

THE FINANCIAL SUPERVISORY AUTHORITY

Regulation no. 8/2016 amending and supplementing certain legislative acts

In accordance with the provisions of art. 1 paragraph (2), art. 2 paragraph (1) letters a), c) and d), art. 3 paragraph (1) letter b), art. 6 paragraph (2) and art. 14 of the Government Emergency Ordinance no. 93/2012 on the establishment, organization and functioning of the Financial Supervisory Authority, approved with amendments and additions under Law no. 113/2013, with subsequent amendments and additions,

pursuant to provisions of art. 44 paragraph (3) of Law no. 297/2004 on the capital market, with subsequent amendments and additions, and art. 30 paragraph (1) of Law no. 213/2015 on the Policyholders Guarantee Fund,

following deliberations of the Financial Supervisory Authority's Board in the meeting of 2 November 2016,

The Financial Supervisory Authority issues this regulation.

Art. I. – The National Securities Commission Regulation no. 3/2006 on the authorization, organization and functioning of the Investors Compensation Fund, approved by Order of the National Securities Commission no. 12/2006, published in the Official Journal of Romania, Part I, no. 124 of 9 February 2006, with subsequent amendments and additions, shall be amended and supplemented as follows:

- 1. In article 19, paragraphs (3) - (5) shall be repealed.**
- 2. In article 25, paragraph (5) shall be repealed.**
- 3. A new chapter shall be introduced after chapter III, Chapter III¹, including articles 39¹ and 39², with the following content:**

„CHAPTER III¹ Reporting obligations of the Fund"

"Art. 39¹. – (1) The Fund shall prepare and submit to A.S.F. the statements and periodic reports referred to in paragraphs (2) - (6).

(2) Annually, by 31 May, the Fund shall submit to A.S.F.:

- a) the annual financial statements, approved by the general meeting of shareholders;
- b) the report of the Board of Directors of the Fund;
- c) the financial auditor's report together with its opinion;

(3) Additionally to the reports referred to in paragraph (2), the Fund shall annually submit to A.S.F. by the end of February of the year following the one for which the reporting is made:

a) the report on internal audit engagements including its findings and recommendations to address the deficiencies, the statement regarding the implementation of the measures decided in the previous audit reports, and on the evaluation of internal control mechanisms of the Fund;

b) the internal audit plan for the current year.

(4) Every six months, the Fund shall submit to A.S.F. the half-yearly accounting reporting, in the form provided for by the accounting regulations in force, as well as the statement on contributions due and paid to the Fund by the Fund's members, by 31 August of the current year.

(5) Quarterly, until the end of the month following the reporting quarter, the Fund shall submit to A.S.F. the implementation of income and expenditure budget.

(6) Monthly, by the 15th of the month following the reporting month, the Fund shall submit:

a) the statement regarding the payment of compensation to investors made by the Fund in accordance with the applicable provisions, if any;

b) the statement of financial resources available for the compensation activity.

Art. 39². - The Fund shall submit to A.S.F. reports in relation to any event likely to affect its functioning."

4. After article 40, a new article shall be introduced, art. 40¹, with the following content:

„**Art. 40¹.** - The annual activity report, the annual financial statements and the report of the financial auditor shall be published on the Fund's website by 15 June following the end of the financial year."

Art. II. - The Financial Supervisory Authority Rule no. 16/2015, on the Policyholders Guarantee Fund, published in the Official Gazette of Romania, Part I, no. 667 of 2 September 2015, shall be amended and supplemented as follows:

1. In article 11, paragraph (3) shall be repealed.

2. In Article 11, paragraph (4) shall be amended to read as follows:

"(4) At the end of the financial year, the result for the current year shall be reported in the following year, with the same destination".

3. In article 11, paragraph (5) shall be repealed.

4. A new chapter shall be introduced after chapter II, Chapter II¹, including articles 12¹ and 12², with the following content:

„CHAPTER II¹

Reporting and transparency obligations of the Fund

Art.12¹. – (1) The Fund shall prepare and submit to A.S.F. the statements and periodic reports referred to in paragraphs (2) - (8). The reports referred to in paragraphs (2) and (6) - (8) shall

be submitted to A.S.F. in electronic format in the A.S.F.-EWS application, as well as in writing, on paper.

(2) The annual financial statements endorsed by the Board of Directors of the Fund shall be submitted to A.S.F. no later than 30 April following the year for which the reporting is made, in the form prescribed by accounting regulations in force.

(3) In view of analysis and approval by the A.S.F. Board, the financial statements referred to in paragraph (1) shall be accompanied by:

- a) the financial auditor's report together with its opinion;
- b) the report of the directors of the Fund;
- c) the annual activity report.

