

## **Annex C: Application and Accession to the IAIS Multilateral Memorandum of Understanding on Cooperation and Information Exchange**

### **A. Application to become a Signatory Authority to the MMoU**

1. All insurance industry supervisors who are IAIS members or are represented by an IAIS member<sup>4</sup> are eligible to become a Signatory Authority to the MMoU at any time. Applications should be submitted to the IAIS Secretariat. The applications for accession to the MMoU shall be kept confidential by all parties involved in the application procedure.
2. The application consists of a written request for accession accompanied by a full set of assessment documentation as set out in Part C below and copies of all relevant supporting laws, rules and regulations. It should identify and explain the applicant's legal authority to meet the specific MMoU provisions which are essential to mutual cooperation and the exchange of information in order to seek to ensure that insurance supervision is effective.
3. The Secretariat will ensure that the application has been properly completed and signed, and that the assessment documentation has been attached. The application will be verified by a validation team, with administrative support provided by the Secretariat. Validation teams are established by the Signatories Working Group (SWG). The teams include members who are well-versed in legal processes and procedures and insurance regulatory law. The SWG has discretion to invite other IAIS members that are potential Signatory Authorities to participate in the validation process.
4. The verification of the assessment documentation will be limited to an assessment as to whether the application accurately complies fully with all MMoU provisions. Based on its review the validation team will make specific recommendations on a consensual basis to the SWG concerning the suitability of the applicant to become a Signatory Authority.
5. Prior to making any recommendation to the SWG that an application does not fully comply with all MMoU provisions, the validation team will notify the applicant in writing, identifying the specific MMoU provisions with which the applicant does not comply, or for which the applicant lacks legal powers.
6. Each member of the SWG is entitled to express dissent from a positive recommendation of the applicant's assessment by the validation team. This dissent must be expressed in writing, identifying the MMoU provisions with which the applicant does not comply and the reasons for non-compliance (e.g. lack of legal responsibility). Based on any dissent received, the SWG will ask the validation team to notify the applicant in writing of the specific MMoU provisions with which the applicant is considered not to comply and the reasons for non-compliance. The applicant may then provide further documentation and explanation with regard to the expressed dissent.
7. Where dissent continues to be expressed and the applicant disagrees with the views of the SWG it may write to the Chairman of the Implementation Committee (IC) in order for the Chairman to commence mediation. Where no dissent has been expressed or where expressed dissent has been resolved, the SWG will forward its recommendation to the High Level Committee (HLC).

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<sup>4</sup> Reference is made to Art. 6 No. 2 b) of the IAIS By-Laws

8. The HLC consists of the Chairmen of the IC, the Technical Committee and the Executive Committee. It acts on the recommendation of the SWG and will formally endorse the accession. Exceptions to endorsement are expected to be extremely limited due to the prior steps of validation.

9. Upon the endorsement of the HLC the applicant will be invited to sign the MMoU. Annex A will contain the names of all Signatory Authorities.

10. If the validation team raises with the applicant issues which cannot be resolved immediately, the applicant may ask that the application be put into suspense for up to six months. This period may be extended for further periods of up to six months, at the request of the applicant.

11. If an application is in suspense, and the period expires without a request from the applicant to extend it, the application will be treated as withdrawn.

## **B. Monitoring of the Operation of the MMoU**

12. The IC will regularly review the implementation of the MMoU and monitor the operational processes of the MMoU upon receipt of reports from the SWG according to Art. 10 (1) of the MMoU.

13. The IC will report to the Executive Committee about the integrity of all relevant MMoU processes in place and the overall performance of the involved bodies.

14. In order to ensure the effective monitoring of the operation of the MMoU, Signatory Authorities will update as appropriate their assessment documentation posted on the IAIS members-only website and notify any substantial changes in relevant domestic legislation to the Secretariat. The Secretariat shall inform all Signatory Authorities of such notifications.

15. If the SWG determines that there has been a demonstrable change in the willingness or ability of a Signatory Authority to meet the provisions of the MMoU, it will inform the IC and the HLC that appropriate remedial measures should be undertaken. The SWG will not take steps unless it has first provided appropriate notice to the Signatory Authority and the Signatory Authority has had an opportunity to make representations to the SWG. Upon the written recommendation of the SWG the HLC may take such remedial actions as are appropriate to encourage the Signatory Authority's compliance with provisions of the MMoU, or it may terminate the Signatory Authority's participation in the MMoU as set forth in Art. 9 (7) of the MMoU.

## **C. Assessment Documentation**

16. In order to prove its ability to comply with all provisions under the MMoU, an applicant to become a Signatory Authority should identify and explain the general or specific relevant provisions of its Applicable Law (and provide copies of all relevant supporting laws, rules and regulations) with regard to the following issues:

- a. provisions that enable the applicant to
  - i. sign this MMoU as competent authority within the scope of the MMoU according to Art. 3 of the MMoU;
  - ii. obtain information from Regulated Entities;

- iii. provide information to and share it with foreign insurance industry supervisors;
  - b. provisions with respect to confidentiality and professional secrecy which comply with the MMoU strict confidentiality regime as set out in the MMoU, in particular in Annex B.
  - c. any provisions restricting the use of information provided to a foreign supervisor on the basis of the MMoU.
  - d. provisions relevant to the case-by-case assessment following Art. 6 (3) of the MMoU.
  - e. a signed copy of the Confirmation Statement as set out in Annex B.
  - f. a declaration stating that the submitted documentation is complete.
17. All assessment documentation shall be provided in English and sent to the Secretariat.