

**Regulation No. (73) of 2005**  
**Regulation for the Minimum Capital of Insurance and Reinsurance Company**  
**and the Amendments Thereof\***  
**Issued pursuant to paragraph (A) of Article (108) of**  
**the Insurance Regulatory Act No. (33) Of 1999**

**Article (1):**

This Regulation shall be known as (Regulation for the Minimum Capital of Insurance and Reinsurance Company of 2005) and shall come into force as of the date of its publications in the Official Gazette.

**Article (2):**

- A- The definitions stated in the Insurance Regulatory Act in force, shall be applied wherever mentioned in this Regulation.
- B- The word (Act) wherever mentioned in this Regulation, shall mean the Insurance Regulatory Act in force.

**Article (3):**

The minimum capital of the company existing before the provisions of the Act came into force and licensed pursuant thereto to transact the different classes of general insurance business, jointly or separately, shall be Four Million Dinars.

**Article (4):**

The minimum capital of the company existing before the provisions of the Act came into force and licensed pursuant thereto to transact life assurance business, shall be Four Million Dinars.

**Article (5):\*\***

Subject to the provisions of Article (3) of this Regulation, the minimum capital of the company licensed after the provisions of the Act came into force to transact the different classes of general insurance business, jointly or separately, shall be Twenty Five Million Dinars.

**Article (6):\*\*\***

Subject to the provisions of Article (4) of this Regulation, the minimum capital of the company licensed after the provisions of the Act came into force to transact life assurance business, shall be Twenty Five Million Dinars.

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\* This Regulation was published in the Official Gazette dated 30/11/2005 volume (4732) page (5002) and has been amended according to the Amending Regulation No. (20) of 2008, the Amending Regulation for the Minimum Capital of the Insurance and Reinsurance Company published in the Official Gazette dated 10/3/2008 volume (4891) page (817).

\*\* This Article has been amended according to Article (2) of the Amending Regulation No. (20) of 2008.

\*\*\* This Article has been amended according to Article (3) of the Amending Regulation No. (20) of 2008.

**Article (7):\***

The minimum capital of the reinsurance company shall be One Hundred Million Dinars.

**Article (8):\*\***

It shall not be allowed to license a branch of a foreign insurance company or a branch of a foreign reinsurance company unless, the regulatory capital of the mother foreign insurance company or the mother foreign reinsurance company is not less than the determined capital of the insurance company or the reinsurance company, according to the provisions of this Regulation.

**Article (9):\*\*\***

- A- The minimum capital of the captive company shall be determined according to Instructions to be issued by the Board for this purpose upon a recommendation by the Director General.
- B- For purposes of this Regulation, the captive company shall mean the insurance company operating in the Kingdom and is limited to transact insurance business for entity or entities that possess it.

**Article (10):\*\*\*\***

For the purposes of this Regulation, the capital of the existing and licensed company shall be considered its paid up capital.

**Article (11):\*\*\*\*\***

In implementation of the provisions of Article (96) of the Act:-

- A- Each company licensed before the provisions of the Act came into force to transact general insurance business or life assurance business, shall adjust its status pursuant to the provisions of this Regulation within a period not exceeding the thirty first of December of 2006.
- B- Each company licensed before the provisions of the Act came into force to transact general insurance business and life assurance business, shall adjust its status pursuant to the provisions of this Regulation within a period not exceeding the thirty first of December of 2007.
- G- The Bored upon the recommendation of the Director General, may extend the adjustment period mentioned in Paragraph (B) of this Article, for a period not

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\* This Article has been amended according to Article (4) of the Amending Regulation No. (20) of 2008.

\*\* Article (8) has been added according to Article (5) of the Amending Regulation No. (20) of 2008.

\*\*\* Article (8) of the Original Act has been renumbered to become Article (9) according to Article (7) of the Amending Regulation No. (20) of 2008.

\*\*\*\* Article (10) has been added according to Article (7) of the Amending Regulation No. (20) of 2008.

\*\*\*\*\* This Article has been amended according to Article (6) of the Amending Regulation No. (20) of 2008, Articles (9-11) of the Original Act have been renumbered to become Articles (11-3) respectively, according to Article (7) of the Amending Regulation No. (20) of 2008.

exceeding the thirty of August of 2008, if the company submitted within a period not exceeding the fifteenth of March of 2008 the following:-

- 1- Justified reasons for not adjusting the status of the company during the determined period in Paragraph (B) of this Article.
  - 2- A timeframe plan for adjusting the status of the company accredited by the Board of Directors of the company, this timeframe shall include all the procedures that should be followed by the company to increase its capital.
- D- Should what were mentioned in Paragraph (G) of this Article were not implemented during the determined period, the company shall be obligated within a period not exceeding the thirty of April of 2008 to do the following:-
- 1- Informing the Director General with the decision of its General Assembly to surrender the license to transact general insurance business or life assurance business.
  - 2- Increasing its capital to the minimum capital determined in either Article (3) or Article (4) of this Regulation, before the thirty of June of 2008.

**Article (12):**

The Director General shall issue the Decisions necessary for implementing the provisions of these Instructions.

**Article (13):**

The Regulation for the Minimum Capital of the Insurance Companies No. (66) of 2001, shall be repealed by virtue of this Regulation.