



## INSURANCE (SPECIAL PURPOSE VEHICLES) REGULATIONS 2015

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Statutory Document No. 2015/0100

*Insurance Act 2008*

## INSURANCE (SPECIAL PURPOSE VEHICLES) REGULATIONS 2015<sup>1</sup>

*Laid before Tynwald:* 21 April 2015  
*Coming into Operation:* 5 March 2015

The Insurance and Pensions Authority makes the following Regulations under Section 50(1) of the Insurance Act 2008 having carried out the consultation required in section 50(3) of that Act.

### 1 Title

These Regulations are the Insurance (Special Purpose Vehicles) Regulations 2015.

### 2 Commencement

These Regulations come into operation on 5 March 2015.

### 3 Interpretation

In these Regulations —

“**the Act**” means the Insurance Act 2008;

“**activity restrictions**”, in relation to an ISPV, (without prejudice to any other legal or regulatory limitation as may be applicable to the ISPV) means its activity restrictions referred to in Regulation 5(3);

“**the Authority**” means the Isle of Man Financial Services Authority;<sup>2</sup>

“**available assets**”, in relation to the limited recourse arrangements of a participant of an ISPV, are the assets which the ISPV is entitled to use to meet its obligations to the participant after providing for its operational costs and expenses, winding up costs and (if applicable) dispute costs;

“**class 13 business**”, in relation to an ISPV, means insurance business as set out in regulation 5;

“**contingent asset**”, in relation to an ISPV, means a possible asset of the ISPV that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the ISPV;

- “**contract of insurance**”, in relation to an ISPV, means a contract of insurance it has written;
- “**fully funded**”, in relation to an ISPV, means that the obligations of the ISPV to its participants are (individually and therefore collectively) limited to its available assets in accordance with Regulation 12;
- “**funding mechanism**”, in relation to an ISPV, means a financial instrument by which the ISPV obtains assets to fund its obligations under a contract of insurance of the ISPV;
- “**funding provider**”, in relation to an ISPV, means a provider of funds to the ISPV under a funding mechanism;
- “**Guidance Note**”, in relation to a numbered reference, means a guidance note in the Guidance Notes for Insurance Special Purpose Vehicles issued by the Authority;<sup>3</sup>
- “**IC**” has the same meaning as “IC” and “incorporated cell” under section 3 of the Incorporated Cell Companies Act 2010;
- “**ICC**” means an incorporated cell company under the Incorporated Cell Companies Act 2010;
- “**ISPV**” and “**insurance special purpose vehicle**” means an insurer that is authorised to carry on class 13 business;
- “**Insurance Manager**”, in relation to an ISPV, means the insurance manager registered under Part 6 of the Act appointed by the ISPV in accordance with Regulation 8(3);
- “**insured**”, in relation to an ISPV, means a person insured under a contract of insurance of the ISPV;
- “**limited recourse arrangements**”, in relation to a participant of an ISPV, mean the written contractual terms under which the participant has agreed that the ISPV’s obligations to the participant are limited to the ISPV’s available assets as referred to in Regulation 12;
- “**participants**”, in relation to an ISPV, means its insureds and funding providers, or either, as the case may require;
- “**PCC**” means a protected cell company under the Protected Cell Companies Act 2004;
- “**post-authorisation deliverables**” in relation to an ISPV, has the meaning as given in Regulation 6(3)(b); and
- “**protected cell**” has the same meaning as “cell” under section 32 of the Protected Cell Companies Act 2004.

#### 4 Application of these Regulations

These Regulations apply to every ISPV.

## 5 Class 13 business and corresponding activity restrictions

- (1) An ISPV must be authorised by the Authority to carry on only class 13 business and must not carry on any business other than in accordance with these Regulations.<sup>4</sup>
- (2) Class 13 business means insurance business (including assurance and reinsurance) of any kind which complies with paragraph (3) and Regulation 12.
- (3) An ISPV must —
  - (a) only enter into contracts or otherwise assume obligations which are necessary for it to give effect to, or are reasonably incidental to it entering into or performing —
    - (i) contracts of insurance, or forms of contracts of insurance;
    - (ii) funding mechanisms, or forms of funding mechanisms; and
    - (iii) any arrangements, or forms of arrangements, for ring-fencing the assets and liabilities relating to the contracts of insurance or funding mechanisms referred to in sub-paragraphs (i) and (ii) (as may be applicable); and
  - (b) adhere to any specified maximum volumes of business, which have been agreed (or alternatively, in the case of sub-paragraph (b), required) by the Authority in writing pursuant to an application of the ISPV in accordance with Regulation 6(1) or 6(2) (as applicable).<sup>5</sup>
- (4) In paragraph (3), a “form” of a contract of insurance, funding mechanism or arrangement (as the case may be) refers to a form pre-agreed by the Authority for its subsequent use by the ISPV in the form so agreed, and is subject to any business volume limits agreed or required by the Authority as referred to in paragraph (3)(b).<sup>6</sup>

## 6 Application and authorisation process

- (1) Applications pursuant to Regulation 5(1) must be made in the form set out in Part I of Schedule 1 and must be accompanied by the documents and information specified in Parts II and III of Schedule 1. (*Also see Guidance Notes 5 to 10*).
- (2) If an ISPV wishes to change its activity restrictions it must apply to the Authority using the form set out in Part IV of Schedule 1 which must be accompanied by the documents and information referred to in that form, and also by declarations in accordance with Regulation 19(2) (*Also see Guidance Notes 5 to 10*).<sup>7</sup>
- (3) Subject to paragraph (4), the process for authorisations referred to in paragraphs (1) and (2) may include —

- (a) pre-application discussions between the applicant and the Authority (*also see Guidance Note 8*); or<sup>8</sup>
  - (b) authorisation made subject to subsequent delivery to the Authority of any parts of the application which are unavailable or otherwise incomplete at the time of authorisation (“post-authorisation deliverables”) as may be agreed or stipulated in writing by the Authority (*also see Guidance Note 9(a) and 9(b)*).<sup>9</sup>
- (4) For authorisations subject to post-authorisation deliverables, any business to which a deliverable relates must not be commenced, or agreed to be commenced until such time as the Authority has agreed in writing to its commencement. However, this does not prevent an ISPV from carrying out preparatory work in relation to that business (*Also see Guidance Note 9(c)*).<sup>10</sup>
- (5) Post-authorisation deliverables are conditions of authorisation under section 8 or 9 of the Act (as applicable).

## **7 Name must reflect special purpose nature**

The name of an ISPV, and every protected cell of an ISPV that is a PCC, must include the expression “Insurance Special Purpose Vehicle” or “ISPV”.

