licensed to pursue the business of insurance, in the light of the agreement between these institutions.

**Article 53  
Intermediaries already in business**

- 1 Intermediaries who are already in business and duly authorised on the date of publication of these regulations, and who meet the requirements mentioned herein, shall lodge applications with the IGS for the issue of the corresponding individual agent licence and identification card, within ninety days from such date, under pain of suspension of the authorisation.
- 2 The time limit within which the legal minimum share capital of brokers must be fully paid up, for brokers that do not meet this requirement on the date of publication of this decree, shall be twelve months, and the registration and licence attributed in the terms of the preceding paragraph shall be provisional on payment of the remaining

amount of capital required in the terms of article 45 (3) of Law 3/2003 of 21 January, under pain of revocation of the authorisation.

- 3 Intermediaries that do not have the required educational qualifications on the date of entry into force of these regulations shall have a period of three years in which to conform to these requirements.
- 4 The individual agent and tied insurance intermediary identification card shall be valid for five years from the date of issue.

## Table of Insurance Classes

### SECTION I

#### Classes of life insurance

Class	Description	Nature of insurance
1	Life and income	Insurance that guarantees financial benefits to another, in the case of life or in the case of death of the person insured, where it is <b>personal life</b> insurance, or the payment of lump sums on the death or permanent disablement and retirement of workers, where it is <b>group life</b> insurance.
2	Marriage and birth	Insurance that provides a sum on marriage or on the birth of a child, and this insurance must be in force for a period of more than one year.
3	Capital redemption operations	Operations carried out by way of contracts under which, in return for the payment of a single lump sum or periodical instalments, the insurance undertaking agrees to pay the subscriber or the legal holder of the deed which embodies the contract a predetermined capital sum on the expiry of a stipulated number of years, also predetermined. The capital may be determined on the basis of a "reference value" constituted by a single "unit of account" or by the combination of various "units of account".

### SECTION II

#### Classes of general or non-life insurance

Class	Description	Nature of insurance
1	Occupational accidents	Insurance providing fixed pecuniary benefits or benefits in the nature of compensation, or a combination of both, against injury that results in death or reduction in capacity to work or earn, by reason of an occupational accident.

**Regulations of the law that establishes the conditions for the taking up and pursuit of the business of insurance and insurance mediation**

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2	Personal accidents and sickness	Insurance providing fixed pecuniary benefits against injury that results in death or temporary or permanent incapacity, or payment of specific pecuniary benefits against risks of loss attributable to sickness or infirmity.
3	Fire and natural hazards	Insurance against loss or damage to insured objects due to fire, explosion, lightning, storm, floods, cyclones, landslides or other natural hazards.
4	Motor vehicle	Insurance against loss or damage caused by motor vehicles, guaranteeing compensation for loss or injury caused to third parties (motor vehicle – civil liability) or to the vehicle itself.
5	Marine	Insurance against loss or damage to marine, lake or river vessels, their machinery, fittings, furniture and navigation equipment, caused either to the vessels themselves (marine – hull) or to third parties (marine – civil liability).
6	Railway	Insurance against loss or damage caused to or by railway equipment.
7	Aviation	Insurance against loss of or damage to aircraft, their engines, equipment, instruments and fittings (aviation – hull), as well as those arising from the use of aircraft, including injury to passengers, non-travelling third parties, baggage, cargo and other loss or damage to third parties (aviation – civil liability).
8	Goods in transit	Insurance against loss or damage to merchandise, baggage and any other goods in transit, regardless of the form of transport.
9	General civil liability	Insurance against risks of civil liability incurred to third parties not included in the classes referred to in classes 4, 5, 6 and 7 above.
10	Miscellaneous	Includes all insurance not included in the above classes, specifically, engineering (contract work, assembly, breakdown of machinery and equipment and others), credit, bonds, legal expenses and others.

**Republic of Mozambique**  
**Ministry of Planning and Finance**  
**General Inspectorate of Insurance**

Licence No. \_\_\_\_\_/\_\_\_\_\_

Business name \_\_\_\_\_

Head office \_\_\_\_\_

Place and date of deed of incorporation \_\_\_\_\_, \_\_\_\_/\_\_\_\_/\_\_\_\_

Is authorised, pursuant to Law 3/2003 of 21 January, to pursue the business of  
insurance agent in class(es) \_\_\_\_\_

Maputo, on this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

THE INSPECTOR GENERAL OF INSURANCE

\_\_\_\_\_

**Republic of Mozambique**  
**Ministry of Planning and Finance**  
**General Inspectorate of Insurance**

Licence No. \_\_\_\_\_/\_\_\_\_\_

Business name \_\_\_\_\_

Head office \_\_\_\_\_

Place and date of deed of incorporation \_\_\_\_\_, \_\_\_\_/\_\_\_\_/\_\_\_\_

Is authorised, pursuant to Law 3/2003 of 21 January, by order dated \_\_\_\_/\_\_\_\_/\_\_\_\_

of His Excellency \_\_\_\_\_, to pursue the business of

insurance/reinsurance in class(es) \_\_\_\_\_

**Maputo, on this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_**

**THE INSPECTOR GENERAL OF INSURANCE**

\_\_\_\_\_

**Republic of Mozambique**  
**Ministry of Planning and Finance**  
**General Inspectorate of Insurance**

Licence No. \_\_\_\_\_/\_\_\_\_\_

Business name \_\_\_\_\_

Head office \_\_\_\_\_

Place and date of deed of incorporation \_\_\_\_\_, \_\_\_\_/\_\_\_\_/\_\_\_\_

Is authorised, pursuant to Law 3/2003 of 21 January, and by order dated \_\_\_\_/\_\_\_\_/\_\_\_\_,  
of His Excellency \_\_\_\_\_, to pursue the business of  
insurance/reinsurance in class(es) \_\_\_\_\_

**Maputo, on this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_**

**THE INSPECTOR GENERAL OF INSURANCE**

\_\_\_\_\_



**Regulations of the law that establishes the conditions for the taking up and pursuit of the business of insurance and insurance mediation**

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A) Face

	PHOTO
Republic of Mozambique	
Ministry of Planning and Finance	
Inspectorate General of Insurance	
Individual agent identification card No.	
Name _____	
ID No. _____ of ____/____/____	
(Article 1 of Decree 41/2003 of 14 October)	

B) Reverse

Date of registration at IGS ____/____/____	
Place and date of issue _____, ____/____/____	
Date of expiry ____/____/____	
a)	_____
_____	
b)	_____
c)	_____
Signature of holder	
_____	
a)	Issuing authority
b)	Classes authorised
c)	Other annotations

Dimensions: Length 10.4 cm width 7.4 cm

**Regulations of the law that establishes the conditions for the taking up and pursuit of the business of insurance and insurance mediation**

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A) Face

PHOTO
d)
Insurer _____
Tied intermediary identification card No.
Name _____
ID No. _____ of ____/____/____
 (Article 1 of Decree 41/2003 of 14 October)

B) Reverse

Date of registration at IGS ____/____/____
Place and date of issue _____, ____/____/____
Date of expiry ____/____/____
a) _____
_____
b) _____
c) _____
Signature of holder
_____
a) Issuing authority
b) Classes authorised
c) Other annotations
d) Logo of insurer

Dimensions: Length 10.4 cm width 7.4 cm