(4) Additionally to the reports referred to in paragraphs (2) and (3), on an yearly basis, the Fund shall submit to A.S.F.:

- a) the report on internal audit engagements including its findings and recommendations to address the deficiencies, the statement regarding the implementation of the measures decided in the previous audit reports;
- b) the internal audit plan for the current year;
- c) the report on internal control actions in the previous year including the findings resulting from the control and monitoring process and action measures proposed;
- d) the income and expenditure budget for the current year, approved by the Board of Directors of the Fund.

(5) Reports referred to in paragraph (4) letters b) and d) shall be submitted by 31 January of the current year and the reports referred to in paragraph (4) letters a) and c) shall be submitted by the end of March following the year for which the reporting is made.

(6) Every six months, the Fund shall submit to A.S.F. the half-yearly accounting reporting, by 15 August of the current year, in the form provided for by the accounting regulations in force.

(7) Quarterly, the Fund shall submit to A.S.F. the following reports:

- a) the implementation of the income and expenditure budget, in the form prescribed in Annex no. 8, by the end of the month following the quarter for which the reporting is made;
- b) the statement of contributions due and paid to the Fund by insurers, separately for general insurance and life insurance, in the form prescribed in annex no. 9, within 45 days from the end of the quarter for which the reporting is made;

(8) Monthly, by the 15th of the month following the reporting month, the Fund shall submit to A.S.F.:

- a) the statement on payment of indemnities/compensations paid by the Fund to insurance creditors of the insurer in bankruptcy, in the form prescribed in Annex no. 10;
- b) the statement of financial resources of the Fund, in the form prescribed in annex no. 11.

Art.12². - The Fund shall submit to A.S.F. reports in relation to any event likely to affect its functioning."

4. After annex no. 7, four new annexes shall be introduced, annexes no. 8-11, with the wording set out in annexes no. 1-4 to this regulation.

Art. III. - The Financial Supervisory Authority Rule no. 4/2016 on the administration of the Insurers' Resolution Fund, published in the Official Gazette of Romania, Part I, no. 80 of 3 February 2016, shall be amended and supplemented as follows:

1. After article 17, a new article shall be introduced, art. 17¹, with the following content:

„Art. 17¹. - The Guarantee Fund shall submit to A.S.F. on a quarterly basis the following reports:

a) the statement of contributions due and paid to the Resolution Fund by insurers, separately for general insurance and life insurance, in the form prescribed in annex no. 3, within 45 days from the end of the quarter for which the reporting is made;

b) the statement of financial resources of the Resolution Fund, in the form prescribed in annex no. 4, by the end of the month following the quarter for which the reporting is made.”

2. After the annex no. 2, two new annexes shall be introduced, annexes no. 3 and 4, with the wording set out in annexes no. 5 and 6 to this regulation.

Art. III. – (1) The Investors Compensation Fund and the Policyholders Guarantee Fund shall appropriately correlate the internal regulations and own procedures with the provisions of this regulation, within 90 days from its entry into force.

(2) The statements and reports referred to in this regulation shall be submitted to A.S.F. as of 2017. The first reports sent have as reference the data recorded at 31 December 2015.

Art. IV. - Annexes no. 1-6 are an integral part of this regulation.

Art. V. - This Regulation shall be published in the Official Journal of Romania, Part I, and shall enter into force on the date of its publication.

President of the Financial Supervisory Authority,

Mișu Negrițoiu

Bucharest, 17 November 2016.

No. 8.

STATEMENT
on the implementation of the income and expenditure budget
on

The Policyholders Guarantee Fund

NAME OF THE INDICATORS	Estimated	Achieved
1	2	3
I. INCOME (1+2+3+4+5)		
1. Income specific to FGA in relation to contributions (1.1.+ 1.2.)		
1.1. Income from contributions, of which:		
- General insurance		
- Life insurance		
1.2. Income from interest and penalties outstanding, of which:		
- General insurance		
- Life insurance		
2. Income related to claims recovered at the statement of affairs		
3. Other income specific to FGA		
4. Financial income		
5. Income from provisions and value adjustments for impairment		
II. EXPENDITURE (1+2+3+4+5+6)		
1. Expenditure specific to FGA (1.1.+1.2.)		
1.1. Expenses with the payment of indemnities/compensations for:		
- General insurance		
- Life insurance		
1.2. Expenses for finding, investigating and liquidating claim files		
2. Staff expenditure (2.1.+2.2.+2.3.)		
2.1. Staff salaries and management allowances		
2.2. Salary costs in kind		
2.3. Contributions		
3. Expenditure on goods and services (3.1.+3.2.+3.3.+3.4.+3.5.+3.6.+3.7.+3.8.+3.9.+3.10.+3.11.+3.12.+ 3.13.+3.14.+3.15.)		
3.1. Consumables		
3.2. Goods in the form of inventory items		