## **8 Directors, insurance manager, managers, auditor and controllers etc.**

- (1) An ISPV must have at least two directors, one of whom must be resident in the Isle of Man.
- (2) Only a natural person may be a director of an ISPV.
- (3) An ISPV must appoint an Insurance Manager (*also see Guidance Note 11*).
- (4) The Board of Directors and Insurance Manager of an ISPV must be satisfied that they are able to provide the declarations pursuant to applications as referred to in Regulations 6(1) and 6(2), and as required in accordance with Regulation 19(2) (as the case may require) (*also see Guidance Notes 6 and 7*).
- (5) Subject to paragraph (6), the notice required by section 29(1) of the Act in relation to a prospective appointment of a person —
  - (a) who is a natural person must contain the particulars specified in the form set out in Sections 1 and 3 of Part III of Schedule 1; or
  - (b) which is a body corporate must contain the particulars specified in the form set out in Sections 2 and 3 of Part III of Schedule 1.
- (6) The Authority may waive in writing some or all of the requirements set out in Part III of Schedule 1, on a case by case basis, if the person concerned confirms that information currently held by the Isle of Man Financial Services Authority in an existing Part III of Schedule 1 questionnaire (or

equivalent) completed in respect of that person is up to date and correct.  
(Also see Guidance Note 11 in relation to Auditors.)<sup>11</sup>

## 9 Accounting and audit

For the purposes of section 14(2) of the Act, the audited annual accounts of an ISPV must be prepared in accordance with —

- (a) International Financial Reporting Standards;
- (b) Generally Accepted Accounting Principles in the United Kingdom or the United States of America; or
- (c) such other recognised accounting standards as —
  - (i) may be approved by the Authority in writing on a case by case basis; or<sup>12</sup>
  - (ii) provided for in guidance issued by the Authority under section 51(1) of the Act.<sup>13</sup>

## 10 Minimum solvency and liquidity requirement

- (1) For the purposes of section 12 of the Act, the total assets of an ISPV must at all times be equal to, or exceed, its total liabilities.
- (2) In determining whether an ISPV complies with paragraph (1), reference shall be made to the ISPV's total assets and total liabilities which are —
  - (a) recognised and valued in accordance with the ISPV's adopted accounting principles and practices (which must comply with Regulation 9); and
  - (b) included within the ISPV's balance sheet, with the addition to the ISPV's assets of any off-balance sheet contingent assets as at the balance sheet date which have been —
    - (i) agreed between the ISPV and its participants (whose limited recourse arrangements might potentially be affected by a change in the value of the contingent asset) to be used by the ISPV for the purposes of funding its obligations under its contracts of insurance; or
    - (ii) agreed by the Authority in writing pursuant to an application of the ISPV in accordance with Regulation 6(1) or 6(2) (as applicable) in relation to funding the costs of the ISPV other than those arising from the obligations referred to in sub-paragraph (i).<sup>14</sup>
- (3) An ISPV must ensure that its assets have adequate liquidity to ensure that it is able to pay the amounts it is liable for as they fall due.

**11 Permitted (sophisticated) participants**

- (1) Only persons that comply with Part I of Schedule 2 may participate as an insured of an ISPV.
- (2) Only persons that comply with Part II of Schedule 2 may participate as a funding provider of an ISPV.

*(Also see Guidance Notes 3, 4 and 12.)*

**12 Full funding**

- (1) An ISPV must be fully funded at all times by having written contractual arrangements with each of its participants in accordance with paragraph (2).
- (2) An ISPV's contractual arrangements with each of its participants, as referred to in paragraph (1), must —
  - (a) limit the ISPV's obligations to the participant such that the ISPV never has obligations to the participant which exceed the ISPV's available assets; and
  - (b) specify the manner in which the ISPV's obligations will, where necessary, abate, by including terms under which the participant agrees to limited recourse arrangements that give effect to the requirement under sub-paragraph (a).
- (3) An ISPV's limited recourse arrangements referred to in paragraph (2)(b)—
  - (a) must not conflict with one another such that, in the event that an ISPV has insufficient available assets to meet its obligations to one or more of its participants, it is clear in each case —
    - (i) which of the ISPV's limited recourse arrangements will be triggered;
    - (ii) which of the ISPV's participants will be affected by a reduction in the ISPV's obligations to the participant; and
    - (iii) the amount by which, and the order in which, the ISPV's obligations to each such participant will be so reduced; and
  - (b) must not inhibit the operation of the ISPV's contractual arrangements for subordination referred to in Regulation 13(1) (as may be modified by a waiver under Regulation 13(2)).

*(Also see Guidance Note 13.)*

**13 Subordination**

- (1) Subject to paragraph (2), where a funding provider of an ISPV has provided funding in relation to a contract of insurance of the ISPV, the ISPV's corresponding contractual arrangements must ensure in writing



that the obligations of the ISPV to the funding provider are subordinated to the ISPV's obligations to its insureds under the contract of insurance.

- (2) The requirement under paragraph (1) may be waived by the Authority in writing in respect of arrangements providing for a return on investment for amounts invested as funding in the ISPV.<sup>15</sup>
- (3) An ISPV's contractual arrangements for subordination referred to in paragraph (1), as may be modified by a waiver under paragraph (2), must not inhibit the operation of the ISPV's limited recourse arrangements referred to in paragraph 12(2)(b).

#### **14 Operating, exit and dispute costs**

An ISPV must establish and maintain prudent provisions or reserves (or a combination of both) for its operating costs, its winding up costs and (if a dispute arises) potential dispute costs.

#### **15 Right of recourse**

Under the contractual arrangements of an ISPV, the funding providers of the ISPV must not have a right of recourse to the assets of its insureds.

#### **16 Dispute resolution arrangements**

An ISPV's contractual arrangements with its participants must include in writing –

- (a) a binding agreement to submit any disputes or differences relating to, or arising from, such arrangements to determination in a specified forum (*Also see Guidance Note 14*).
- (b) details of how the costs of any disputes or differences relating to, or arising from, such arrangements will be met.

#### **17 Mandatory contract terms must be uninhibited**

- (1) In this Regulation and Regulations 12, 13, 15 and 16 “contractual arrangements” in relation to an ISPV mean any contractual arrangements involving the ISPV, including its contracts of insurance and funding mechanisms (as the case may require).
- (2) An ISPV must have no contractual arrangements which prevent or inhibit the operation of the contractual terms by which it complies with regulation 12, 13(1) (as may be modified by a waiver under Regulation 13(2)), 13(3), 15 or 16.

#### **18 Information to participants and prospective participants**

- (1) An ISPV must provide in a clear and timely manner the information set out in paragraph (3) to each person the ISPV knows to be a prospective

participant of the ISPV, and be able to evidence to the Authority that it has done so.<sup>16</sup>

- (2) Without limiting the generality of the requirement in paragraph (1), an ISPV must provide the information set out in paragraph (3) in every –
- (a) offer for sale by, or on behalf of, the ISPV of any existing or prospective contract of insurance or funding mechanism of the ISPV; or
  - (b) detailed promotional information about any existing or prospective contract of insurance or funding mechanism of the ISPV which (by, or on behalf of, the ISPV) is –
    - (i) made publicly available;
    - (ii) provided on request to any person;
    - (iii) provided to any intermediary that will be involved in the selling or promotion of any existing or prospective contract of insurance or funding mechanism of the ISPV; or
    - (iv) otherwise provided prospectively,

and be able to evidence to the Authority that it has done so.<sup>17</sup>

- (3) The information referred to in paragraphs (1) and (2) is as follows –
- (a) the name of the ISPV;
  - (b) subject to regulation 7 of the Insurance (Transitional Provisions)(Amendment) Regulations 2015, the fact that the ISPV is regulated by the Isle of Man Financial Services Authority;<sup>18</sup>
  - (c) information on the –
    - (i) limited recourse nature of the ISPV;
    - (ii) potential risk to the prospective participant associated with the limited recourse nature of the ISPV;
    - (iii) relevant qualifying criteria to become a participant of the ISPV; and
    - (iv) emphasis placed on prospective participants to seek and obtain the information necessary to make an informed decision as to whether or not to enter into an arrangement with the ISPV.

*(Also see Guidance Note 15(a) and 15(b).)*

- (4) An ISPV must provide to each of its participants and prospective participants such information in relation to the ISPV, and in such form and frequency, as –
- (a) the ISPV has agreed with the participant or prospective participant (as applicable); and

- (b) may be reasonably requested from the ISPV by the participant or prospective participant (as applicable).
- (5) Without limiting paragraph (4)(b), an ISPV must make all relevant, material information relating to the ISPV and its business available on request to its participants or prospective participants. (*Also see Guidance Note 15(c).*)
- (6) Relevant information, as referred to in paragraph (5) is information on —
  - (a) arrangements the participant or prospective participant has, or may prospectively have, with the ISPV (as applicable); and
  - (b) any other business of the ISPV which may affect the participant or prospective participant (as the case may be).

## 19 Regulatory returns

- (1) An ISPV must provide to the Authority such returns, and at such intervals, as may be agreed, or specified, in writing by the Authority.<sup>19</sup>  
(*Also see Guidance Note 16.*)
- (2) The Board of Directors and Insurance Manager of an ISPV must provide the declarations as set out in Schedule 3 to the Authority —
  - (a) each time (and at the same time as) the ISPV provides its audited annual accounts to the Authority; and<sup>20</sup>
  - (b) at the same time as making an application for a change in its activity restrictions as referred to in Regulation 6(2).<sup>21</sup>  
(*Also see Regulation 8(4) and Guidance Notes 6 and 7*)

## 20 Restriction on issue or transfer of ISPV shares

- (1) No ISPV shares or interest in such shares shall be issued, or transferred, to the trustees of a discretionary trust.
- (2) In relation to an ISPV that is a PCC, no protected cell shares of the ISPV or interest in such shares shall be issued, or transferred, to the trustees of a discretionary trust.

## 21 Entity restrictions

An ISPV must not be a partnership formed under the Partnership Act 1909.

## 22 Non-compliance with class 13 requirements

- (1) An ISPV must immediately inform the Authority if, and where, it identifies —
  - (a) that it has not complied with Regulation 5(3), 10(1) or 12 (or any combination of these); or

- (b) a significant foreseeable risk that it may not comply with Regulation 5(3), 10(1) or 12 (or any combination of these) at any time,  
as may be applicable.<sup>22</sup>
- (2) Within 30 days of the Authority being informed of an actual or potential instance of non-compliance under paragraph (1), the ISPV must submit to the Authority a scheme to restore its compliance, or prevent its non-compliance (as applicable) which is acceptable to the Authority.<sup>23</sup>
- (3) If a scheme is not submitted in accordance with paragraph (2), or is not acceptable to the Authority, or is not effected as has been accepted by the Authority —
- (a) the ISPV must immediately inform all of its participants of —
- (i) its notification to the Authority as referred to in paragraph (1),<sup>24</sup>
- (ii) pursuant to paragraph 2, the fact that a scheme has not been submitted as required, or was not acceptable to the Authority, or was not effected as had been accepted by the Authority (as applicable); and<sup>25</sup>
- (iii) the consequences of this as referred to in sub-paragraph (b); and
- (b) the authorisation of the ISPV shall be withdrawn in respect of new business in accordance with section 10(1) of the Act.<sup>26</sup>
- (4) Paragraph (3) does not limit any other action that may be taken by the Authority.<sup>27</sup>

## 23 Offences

An ISPV commits an offence if it fails to comply with Regulation 5(3), 7, 12, 13(1) (as may be modified by a waiver under Regulation 13(2)), 13(3), 15, 16, 17(2), 18(1) to 18(3), 20, 21, 22(1)(a) or 22(3)(a).

## 24 [Revoked]<sup>28</sup>

## 25 Register of authorised insurers

In respect of an ISPV, the register of authorised insurers required to be kept under section 48 of the Act shall contain the following —

- (1) the name of the ISPV;
- (2) the address of the registered office of the ISPV;
- (3) the date of the ISPV's authorisation;
- (4) the fact that the ISPV is authorised for class 13 business;

- (5) the conditions, if any, attaching to the ISPV's authorisation other than conditions which are only post-authorisation deliverables in accordance with Regulation 6(5) or a requirement not to seek discontinuance under Guidance Note 18(b);
- (6) the name of the ISPV's Insurance Manager;
- (7) the name of the ISPV's appointed external Auditor;
- (8) for an ISPV that is a PCC, the name of each protected cell forming part of the ISPV;
- (9) for an ISPV that is a PCC, the date of addition of each cell forming part of the ISPV;
- (10) for an ISPV that is an ICC, the name of each of its ICs; and
- (11) for an ISPV that is an IC, the name of its ICC.

## **26 Exemptions and Modifications**

Schedule 5 applies to an ISPV in respect of exemptions and modifications.

**MADE 5 MARCH 2015**



## SCHEDULE 1

## Regulation 6(1)

**PART I: APPLICATION FOR AUTHORISATION AS AN ISPV<sup>29</sup>**

## APPLICATION AND DECLARATION OF DIRECTORS

To the Authority

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(State the name of the company in respect of which a licence is required (“the ISPV”). If this application is in respect of a protected cell of a PCC: state the name of that cell and its PCC, and in such case the cell and all the matters relating to its PCC which may affect the cell shall be “the ISPV” for the purposes of this declaration.)

We, being duly authorised by, and on behalf of, the Board of Directors of the ISPV –

- (1) hereby apply for the grant of authority for the ISPV to carry on an insurance business under section 8 of the Insurance Act 2008 as an ISPV in accordance with the Insurance (Special Purpose Vehicles) Regulations 2015 (“the Regulations”);
- (2) agree to provide any further information or documents the Authority may require in the course of considering this application;
- (3) declare, having made full enquiry into the matters contained in this application, that to the best of our knowledge and belief –
  - (a) the documents and information given in relation to the Appendix hereto and otherwise in connection with this application are complete and correct; and
  - (b) the arrangements of the ISPV proposed in this application ensure it will, if authorised, comply with the requirements of the Insurance Act 2008 and the Regulations; and
- (4) without limiting any other requirement applicable to the ISPV, acknowledge that the ISPV’s activities are restricted in accordance with Regulation 5(3) of the Regulations and that any change in those activity restrictions requires an application to be made to the Authority, as referred to in Regulation 6(2) of the Regulations.

Signed for and on behalf of the Board of Directors of the ISPV:

---

Signed

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Date

---

Signed

---

Date

Full Name	Full Name
Position	Position

**Declaration of Insurance Manager**

To the Authority

(State the name of the company in respect of which this declaration is being made (“the ISPV”) and specify the application for authorisation in respect of which this declaration is being made (“this application”). If this application is in respect of a protected cell of a PCC: state the name of that cell and its PCC, and in such case the cell and all the matters relating to its PCC which may affect the cell shall be “the ISPV” for the purposes of this declaration.)

We, being duly authorised by, and on behalf of, the Insurance Manager of the ISPV –

- (1) agree to provide any further information or documents the Authority may require in the course of considering this application;
- (2) declare, having made full enquiry into the matters contained in this application, that to the best of our knowledge and belief –
  - (a) the documents and information given in relation to the Appendix to this application and otherwise in connection with this application are complete and correct;
  - (b) the arrangements of the ISPV proposed in this application will ensure it will, if authorised, comply with the requirements of the Insurance Act 2008 and the Insurance (Special Purpose Vehicles) Regulations 2015 (“the Regulations”);
  - (c) the Insurance Manager has the necessary knowledge and experience for its role in respect of the ISPV; and
  - (d) the Insurance Manager has adequate professional indemnity insurance in respect of the services it proposes to provide to the ISPV; and
- (3) without limiting any other requirement applicable to the ISPV, acknowledge that the ISPV’s activities are restricted in accordance with Regulation 5(3) of the Regulations and that any change in the those activity restrictions requires an application to be made to the Authority, as referred to in Regulation 6(2) of the Regulations.

