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| **APPLICATION FORM IF077**  **APPLICATION FOR APPROVAL TO USE AN ALTERNATIVE METHOD FOR THE ELIMINATION OF INTRA-GROUP TRANSACTIONS** |

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| **Purpose of this form**  This application form needs to be completed if a controlling company wants to use an alternative method to eliminate intra-group transactions in the calculation of the group own funds and/or group SCR, as required in terms of section 5.5 of the Financial Soundness Standards for Insurance Groups Deduction and Aggregation Method (FSG 2) made under section 36(6)(a) of the Insurance Act, 2017 (the Act). |

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| **Important information to complete this form**  Before completing this form, read the Fact Sheet Application and Notification Forms (Fact Sheet) that is available on the website of the SARB. The Fact Sheet contains important information on consent and declarations required. Please note: this application could include a prescribed fee, in accordance with [Prudential Standard IAF](http://www.resbank.co.za/PrudentialAuthority/Insurers/Post%20Insurance%20Act/Legislation%20and%20Regulatory%20instruments/Prudential%20Standards/Documents/Prudential%20Standard%20IAF.pdf), 2019 with the process for payment found [here](http://www.resbank.co.za/PrudentialAuthority/Insurers/Post%20Insurance%20Act/Legislation%20and%20Regulatory%20instruments/Prudential%20Standards/Documents/Process%20for%20payment%20of%20fees%20prescribed%20in%20terms%20of%20the%20Insurance%20Act.pdf). |

## Company information and reason for approval

* 1. Provide the following details for this application:

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| --- | --- |
| **Insurance group number** |  |
| **Insurance group name** |  |
| **Valuation date of results** | YYYY/MM/DD |
| **Effective date for which approval is requested** | YYYY/MM/DD |
| **Date until which approval is requested** | YYYY/MM/DD |

* 1. Describe briefly the reason(s) for seeking this approval

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## Contact and Basic Information

* 1. Contact details of the person for correspondence related to this form

This must be someone who works for the company and not a professional advisor.

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| --- | --- |
| **Title** |  |
| **First names** |  |
| **Surname** |  |
| **Position** |  |
| **Business address** |  |
| **Contact number** |  |
| **Email address** |  |

* 1. Details of professional advisors

#### Have you used third-party professional advisors to help with this form?

**No** 🡺 Continue to section 2.3

**Yes** 🡺 Complete the remainder of this section

#### Provide the name and contact details of the third-party professional advisor(s) used (i.e. the consultants, auditors, actuaries and/or lawyers used in compiling this form). This information should be included in an attachment accompanying this form, e.g.:

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| --- | --- |
| **Name of firm** |  |
| **Title** |  |
| **First names** |  |
| **Surname** |  |
| **Position** |  |
| **Business address** |  |
| **Contact number** |  |
| **Email address** |  |

* 1. Other information

#### Is there any additional information that is not requested elsewhere in this application form, that is relevant for the Prudential Authority to assess this form?

**No** 🡺 Continue to section 3

**Yes** 🡺 Complete question 2.3.2

#### Provide a summary or list of the additional information, including the reasons for providing this additional information and attach to this form.

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## Specific Information

* 1. Details of intra-group transaction

#### Describe why the method described in section 5 of FSG 2 for eliminating intra-group transaction is not considered appropriate.

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#### List the entities in the insurance group that is impacted by the alternative method.

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#### Describe and list the intra-group transactions that will be subject to the alternative method.

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#### For each of the following items, describe the methodology that is proposed for eliminating intra-group transactions.

| **Item** | **Methodology** |
| --- | --- |
| **Group own funds** |  |
| **Group SCR** |  |

## Results

* 1. Submit the following:

#### Standard approach: A group quantitative reporting templates (Group QRT) using the standard requirements, as per section 5 of FSG 2.

#### Proposed approach: An abridged Group QRT using the alternative method to eliminate intra-group transactions, for which the following sheets do not need to be completed: G5, G5.1, G5.2, G5.3 and G6.

## Attachment Checklist

* 1. Compulsory attachments

Complete the following table with details of the attachments provided.

| **Attachment Number** | **Question Number** | **Description** | **Number of pages/sheets** | **Attached** |
| --- | --- | --- | --- | --- |
| A1 | 4.1.1 | Group QRT |  |  |
| A2 | 4.1.2 | Abridged group QRT |  |  |
| A3 | 6 | Consent and Declarations |  |  |

* 1. Other Attachments

Please list any other attachments in the following table. These attachments may be necessary if there was insufficient space to include the information in this application form itself or if your responses in this application form refer to external documents. Each additional attachment should be listed in its own row.

| **Attachment Number** | **Question Number** | **Description** | **Number of pages/sheets** | **Attached** |
| --- | --- | --- | --- | --- |
| e.g. B1 | 2.2 | Contact details of professional advisors | 8 |  |

## Consent and Declarations

To assess the application or notification, the Prudential Authority needs to ensure that the information in the application or notification is accurate and complete, and may be verified and shared with other regulatory authorities. Please see the Fact Sheet on the SARB website for the required consent and declarations that must accompany this form.