3.3. Energy and water		
3.4. Maintenance and repairs		
3.5. Royalties and rents		
3.6. Insurance premiums		
3.7. Staff training		
3.8. Commissions and fees		
3.9. Protocol, advertising and publicity		
3.10. Transport		
3.11. Travel		
3.12. Postage, telecommunications, radio, TV, Internet		
3.13. Bank services and similar charges		
3.14. Other third party services		
3.15. Other taxes, duties and assimilated payments		
4. Other operating expenses		
5. Financial expenses		
6. Expenses with the depreciation, provisions and adjustments for impairment (6.1.+6.2.+6.3.+6.4.)		
6.1. Expenses on the depreciation of fixed assets		
6.2. Expenditure with provisions for risks and charges		
6.3. Expenditure on adjustments for impairment of receivables		
6.4. Expenditure on specific provisions		
III. RESULT FOR THE YEAR (I - II)		

GENERAL MANAGER

STATEMENT*)
of contributions due and paid to the fund by insurers)**
on

*) To be reported cumulatively from the beginning of the year to the reporting date.

***) As it results from the reports submitted, in accordance with the legal provisions.

(RON)

No.	Name of the insurer	Gross premiums collected from direct insurance		Due contribution to the Fund		Contribution paid to the Fund		Interests and delay penalties due	Interests and delay penalties collected
		General insurance	Life insurance	General insurance	Life insurance	General insurance	Life insurance		

STATEMENT
on payment of indemnities/compensations paid by the Fund to insurance creditors of the insurer in bankruptcy
on

Insurer's name*)	Indicator	General insurance	Life insurance	Total
	Total number of claim files, of which (pieces):			
	a) taken over from the insurer (pieces)			
	b) opened by FGA, by the end of the reporting period (pieces)			
	Number of requests approved entirely for payment by the special committee, by the end of the reporting period, of which (pieces):			
	a) related to claim files (pieces)			
	b) related to refunds of premiums (pieces)			
	The value related to requests approved entirely for payment by the special committee, by the end of the reporting period, of which (RON):			
	a) related to claim files (RON)			
	b) related to refunds of premiums (RON)			
	Number of payment requests paid in the reporting period, of which (pieces):			
	a) related to claim files (pieces)			
	b) related to reimbursements of premiums (pieces)			
	Value of payments made in the reporting period, of which:			
	a) related to claim files (RON)			
	b) related to refunds of premiums (RON)			

Number of payment requests paid by the end of the reporting period, of which (pieces):			
a) related to claim files (pieces)			
b) related to reimbursements of premiums (pieces)			
Value of payments made by the end of the reporting period, of which (RON):			
a) related to claim files (RON)			
b) related to refunds of premiums (RON)			
Number of payment requests recorded by the end of the reporting period, of which (pieces):			
a) related to claim files (pieces)			
b) related to reimbursements of premiums (pieces)			
Number of payment requests rejected entirely by the special committee, by the end of the reporting period, of which (pieces):			
a) related to claim files (pieces)			
b) related to reimbursements of premiums (pieces)			
Value related to payment requests rejected entirely by the special committee, by the end of the reporting period, of which:			
a) related to claim files (RON)			
b) related to refunds of premiums (RON)			

*) This report shall be filled in for each insurer in bankruptcy proceedings.

Name:

 Position: Date:
 Signature:

**STATEMENT
of financial resources of the Policyholders Guarantee Fund
on**

No.	Name of assets	Value of assets according to accounting records (RON)
	1	2
1	Government securities	
2	Securities issued by local government authorities	
3	Deposits to credit institutions	
4	Available funds in current accounts and cash	
5	Other instruments of the money market *)	
6	Other investments *)	
TOTAL		0

*) To be detailed depending on the type of instrument.

Name:
.....
Position: Date of preparation:
.....
Signature:
.....

1. Government bonds
on

Symbol/ ISIN	Issuer name	Currency in which the title was issued	Name of the custodian credit institution	Date of issue (DD/MM/YYYY)	Date of maturity (DD/MM/YYYY)	Value in the currency in which the title was issued	Value according to accounting records (RON)	Nominal value (principal)*)	Coupon installment
1	2	3	4	5	6	7	8	9	10
TOTAL	X	X	X	X	X	X	0	0	X

*) Insert the principal receivable on the reporting date.