Signed for and on behalf of the Insurance Manager of the ISPV:





_____ Signed	_____ Date	_____ Signed	_____ Date
_____ Full Name	_____ Full Name	_____ Full Name	_____ Full Name
_____ Position	_____ Position	_____ Position	_____ Position

APPENDIX

Requirements for completion:

- (1) Applications must be provided in a tabular format as indicated below and responses to questions must be provided, or referenced, against the numbered questions in the table.
- (2) If an additional sheet or document is intended as part of the response to any question –
  - (a) the sheet or document must accompany the application and be clearly cross referenced in response to the question; and
  - (b) the relevant part or parts of the sheet or document must be clearly and specifically identified.
- (3) If any pre-application discussions are to be considered as part of the application, these must be included as referred to in Regulation 6(3)(a) and Guidance Note 8(b).
- (4) If the Authority is being requested to grant authorisation subject to any post-authorisation deliverables in accordance with Regulation 6(3)(b) and Guidance Note 9, then this must be clearly indicated against each question where such a request is being made. In addition, the application must be accompanied by a separate written request confirming each proposed post-authorisation deliverable and detailing the reason why its post-authorisation delivery is considered to be necessary in the context of the application, together with the anticipated timeframe until its delivery.
- (5) If a question cannot be answered, this must be stated and the reasons given.

<b>1. Name, address etc.</b>		
1.1	Name of the ISPV. [If this application is in respect of a protected cell of a PCC: provide the name of that cell and its PCC.]	
1.2	Date and number of incorporation of the ISPV and identify the legislation under which the ISPV is incorporated. [If this application is in respect of a protected cell of a PCC: provide the information corresponding to that PCC.]	
1.3	The ISPV's – [If this application is in respect of a protected cell of a PCC: provide the information corresponding to that PCC.]	
	(a) registered office address; and	
	(b) business address.	
<b>2. Share capital</b> [If this application is in respect of a protected cell of a PCC: provide the information corresponding to the shares of that cell.]		



2.1	Provide details of the ISPV's authorised share capital, distinguishing between different classes of shares, amounts paid up and any unpaid amounts; and/or provide details of proposals in this regard (as applicable).	
<b>3. Legal and beneficial ownership, and subsidiaries.</b> [If this application is in respect of a protected cell of a PCC: provide the information corresponding to the shares of that cell and any subsidiaries proposed to be held by that cell (as applicable).]		
3.1	State who holds, or is proposed to hold, the –	
	(a) legal interest in the ISPV; and	
	(b) ultimate beneficial interest in the ISPV.	
3.2	Provide details of the complete holding structure of the ISPV and/or its proposed holding structure (as applicable) including the full name, country of incorporation (or equivalent) and percentage ownership involved of its immediate and ultimate holding entities and all intermediate holding entities. For each holding entity, also state its legal form (for example, limited company, partnership, trust, foundation, protected cell of a PCC etc., as applicable).	
3.3	State whether the ISPV has or will have any subsidiary companies.	
3.4	If yes, provide details of each subsidiary, the nature of its relationship and/or intended relationship (as applicable) with the ISPV, as well as a description of the activities and/or intended activities (as applicable) of the subsidiary and rationale for this holding structure.	
<b>4. Financial year end and adopted accounting standards.</b> [If this application is in respect of a protected cell of a PCC: provide the information corresponding to that PCC, as applicable to that cell.]		
4.1	State the date on which the ISPV's financial year will end.	
4.2	State the accounting standards adopted by the ISPV to be used in its audited financial statements.	
<b>5. Directors, insurance manager, managers, auditor and controllers etc.</b> [If this application is in respect of a protected cell of a PCC: provide the information corresponding to that PCC, as applicable to that cell.]		
5.1	State the name and corresponding position of each person the ISPV has appointed, or proposes to appoint, where such appointment is required to be notified to the Authority.	
5.2	State the name of the ISPV's Insurance Manager appointed, or proposed to be appointed, in accordance with Regulation 8(3) and Guidance Note 11.	
5.3	State the name and role with the ISPV of any other person the ISPV employs, or intends to employ.	
5.4	State the particulars of any association which exists and/or is proposed to exist (as applicable) between the Directors, Insurance Manager or Controller of the ISPV	

	and any person who will manage or hold the assets of the ISPV or is proposed to be an insured or funding provider of the ISPV.	
5.5	State the name and address of the person whom the ISPV has appointed, or proposes to appoint, to the following roles –	
	(a) auditor;	
	(b) advocates (as applicable); and	
	(c) bankers.	
<b>6. Participants</b>		
[If this application is in respect of a protected cell of a PCC: provide the information corresponding to that cell.]		
6.1	For the prospective participants of the ISPV –	
	(a) provide the name and, as applicable, the name of the regulatory authority of each prospective insured known at the time of application; and	
	(b) provide the name of each prospective funding provider known at the time of application.	
6.2	Confirm that each of the prospective participants referred to in paragraph 6.1 have been provided with the information as required by Regulation 18(3) and, as applicable, Guidance Note 15(a) or 15(b).	
<b>7. Proposed insurance business</b>		
[Note: where the insurance business of the ISPV in this application is proposed on the basis of either – known funding against which currently unspecified contracts of insurance will be written, or known contracts of insurance for which currently unspecified funding will be established, then the ‘known’ aspects should be included as requested in this application and the ‘unspecified’ aspects should be either proposed as – post authorisation deliverables (see Regulation 6(3)(b), 6(4) and 6(5), and Guidance Note 9); or ‘forms’ (i.e. parameters for pre-agreed business arrangements yet to be finalised (see Regulation 5(3) and 5(4)).] [If this application is in respect of a protected cell of a PCC: provide the information corresponding to that cell.]		
7.1	For the proposed insurance business of the ISPV for which the application is being made, provide –	
	(a) a brief synopsis of the business overall and its rationale;	
	(b) the ISPV’s maximum total aggregate liability to which it may potentially be exposed under all of its proposed contracts of insurance (before the application of any corresponding limited recourse arrangements), specifying the gross amount and, where relevant, net amount after reinsurance or other risk transfer mechanism (specify);	
	(c) the total amount of funding to be provided in respect of the exposure referred to in subparagraph (b), distinguishing between amounts	

	to be paid up and any contingent amounts; and	
	(d) confirmation as to whether or not the proposed business is to include any arrangements for the ring-fencing of any assets or liabilities of the ISPV to prevent unintended cross contagion of risks to participants as referred to in Guidance Note 13.	
7.2	For the purposes of Regulation 5(3) –	
	(a) if one or more specific contracts of insurance are being proposed, identify each contract of insurance;	
	(b) if one or more forms of contract of insurance are being proposed, identify each form of contract of insurance;	
	(c) if one or more specific funding mechanisms are being proposed, identify each individual funding mechanism (and identify the ISPV's contract(s), or form(s) of contract, of insurance in respect of which it will provide funding);	
	(d) if one or more forms of funding mechanism are being proposed, identify each individual form of funding mechanism (and identify the ISPV's contract(s), or form(s) of contract, of insurance in respect of which it will provide funding);	
	(e) if any arrangements are being proposed to ring-fence any of the assets or liabilities of the ISPV, provide details of those arrangements and the contract(s) of insurance and funding mechanism(s) to which they apply; and	
	(f) if any intended maximum volumes of business are being proposed, please specify (as these will be considered in relation to activity restrictions referred to in Regulation 5(3) and 5(4) which may be agreed or required by the Authority).	
7.3	In relation to each proposed contract, or form of contract, of insurance of the ISPV provide –	
	(a) the name of the insured(s) under the contract of insurance (if known at the time of application);	
	(b) the ISPV's maximum total aggregate liability to which it may potentially be exposed under the contract of insurance (before the application of any corresponding limited recourse arrangements), specifying the gross amount and, where relevant, net amount after reinsurance or other risk transfer mechanism (specify);	
	(c) details of how and when, ultimately, the ISPV's obligations under the contract of insurance will fully and permanently terminate;	
	(d) details of the contract of insurance's triggers (the	

	event(s) or condition(s) specified in the contract of insurance which, if they were to occur, would require the ISPV to make one or more payments under the contract of insurance), distinguishing between indemnity triggers and non-indemnity triggers (as referred to in Guidance Note 17);	
	(e) details of any proposed scope for future renewal, extension or for making any other material changes to the contract of insurance which the ISPV wishes to include within its activity restrictions; and	
	(f) details as to which of the ISPV’s funding mechanisms correspond to the contract of insurance and the total amount of funding to be provided in respect of the exposure referred to in sub-paragraph (b), distinguishing between amounts to be paid up and any contingent amounts.	
7.4	In relation to each proposed funding mechanism, or form of funding mechanism of the ISPV, provide –	
	(a) the name of the funding provider(s) under the funding mechanism (if known at the time of application);	
	(b) details of any arrangements proposed to be considered by the Authority for waiver under Regulation 13(2) (or confirmation that no such proposal is being made);	
	(c) details of the intended approach to be adopted by the ISPV in releasing the assets provided to it under the funding mechanism, including the written arrangements which support this approach; and	
	(d) details of any proposed scope for making any material changes to the funding mechanism which the ISPV wishes to include within its activity restrictions.	
<b>8. Required contractual terms relating to the proposed insurance business</b>		
[If this application is in respect of a protected cell of a PCC: provide the information corresponding to that cell.]		
8.1	In relation to the requirement for full funding in accordance with Regulation 12 –	
	(a) confirm that the ISPV’s proposals ensure that it will comply with Regulation 12;	
	(b) provide details of the proposed written arrangements which will give effect to the ISPV’s compliance with Regulation 12;	
	(c) explain how the ISPV’s proposed limited recourse arrangements (in accordance with Regulation 12), for each of its participants will operate effectively without conflicting with the	

	arrangements for any of its other participants; and	
	(d) explain how the ISPV's proposed limited recourse arrangements (in accordance with Regulation 12) and proposed arrangements for subordination (in accordance with Regulation 13) will both operate effectively without conflicting with one another.	
8.2	In relation to the requirement for subordination in accordance with Regulation 13 –	
	(a) confirm that the ISPV's proposals will ensure it will comply with the requirements of Regulation 13(1), or	
	(b) confirm that the ISPV's proposals will ensure it will comply with the requirements of Regulation 13(1), except for the arrangements detailed in response to question 7.4(b), proposed to be considered by the Authority for waiver under Regulation 13(2); and	
	(c) provide details of the written arrangements which will give effect to the ISPV's compliance with Regulation 13.	
8.3	Confirm that the ISPV complies with the requirement prohibiting the inclusion of any right of recourse in accordance with Regulation 15.	
8.4	In relation to the requirements for arrangements for dispute resolution in accordance with Regulation 16 –	
	(a) confirm that the ISPV's proposals will ensure that it will comply with Regulation 16; and	
	(b) provide details of the written arrangements which will give effect to the ISPV's compliance with Regulation 16.	
8.5	Confirm that the ISPV complies with the requirement that mandatory contract terms must be uninhibited in accordance with Regulation 17.	
<b>9. Operating, exit and potential dispute costs relating to the proposed insurance business</b> [If this application is in respect of a protected cell of a PCC: provide the information corresponding to that cell.]		
9.1	In relation to the ISPV's operational, exit and dispute costs, provide –	
	(a) details of the ISPV's expected operational and winding up costs;	
	(b) explain how the costs referred to in subparagraph (a) will be funded at those expected levels, and also if costs were to turn out to be higher than expected; and	
	(c) explain how the ISPV's potential dispute costs will be funded should it ever become involved in a dispute giving rise to significant costs to the ISPV.	

<p><b>10. Contingent assets, and any other assets involving amounts not paid up to the ISPV (except amounts recoverable from reinsurance and other risk transfer mechanisms which are dealt with under question 11), relating to the proposed insurance business</b>                  [The type of each contingent asset, and any other asset involving amounts not paid up to the ISPV, must be specified. For the avoidance of doubt, any unpaid share capital must also be included if relevant to the questions.]                  [If this application is in respect of a protected cell of a PCC: provide the information corresponding to that cell.]</p>		
10.1	Confirm whether or not the ISPV proposes to include any contingent assets, or any other assets involving amounts not paid up to the ISPV (“other unpaid assets”), within its funding arrangements.	
10.2	If yes, then provide –	
	(a) details of which of the ISPV’s proposed –	
	(i) contracts of insurance in respect of which the ISPV’s obligations are intended to be funded, or potentially funded, to any degree by contingent assets or any other unpaid assets; and	
	(ii) funding mechanisms are intended to involve, or potentially involve, contingent assets or any other unpaid assets;	
	(b) details of the amounts involved in each instance; and	
	(c) in relation to the ISPV’s proposed participants in respect of which the ISPV’s available assets may be affected by any inability of the ISPV to realise its contingent assets or other unpaid assets –	
	(i) confirm that all such participants have agreed to the inclusion of all such assets in the ISPV’s funding arrangements; and	
	(ii) provide details of the written arrangements which demonstrate that all such participants of the ISPV have agreed to the inclusion of all such assets in the ISPV’s funding arrangements.	
<p><b>11. Reinsurance (and/or other risk transfer mechanism) relating to the proposed insurance business</b>                  [If this application is in respect of a protected cell of a PCC: provide the information corresponding to that cell.]</p>		
11.1	Confirm whether or not the ISPV proposes to include any reinsurance, or other risk transfer mechanism(s) (“other mechanism(s)”), to mitigate its exposures under its proposed contract(s) of insurance.	
11.2	If yes, then –	
	(a) provide details of which of the ISPV’s contracts of insurance are to be reinsured or mitigated by other mechanism(s);	





	(b)	provide details of the amounts involved in each instance;	
	(c)	specify in each instance the type of reinsurance, or other mechanism, involved (as applicable); and	
	(d)	in relation to the ISPVs proposed participants in respect of which the ISPV's available assets may be affected by any inability of the ISPV to obtain payment under its reinsurance or other mechanism(s) –	
	(i)	confirm that all such participants of the ISPV have agreed to the use of all such reinsurance or other mechanism(s) (as applicable); and	
	(ii)	provide details of the written arrangements which demonstrate that all such participants of the ISPV have agreed to the use of all such reinsurance or other mechanism(s) (as applicable).	
<b>12. Period of authorisation and fixed fees.</b>			
[If this application is in respect of a protected cell of a PCC: provide the information corresponding to that cell.]			
12.1		What is the intended period for which the ISPV will require authorisation? If indefinite, please state.	
12.2		If it is proposed for the Authority to agree to a period in respect of which a fixed regulatory fee will apply to the ISPV under Regulation 24(2), provide details as to how the period is finite and can be determined with reasonable certainty in accordance with Regulation 24(2).	
<b>13. Reporting to participants relating to the proposed insurance business</b>			
[If this application is in respect of a protected cell of a PCC: provide the information corresponding to that cell.]			
13.1		Provide details of the reports the ISPV will provide to its participants, including the frequency of such reporting.	
<b>14. Risk acceptance and claims relating to the proposed insurance business</b>			
[If this application is in respect of a protected cell of a PCC: provide the information corresponding to that cell.]			
14.1		Provide details as to who is, or will be, responsible for the underwriting of the risks proposed to be (re)insured by the ISPV, and the process by which the ISPV ultimately determines whether or not to accept those risks.	
14.2		Describe the arrangements for receiving, validating and paying any claims that may arise under the ISPV's proposed contract(s) of insurance.	
<b>15. Agreements affecting secondary liability arrangements (this question is only applicable if this application is in respect of a PCC or a protected cell of a PCC).</b>			
15.1		In relation to any liabilities that may arise from the insurance business of any protected cell proposed in this	

	application –	
(a)	provide details of any agreement which has an effect as described under section 17(3) of the Protected Cell Companies Act 2004; or	
(b)	confirm that there is no such agreement.	

**PART II: SUPPLEMENTARY DOCUMENTS AND INFORMATION TO ACCOMPANY APPLICATIONS<sup>30</sup>**

- (1) A questionnaire in the form as set out in Part III, completed for every person relating to the ISPV whose appointment is required to be notified to the Authority under section 29(1) of the Act (also see Regulation 8(5)).
- (2) A copy of the Memorandum and Articles of Association of the ISPV (as applicable).
- (3) Confirmation by the prospective auditors of the ISPV that they —
  - (a) have accepted, or are prepared to accept, that appointment;
  - (b) have the necessary knowledge and experience to audit the business of the ISPV proposed in this application; and
  - (c) have adequate professional indemnity insurance in respect of the services they propose to provide to the ISPV.
- (4) A copy of the agreement between the ISPV and its Insurance Manager.
- (5) A copy of any prospectus or similar document proposed to be issued by or on behalf of the ISPV to prospective funding providers in connection with any funding mechanism of the ISPV.
- (6) The last available set of audited financial statements of each of the ISPV's immediate parent company, ultimate parent company and, if different, controlling company (and explain why this is considered to be the controlling company).
- (7) If different to any of the parties identified in paragraph (6) —
  - (a) the last available set of audited financial statements of the principal party involved in sponsoring the establishment of the ISPV; and
  - (b) if different to the party identified in sub-paragraph (a), the last available set of audited financial statements of any party that is proposed to provide financial support to the ISPV in respect of its operating, winding up or any dispute costs.

**PART III: PARTICULARS OF DIRECTORS, INSURANCE  
MANAGER, MANAGERS, AUDITOR AND CONTROLLERS  
ETC.**

Unless relieved from the requirement to do so in accordance with Regulation 8(6), each person required to complete these forms (a “proposed person”) must complete Section 3. A proposed person who is an individual must also complete Section 1 and a proposed person which is a body corporate (or other legal entity) must also complete Section 2. If insufficient space is provided, please attach a separate sheet of paper clearly cross referenced to the question in respect of which it is provided.

SECTION 1 - Information for proposed persons who are individuals

1	Name of the ISPV in connection with which this questionnaire is being completed.	
2	Surname Forenames(s) Any previous name(s) by which you have been known.	
3	Position(s) in relation to the ISPV in respect of which this questionnaire is being completed.	
4	Private address.	
5	Previous private addresses during the last seven years.	
6	Place and date of Birth.	
7	Nationality and any previous nationality(ies).	
8	Present occupation or employment and occupations or employment during the last ten years, including the name of the employer, the nature of the business, the position held and relevant dates.	
9	Names of any bodies corporate and the jurisdictions in which they are domiciled: (a) of which you are now a Director, Controller or Manager; (b) of which you have been a Director, Controller or Manager at any time during the last ten years.	
10	Professional qualifications and years in which they were obtained.	
11	Relevant experience for the position in relation to the ISPV in respect of which this questionnaire is being completed.	
12	Have you at any time been convicted of any offence (other than (a) an offence committed when you were under the age of eighteen years unless the same was committed within the last ten years, or (b) an offence in connection with the use or ownership of a motor vehicle which was tried in a	



	court of summary jurisdiction) by any court, whether civil or military? If so, give full particulars of the court by which you were convicted, the offence and the penalty imposed and the date of conviction.	
13	Have you been censured, disciplined or criticised by any professional body to which you belong or belonged or have you ever held a practising certificate subject to conditions? If so, give full particulars.	
14	Have you, or any body corporate, partnership or unincorporated institution with which you are, or have been associated as a Director, Controller or Manager, been the subject of an investigation by a governmental, professional or other regulatory body? If so, give full particulars.	
15	Have you ever been dismissed from any office or employment or barred from entry to any profession or occupation? If so, give full particulars.	
16	Have you ever been adjudicated bankrupt by a court? If so, give full particulars.	
17	Have you failed to satisfy any debt adjudged due and payable by you as a judgment-debtor under an order of court? If so, give full particulars.	
18	Have you, in connection with the formation or management of any body corporate, partnership or unincorporated institution been adjudged by a court civilly liable for any fraud, misfeasance or other misconduct by you towards such a body or company or towards any members thereof? If so, give full particulars.	
19	Has any body corporate, partnership or unincorporated institution with which you were associated as a Director, Controller or Manager been compulsorily wound up or made any compromise or arrangement with its creditors or ceased trading in circumstances where its creditors did not receive or have not yet received full settlement of their claims, either while you were associated with it or within one year after you ceased to be associated with it? If so, give full particulars.	
20	In carrying out your duties will you be acting on the directions or instructions of any other person? If so, give full particulars.	
21	Provide the names and addresses of two persons who can provide references appropriate to your profession and who have known of your business activities over the last 5 years or more.	

SECTION 2 - Information for proposed persons other than individuals

1	Name of ISPV in connection with which this form is being completed.	
2	Full name of the person in respect of which this form is being completed (and, if applicable, any previous name(s) and dates of change(s)).	
3	Role in relation to the ISPV in respect of which this form is being completed.	
4	Country of domicile (including any previous domicile(s) and dates of change(s)).	
5	Incorporation number and date of incorporation or, if not incorporated, establishment number and date of establishment (as applicable).	
6	Registered office address.	
7	Business address.	
8	Name and address of the individual or individuals of the proposed person with primary responsibility for the relationship between the proposed person and the ISPV.	
9	Is the proposed person subject to regulation or authorisation in any jurisdiction? If so, give full particulars of the relevant authority and nature of the licence or authorisation, including the date issued.	
10	For a person proposed to be the auditor or insurance manager of the ISPV (as the case may be) provide details of the person's relevant experience for that role, which should include past experience of the business type proposed to be carried on by the ISPV.	
11	For a person proposed to be the auditor or insurance manager of the ISPV (as the case may be) provide details of any arrangements for the outsourcing by the proposed person in connection with any services which the proposed person is to provide to the ISPV. This includes outsourcing to members of the same group of companies to which the proposed person belongs, or to any other affiliates of the proposed person.	
12	In relation to the provider of any outsourced services referred to in question 12, provide details of the service provider's relevant experience for that role, which should include past experience of the business type proposed to be carried on by the ISPV.	
13	For persons proposed to be the auditor or	

	insurance manager of the ISPV (as the case may be), provide details of the professional indemnity insurance the proposed person has in place applicable to that role, and explain why this is considered to be appropriate by the proposed person in connection with the services the person will provide to the ISPV.	
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## SECTION 3 - Declaration

I certify that the above information is complete and correct to the best of my knowledge and belief.

Signature:

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Print name:

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Position (if completing on behalf of corporate entity):

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Name of corporate entity (if applicable):

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Regulation 6(2)

**PART IV: APPLICATION FOR CHANGE IN ACTIVITY RESTRICTIONS<sup>31</sup>**

**APPLICATION AND DECLARATION OF DIRECTORS**

To the Authority

(State the name of the ISPV in respect of which a change in activity restrictions is required. If this application is in respect of a protected cell of a PCC: state the name of that cell and its PCC, and in such case the cell and all the matters relating to its PCC which may affect the cell shall be “the ISPV” for the purposes of this declaration.)

We, being duly authorised by, and on behalf of, the Board of Directors of the ISPV —

- (1) hereby confirm that the ISPV is authorised as an ISPV in accordance with the Insurance (Special Purpose Vehicles) Regulations 2015 (the “Regulations”) and apply in accordance with Regulation 6(2) of the Regulations for a change in its activity restrictions;
- (2) agree to provide any further information or documents the Authority may require in the course of considering this application;
- (3) declare, having made full enquiry into the matters contained in this application, that to the best of our knowledge and belief —
  - (a) the documents and information given in relation to the Appendix hereto and otherwise in connection with this application are complete and correct; and
  - (b) the arrangements of the ISPV proposed in this application ensure it will, if approved by the Authority, continue to comply with the requirements of the Insurance Act 2008 and the Regulations; and
- (4) without limiting any other requirement applicable to the ISPV, acknowledge that the ISPV’s activities are restricted in accordance with Regulation 5(3) of the Regulations and that any change in those activity restrictions requires an application to be made to the Authority, as referred to in Regulation 6(2) of the Regulations.

Signed for and on behalf of the Board of Directors of the ISPV:

Signed	Date	Signed	Date
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Full Name	Full Name
Position	Position

### Declaration of Insurance Manager

To the Authority

(State the name of the ISPV in respect of which this declaration is being made and specify the application for change in activity restrictions in respect of which this declaration is being made (“this application”). If this application is in respect of a protected cell of a PCC: state the name of that cell and its PCC, and in such case the cell and all the matters relating to its PCC which may affect the cell shall be “the ISPV” for the purposes of this declaration.)

We, being duly authorised by, and on behalf of, the Insurance Manager of the ISPV –

- (1) agree to provide any further information or documents the Authority may require in the course of considering this application;
- (2) declare, having made full enquiry into the matters contained in this application, that to the best of our knowledge and belief –
  - (a) the documents and information given in relation to the Appendix to this application and otherwise in connection with this application are complete and correct; and
  - (b) the arrangements of the ISPV proposed in this application ensure it will, if approved by the Authority, continue to comply with the requirements of the Insurance Act 2008 and the Insurance (Special Purpose Vehicles) Regulations 2015 (“the Regulations”); and
- (3) without limiting any other requirement applicable to the ISPV, acknowledge that the ISPV’s activities are restricted in accordance with Regulation 5(3) of the Regulations and that any change in those activity restrictions requires an application to be made to the Authority, as referred to in Regulation 6(2) of the Regulations.

Signed for and on behalf of the Insurance Manager of the ISPV:

Signed	Date	Signed	Date
Full Name		Full Name	

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Position

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Position



## APPENDIX

## Requirements for completion:

- (1) Applications must be provided in a tabular format as indicated in Part I of this Schedule and responses to questions must be provided, or referenced, against the numbered questions in the table. If a question which has been responded to previously by the ISPV in an application to the Authority (and forms part of the basis of its existing authorisation) and the previous response would not be affected by the matters for which this application is being made, then the question may be answered by specifying the relevant application and stating “no change” rather than being answered in full.
- (2) If an additional sheet or document is intended as part of the response to any question –
  - (a) the sheet or document must accompany the application and be clearly cross referenced in response to the question; and
  - (b) the relevant part or parts of the sheet or document must be clearly and specifically identified.
- (3) If any pre-application discussions are to be considered as part of the application, these must be included as referred to in Regulation 6(3)(a) and Guidance Note 8(b).
- (4) If the Authority is being requested to grant approval subject to any post-authorisation deliverables in accordance with Regulation 6(3)(b) and Guidance Note 9, then this must be clearly indicated against each question where such a request is being made. In addition, the application must be accompanied by a separate written request confirming each proposed post-authorisation deliverable and detailing the reason why its post-authorisation delivery is considered to be necessary in the context of the application, together with the anticipated timeframe until its delivery.
- (5) If a question cannot be answered, this must be stated and the reasons given.
- (6) Supplementary documents and information to accompany this application include any as indicated in Part II of this Schedule as may be affected by the matters for which this application is being made, or as have been updated since last provided to the Authority.

**SCHEDULE 2**

## Regulation 11

**PART I: PERMITTED INSUREDS<sup>32</sup>**

To be permitted to be insured by an ISPV, a prospective insured must have sufficient knowledge, experience and resources to manage the risks involved in entering into a contract of insurance with the ISPV. For the purposes of these Regulations, the following categories of person are considered to be so qualified

*(also see Guidance Notes 3, 4 and 12) —*

- (a) a natural person, body corporate (or cell of a PCC that is a body corporate), partnership, trust or other incorporated association that is regulated and authorised, licensed or permitted to carry on insurance business in any jurisdiction;
- (b) such other permitted counterparties as may be approved by the Authority in writing on a case by case basis or as provided for in guidance issued by the Authority under section 51(1) of the Act.

**PART II: PERMITTED FUNDING PROVIDERS<sup>33</sup>**

To be permitted to be a funding provider of an ISPV, a prospective funding provider must have sufficient knowledge, experience and resources to manage the risks involved in investing in a funding mechanism of the ISPV. For the purposes of these Regulations, the following categories of person are considered to be so qualified

*(also see Guidance Notes 3, 4 and 12) —*

- (a) a natural person, body corporate (or cell of a PCC that is a body corporate), partnership, trust or other incorporated association whose ordinary business or professional activity includes acquiring, underwriting, managing, holding or disposing of investments, whether as principal or agent, or giving advice about investments;
- (b) a natural person, body corporate (or cell of a PCC that is a body corporate), partnership, trust or other incorporated association that is regulated and authorised, licensed or permitted to carry on insurance business in any jurisdiction;
- (c) a collective investment scheme where the manager or administrator is subject to regulation;
- (d) a government, local authority, public authority or supra-national body in the Isle of Man or elsewhere;
- (e) a company (or cell of a PCC that is a body corporate), partnership trust or other incorporated association of persons which has (or

which is a wholly-owned subsidiary of a body which has) assets of at least £5,000,000 available for investment immediately prior to investment in the ISPV and can withstand a full loss of the principal provided;

- (f) a natural person with a high net worth, or joint high net worth with their spouse, who is a sufficiently sophisticated investor to engage in this highly specialised form of business understanding in full the risks of such complex investments and has assets of at least £5,000,000 available for investment immediately prior to investment in the ISPV and can withstand a full loss of the principal provided;
- (g) a plan, fund, or scheme which provides retirement income, is subject to regulation and has assets of at least £5,000,000 available for investment immediately prior to investment in the ISPV; or
- (h) such other permitted funding providers as may be approved by the Authority in writing on a case by case basis or as provided for in guidance issued by the Authority under section 51(1) of the Act.

**SCHEDULE 3**

## Regulation 19

**DECLARATION OF DIRECTORS AND INSURANCE MANAGER**

To the Authority

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(State the name of the ISPV in respect of which this declaration is being given (the “ISPV”). If this declaration is in respect of a protected cell of a PCC: state the name of that cell and its PCC, and in such case the cell and all the matters relating to its PCC which may affect the cell shall be “the ISPV” for the purposes of this declaration.)

For the period: from: \_\_\_\_\_ to: \_\_\_\_\_

(The period covered by this declaration must correspond to the period, as applicable —

- from the date of the ISPV’s authorisation (where this is the first post-authorisation declaration of the ISPV); or
- from end of the period covered by the ISPV’s last such declaration (where this is a subsequent declaration); and
- to a date no more than 21 days before the ISPV’s submission of this declaration (in accordance with Regulation 19(2) of the Insurance (Special Purpose Vehicles) Regulations 2015 (“the Regulations”)); or
- to a date corresponding to the date of an application for change in activity restrictions as referred to in Regulation 6(2) of the Regulations (where such an application is being made),

or such other period as may be agreed by the Authority in writing.)

**Declaration**

We, being duly authorised to do so —

- (1) confirm that at all times during the period covered by this declaration the ISPV has complied with the requirements of the Insurance Act 2008 and the Insurance (Special Purpose Vehicles) Regulations 2015 (“the Regulations”), and we are not aware of any circumstances which would invalidate any previous such declaration of the ISPV; and
- (2) without limiting any other requirement applicable to the ISPV, acknowledge that the ISPV’s activities are restricted in accordance with Regulation 5(3) of the Regulations and that any change in those activities requires an application to be made to the Authority, as referred to in Regulation 6(2) of the Regulations.

Any information that we consider should be brought to the Authority's attention in relation to the ISPV or its business, has been detailed on a separate sheet attached hereto [sheet must be so attached or, if there is no such sheet, then that fact must be clearly stated here].

Signed for and on behalf of the ISPV's Board of Directors and Insurance Manager respectively:

Signed (for Board)	Date	Signed (for Insurance Manager)	Date
_____	_____	_____	_____
Full Name		Full Name	
_____		_____	
Position		Position	
_____		_____	

SCHEDULE 4<sup>34</sup>

## SCHEDULE 5

## Regulation 26

## EXEMPTIONS AND MODIFICATIONS

An ISPV is exempt from the following:

- (1) The Insurance Regulations 1986<sup>1</sup> except for regulation 6 of those regulations;
- (2) The Guidance Notes for Insurance Business;
- (3) The Corporate Governance Code of Practice for Regulated Insurance Entities<sup>2</sup>;
- (4) Chapters III and IV of Part 4 of the Act, and paragraphs 6 to 19 (inclusive) of Schedule 3 to the Act;
- (5) The Insurance (Valuation of Long Term Liabilities) Regulations 2007<sup>3</sup>; and
- (6) The Insurance (Protected Cell Companies) Regulations 2004<sup>4</sup>;
- (7) Subject to paragraph (8), the Insurance (Incorporated Cell Companies) Regulations 2011<sup>5</sup>, except for regulations 5, 15, 16, 17 and Schedule 1 of those regulations.
- (8) Pursuant to paragraph (7), the requirements under paragraphs 1 and 2 of Part II of Schedule 1 to the Insurance (Incorporated Cell Companies) Regulations 2011 shall be substituted with the following requirements:
  - (a) A completed questionnaire in the form set out in the Appendix to Part I of Schedule 1 to the Insurance (Special Purpose Vehicles) Regulations 2015; and
  - (b) Supplementary documents and information as set out in Part II and III of Schedule 1 to the Insurance (Special Purpose Vehicles) Regulations 2015.

For the purposes of these Regulations a provisional authorisation granted to an ICC or IC under regulation 5 of the Insurance (Incorporated Cell Companies) Regulations 2011 shall be considered to be pre-application discussions.

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<sup>1</sup> GC 319/86

<sup>2</sup> SD 0880/10

<sup>3</sup> SD 960/07

<sup>4</sup> SD 149/04

<sup>5</sup> SD 374/11



## ENDNOTES

### Table of Endnote References

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<sup>1</sup> The format of this legislation has been changed as provided for under section 75 of, and paragraph 2 of Schedule 1 to, the Legislation Act 2015. The changes have been approved by the Attorney General after consultation with the Clerk of Tynwald as required by section 76 of the Legislation Act 2015.

<sup>2</sup> Definition of “the Authority” inserted by SD2015/0314.

<sup>3</sup> Definition of “Guidance Note” amended by SD2015/0314.

<sup>4</sup> Para (1) amended by SD2015/0314.

<sup>5</sup> Para (3) amended by SD2015/0314.

<sup>6</sup> Para (4) amended by SD2015/0314.

<sup>7</sup> Para (2) amended by SD2015/0314.

<sup>8</sup> Subpara (a) amended by SD2015/0314.

<sup>9</sup> Subpara (b) amended by SD2015/0314.

<sup>10</sup> Para (4) amended by SD2015/0314.

<sup>11</sup> Para (6) amended by SD2015/0314.

<sup>12</sup> Para (i) amended by SD2015/0314.

<sup>13</sup> Para (ii) amended by SD2015/0314.

<sup>14</sup> Para (ii) amended by SD2015/0314.

<sup>15</sup> Para (2) amended by SD2015/0314.

<sup>16</sup> Para (1) amended by SD2015/0314.

<sup>17</sup> Para (2) amended by SD2015/0314.

<sup>18</sup> Subpara (b) amended by SD2015/0314 and by SD2015/0315, subject to transitional provision. [Editorial Note: Regulation 7 of the Insurance (Transitional Provisions) (Amendment) Regulations 2015 (SD2015/035) provides as follows -

Any information to which regulation 18 of the ISPV Regulations applies, which —

a) is in existence on 1 November 2015;

b) complies with regulation 18(3)(b) of the ISPV Regulations as in force immediately before the coming into operation of these Regulations; and

c) otherwise complies with the remaining provisions of regulation 18 of the ISPV Regulations,

may continue to be used until 31 December 2016 or until the information is otherwise next updated, whichever is the sooner.]

<sup>19</sup> Para (1) amended by SD2015/0314.

<sup>20</sup> Subpara (a) amended by SD2015/0314.

<sup>21</sup> Para (2) amended by SD2015/0314.

<sup>22</sup> Para (1) amended by SD2015/0314.

<sup>23</sup> Para (2) amended by SD2015/0314.

<sup>24</sup> Para (i) amended by SD2015/0314.

<sup>25</sup> Para (ii) amended by SD2015/0314.

<sup>26</sup> Para (3) amended by SD2015/0314.

<sup>27</sup> Para (4) amended by SD2015/0314.

<sup>28</sup> Reg 24 revoked by SD2022/0357.

<sup>29</sup> Part I amended by SD2015/0314.

<sup>30</sup> Part II amended by SD2015/0314.

<sup>31</sup> Part IV amended by SD2015/0314.

<sup>32</sup> Part I amended by SD2015/0314.

<sup>33</sup> Part II amended by SD2015/0314.

<sup>34</sup> Sch 4 revoked by SD2022/0357.