**Ref. No:** MetLife-UP-2701

|  |  |  |
| --- | --- | --- |
| **Client name:** American Life Insurance Company, Bangladesh Branch (MetLife)  **Accounting period:** 01 January 2021 to 31 December 2021 | | |
|  | |  |
| **Work done by** | **:** Ranti Saha | **Date:** 10-03-2022 |
| **Work reviewed by** | **:** Israt Jahan | **Date:** 22-03-2022 |

**Head Office Expense Process**

**We have summarized the current practice regarding Head Office Expense as per discussion with following process owner of MetLife.**

|  |  |
| --- | --- |
| **Name** | **Designation** |
| Mr. Mohammad Redwanur Rahman, FCA | Financial Controller |

American Life Insurance Company, Bangladesh Branch manages its head office expense by its well-designed process.

Head office expense is paid to MetLife Head Office (HO) USA for different support services provided by HO.

An invoice is raised by HO in a year based on services provided by Head Office based on the provision of Insurance Act.

After receiving invoice MetLife takes permission from Insurance Development and Regulatory Authority (IDRA) for remitting the money to Head Office of MetLife USA.

After getting permission from IDRA, they applied to Bangladesh Bank for permission for remitting money to HO.

After getting permission from Bangladesh Bank, payment is proceeded to Head Office.

**Accounting entry:**

At the end of the year, provision is created for head office expenses. The following manual entry is made in the PeopleSoft by Finance Team and approved by respective authorized person of Finance team:

Head office expenses …………………………………………Dr.

Amounts due to other persons or bodies carrying on insurance business …………….…Cr.

When the permission is obtained from IDRA and Bangladesh Bank for payment and the payment is made, the following entry is made in the PeopleSoft by respective authorized person of Finance team:

Amounts due to other persons or bodies carrying on insurance business ………….…..Dr.

Bank …………………………………………………………………………………..……………………………………. Cr.