Name:

 Position: Date of preparation:

 Signature:

**2. Securities issued by authorities of the local public administration
 on**

Symbol/ ISIN	Name of the issuing institution	Currency in which the title was issued	Name of the authority of the local public administration	Date of issue (DD/MM/YYYY)	Date of maturity (DD/MM/YYYY)	Value in the currency in which the title was issued	Value according to accounting records (RON)	Nominal value (principal)*	Coupon installment
1	2	3	4	5	6	7	8	9	10
TOTAL	X	X	X	X	X	X	0	0	X

*) Insert the principal receivable on the reporting date.

Name:

 Position: Date of preparation:

 Signature:

3. Deposits to credit institutions

Credit institution	Currency in which the deposit was established	Value in the currency in which the deposit was established	Value of deposits*) on the reporting date (RON)	Date of establishment of deposits	Maturity date of deposits	Interests receivable upon maturity (in the currency in which the deposit was established)	Interests receivable upon maturity (RON)
1	2	3	4	5	6	7	8

TOTAL	X		0		X		0

*) For placements made in a different currency than the national currency, in order to calculate the equivalent in RON, the exchange rate communicated by the National Bank of Romania valid on the date for which reporting is made shall be used

Name:

 Position: Date of preparation:
 Signature:

4. Available funds in current accounts and cash
 on

Credit institution	Currency in which the account is opened	Available funds in current accounts in foreign currency	Available funds in current accounts in RON	Available cash in foreign currency	Available cash in RON	Total available (RON) (7 = 3 + 4 + 5 + 6)
1	2	3	4	5	6	7

TOTAL	X					

Name:
.....
Position: Date of preparation:
.....
Signature:
.....

STATEMENT*)
of contributions due and paid to the Resolution Fund by insurers)**
on

*) To be reported cumulatively from the beginning of the year to the reporting date.
**) As it results from the reports submitted, in accordance with the legal provisions.

(RON)

No.	Name of the insurer	Gross premiums collected from direct insurance		Due contribution to the Resolution Fund		Contribution paid to the Resolution Fund		Interests and delay penalties due	Interests and delay penalties collected
		General insurance	Life insurance	General insurance	Life insurance	General insurance	Life insurance		

ANNEX No. 6
(Annex no. 4 to Rule no. 4/2016)

No.	Name of assets	Value of assets according to accounting records (RON)
	1	2
1	Government Bonds	
2	Securities issued by local government authorities	
3	Deposits to credit institutions	
4	Available funds in current accounts and cash	
5	Other instruments of the money market *)	
6	Other investments *)	
TOTAL		0

*) To be detailed depending on the type of instrument.

Name:

 Position: Date of preparation:

 Signature:

1. Government bonds
on

Symbol/ ISIN	Issuer name	Currency in which the title was issued	Name of the custodian credit institution	Date of issue (DD/MM/YYYY)	Date of maturity (DD/MM/YYYY)	Value in the currency in which the title was issued	Value according to accounting records (RON)	Nominal value (principal)*	Coupon installment
1	2	3	4	5	6	7	8	9	10
TOTAL	X	X	X	X	X	X	0	0	X

*) Insert the principal receivable on the reporting date.

Name:

 Position: Date of preparation:

 Signature:

2. Securities issued by local government authorities
 on

Symbol/ ISIN	Name of the issuing institution	Currency in which the title was issued	Name of the authority of local public administration	Date of issue (DD/MM/YYYY)	Date of maturity (DD/MM/YYYY)	Value in the currency in which the title was issued	Value according to accounting records (RON)	Nominal value (principal)*)	Coupon installment
1	2	3	4	5	6	7	8	9	10

TOTAL	X	X	X	X	X	X	0	0	X

*) Insert the principal receivable on the reporting date.

Name:
.....
Position: Date of preparation:
.....
Signature:
.....

3. Deposits to credit institutions

Credit institution	The currency in which the deposit was made	Value in the currency in which the deposit was made	Value of deposits*) on reporting date (RON)	Date of making the deposits	Maturity date of deposits	Interests receivable upon maturity (in the currency in which the deposit was established)
1	2	3	4	5	6	7

TOTAL			0	X	0	0

*) For placements made in a different currency than the national currency, in order to calculate the equivalent in RON, the exchange rate communicated by the National Bank of Romania valid on the date for which reporting is made shall be used

Name:
.....
Position: Date of preparation:
Signature:
.....

4. Available funds in current accounts and cash
on

Credit institution	Currency in which the account is opened	Available funds in current accounts in foreign currency	Available funds in current accounts in RON	Available cash in foreign currency	Available cash in RON	Total available (RON) (7 = 3 + 4 + 5 + 6)
1	2	3	4	5	6	7
TOTAL	X					

Name:
 Position: Date of preparation:
 Signature: