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I Procedures of licensing insurers

1 Licensing the foundation of an insurer

The following documents have to be submitted in applying for a license for the establishment of an insurer:

Common requirements *for all types of insurers*:

- a) **deed of foundation (charter)** or in the case of a publicly established shareholding company, the **draft of foundation**
The deed of foundation (charter) shall clearly identify the legal form (shareholding company, association, cooperative, local branch unit of an insurer from a third country) and scope of operations (insurance sector, branch, any other activity directly related to insurance) of the insurer to be established.
- b) **a preliminary calculation carried out by the founders** concerning the costs of the administrative services and those of setting up the organisation to carry out the business activities, and a certificate issued by a credit institution concerning the existence of the funds to cover such costs.

The minimum amount of such funds shall be:

- HUF 100 million in the case of a shareholding company insurer or the local branch unit of an insurer domiciled in a third country;
 - HUF 50 million in the case of an insurance cooperative;
 - HUF 1 million in the case of an insurance association.
- c) **the founders' plan** concerning the organisation structure, management, decision making and controlling/auditing regime as well as the Organisational and Operational Rules of the insurer to be established, if these features are not detailed in the deed of foundation;
 - d) in the case of a foreign founder, the declaration concerning the designation of a person to accept service and declaration of acceptance of the appointment issued by the appointed person;
 - e) a '**declaration of completeness**' issued by the applicant founder stating that it has made all material facts and data required for the license, available for the Supervision.

Specific requirements to be met in the case of the foundation of an *insurer shareholding company*:

- **information (statement) by the founders** about the identify of the shareholders, whether the shareholders are natural or legal persons, about the person that wishes to acquire a qualified influence and about the percentage of the qualified influence that he/she wishes to acquire;

- **organisation structure** describing the direct and indirect owners of the founders;
- in the case of a founder wishing to acquire a qualified influence, the documents prescribed to be submitted in case of acquiring a qualified interest (see conditions for the acquisition of a participation with the exception of the contractual offer);
- The completed questionnaire of the HFSA to establish professional suitability and business integrity.

in the case of an *insurer under consolidated or supplementary supervision, in addition to the above:*

- a description of the regime of the provision of consolidated information or of supplementary information relating to supervision, and a declaration by the persons related to the insurer stating that the insurer makes the data, facts and information required for its consolidated or supplementary supervision, to the Supervision;
- declaration made by natural persons stating their consent, to the processing and transmission of their data provided for the insurer, for the purposes of consolidated or supplementary supervision as specified in this Act. 7.

2 **Licensing the starting of insurance activities (Articles 63-64 of the Act on insurance)**

Note!

Within 90 days of receipt of the Supervision's decision licensing establishment the insurer shall submit an application for a licence for the starting of the insurance activities, to the Supervision.

The following documents shall be submitted for licensing the operation of an insurer:

- a) **certificate** of the existence of the minimum security capital coverage;
- b) **business plan**;
- c) **certification of the existence of the personal requisites** (see: licensing of persons in senior positions and licensing of other senior employees);
- d) in proof of the existence of material requisites:
 - **ownership, use or lease/rental contract** concerning the premises in line with the insurance activities specified in the business plan, for the performance of customer service, and claim settlement activities at adequate quality standards,
 - creating system for the performance of recording, processing and supplying data in a regular and ongoing basis, and an information and controlling system to reduce operating risks:
 - a declaration of the information systems intended to be used;
 - a list of the tangible assets of the IT function (machines, machine room(s), environmental safety and security, including fire protection etc.);
 - description of the regulation of operation;
 - identification of the person in charge of data protection;
 - development of a controlling/auditing system (auditor, internal auditor, description of the process of controls built into business processes /four eyed control/, declaration of whether the organisation intends to have its systems audited by an external expert).
 - **a plan for handling emergencies**;
 - **a document handling code** to certify the creation of and provision for the requisites for manual and mechanical filing/archiving of documents to protect data.
- e) a **statement** of the date on which the organisation intends to start operating;
- f) a **statement** of the organisation having got prepared for fulfilling the data supply obligations prescribed by or based on law, along with the **results of test runs** of the computer programmes to be used in this process;
- g) **a draft of the organisation's accounting policy and detailed accounting system**;
- h) **the procedural regime to be applied in the case of a state gravely endangering the liquidity and solvency of the insurer**;

- i) a **‘declaration of completeness’** made out by the applicant stating that it has provided the Supervision with all material facts and data that are required for issuing the licence;
- j) **the regulation to be applied to prevent and impede money laundering** (see Guidance to licensing III. Other procedures, Preparation and approval of the regulation on preventing and impeding money laundering);
- k) court order concerning the organisation’s entry in the trade registry, or a copy of the application for incorporation as received by the court.

A special requirement in the case of an insurer that intends to provide *motor third party liability insurance* services as well:

- **certification of the commissioning of a claim settlement agent** operating in all Member States. 9.

3 Licensing the operation of a branch unit intended to be established by an insurer or an insurance intermediary

I Branch unit of a third country insurer

The branch unit of a third country insurer may ask for the provision of insurance services for which the founder foreign insurer has a licence in its home country, with a view to the provision that pursuant to Article 64 (2) of the Insurance Act an insurer may not be given an operating licence for the provision of life and non-life insurance services together (with the exceptions provided for in paragraphs (3) and (4) and with the exception of reinsurers).

The branch unit of a third country insurer must have - within 30 days of its acceptance - the annual report and business report of the third country insurer published in its home country both in the language of its home country and in an authenticated Hungarian translation of the same (Article 29 (2) of the Insurance Act) together.

In addition to certifying the satisfaction of the criteria specified in Article 63 and in Article 66 of the Insurance Act an application for a licence for starting the operation must contain:

- a) deed of foundation, a copy of the operating licence and the previous three years' audited balance sheets (Article 70 (1) a) of the Insurance Act) of the undertaking having its registered seat in a third country;
- b) a declaration issued by the supervisory authority of the home country stating that establishing a branch unit in the territory of the Republic of Hungary does not breach laws of the home country and does not undermine the applicant insurer, insurance intermediary or consultant's operations (Article 70 (1) b) of the Insurance Act).

In addition to the above, the Supervision will grant the operating licence if

- a) there is an effective international cooperation agreement in force between the Supervision and the supervisory authority/authorities in the home country of the applicant based on mutual recognition of the supervisory authorities, including issues relating to branch units as well (Article 70 (2) a) of the Insurance Act);
- b) the home country of the applicant insurer has provisions against money laundering, meeting the requirements applied in the relevant Hungarian regulations, in place (Article 70 (2) b) of the Insurance Act);
- c) the home country of the applicant insurer has data protection regulations, meeting the requirements applied in the relevant Hungarian regulations, in place (Article 70 (2) c) of the Insurance Act);
- d) the applicant insurer has data management/processing regulations meeting the requirements laid out in the relevant Hungarian regulations (Article 70 (2) d) of the Insurance Act);
- e) the applicant insurer declares that it will perform any and all of its obligations and liabilities incurred through the branch unit (Article 70 (2) e) of the Insurance Act);
- f) the applicant insurer commits itself, in a declaration, to keep its account for its activities performed in the territory of the Republic of Hungary, with a Hungarian credit institution (Article 70 (2) f) of the Insurance Act);

- g) the applicant insurer commits itself, in a declaration, to keep the records and registers of its operations in the territory of the Republic of Hungary, in the territory of the Republic of Hungary (Article 70 (2) g) of the Insurance Act);
- h) the applicant has assets the value of which equals the amount of the minimum security capital referred to in Article 126 (6), a quarter of which is deposited (Article 70 (2) h) of the Insurance Act);
- i) the applicant insurer submits the general contractual terms and conditions intended to be applied (Article 70 (2) i) of the Insurance Act);
- j) appoints a general representative to be permitted to act as such, by the Supervision (Article 70 (2) j) of the Insurance Act);
- k) the registered seat and the head office of the applicant insurer are operating in the same country (Article 70 (2) k) of the Insurance Act);
- l) the branch unit of the third country insurer deposits its assets constituting coverage for the security capital in the territory of the Republic of Hungary, while the assets covering the remaining part of the minimum regulatory capital in any Member State. (Article 70 (4) of the Insurance Act).

If the third country insurer has applied for or has received licence for the establishment of branch units in several Member States, it may apply for a permit for placing the deposit referred to in point h) in one of the Member States concerned. The criteria to be met in this respect include:

- a) adequate certificate of having placed the deposit;
- b) approval of the supervisory authorities of each of the Member States concerned;
- c) identification of the competent supervisory authority chosen by the insurer, together with an explanation for having made that choice. (Article 70 (5) of the Insurance Act).

Only a person meeting the following criteria may be a general representative of the branch unit of a third country insurer:

- a) no criminal record (Article 70 (3) a) of the Insurance Act);
- b) professional suitability and business integrity (Article 70 (3) b) of the Insurance Act);
- c) having at least five years of managerial practice in insurance or public financial management or in financial and economic areas of the state administration system (Article 70 (3) c) of the Insurance Act);
- d) has a degree obtained after completion of studies at university or college (Article 70 (3) d) of the Insurance Act).

I Branch unit of an independent third country insurance intermediary

In the case of the branch unit of an independent third country insurance intermediary the application for the licence for starting the operation shall - in addition to certifying the facts specified in Articles 38 and 50 of the Insurance Act - contain the following:

- a) the deed of foundation of the undertaking having its registered seat in a third country, a copy of its operating licence and the audited balance sheets of the previous three years (Article 70 (1) a) of the Insurance Act);
- b) a declaration issued by the supervisory authority of the home country stating that establishing a branch unit in the territory of the Republic of Hungary does not breach laws of the home country and does not undermine the applicant insurer, insurance intermediary or consultant's operations (Article 70 (1) b) of the Insurance Act).

In addition to the above, the Supervision will grant the operating licence if

- a) there is an effective international cooperation agreement in force between the Supervision and the supervisory authority/authorities in the home country of the applicant based on mutual recognition of the supervisory authorities, including issues relating to branch units as well (Article 70 (2) a) of the Insurance Act);
- b) the home country of the applicant insurance intermediary has provisions against money laundering, meeting the requirements applied in the relevant Hungarian regulations, in place (Article 70 (2) b) of the Insurance Act);
- c) the home country of the applicant insurance intermediary has data protection regulations, meeting the requirements applied in the relevant Hungarian regulations, in place (Article 70 (2) c) of the Insurance Act);
- d) the applicant insurance intermediary has data management/processing regulations meeting the requirements laid out in the relevant Hungarian regulations (Article 70 (2) d) of the Insurance Act);
- e) the applicant insurance intermediary declares that it will perform any and all of its obligations and liabilities incurred through the branch unit (Article 70 (2) e) of the Insurance Act);
- f) the applicant insurance intermediary commits itself, in a declaration, to keep its account for its activities performed in the territory of the Republic of Hungary, with a Hungarian credit institution (Article 70 (2) f) of the Insurance Act);
- g) the applicant insurance intermediary commits itself, in a declaration, to keep the records and registers of its operations in the territory of the Republic of Hungary, in the territory of the Republic of Hungary (Article 70 (2) g) of the Insurance Act);
- h) appoints a general representative to be permitted to act as such, by the Supervision (Article 70 (2) j) of the Insurance Act);
- i) the registered seat and the head office of the applicant insurance intermediary are operating in the same country (Article 70 (2) k) of the Insurance Act).

Only a person meeting the following criteria may be a general representative of the branch unit of a third country insurance intermediary:

- a) no criminal record (Article 70 (3) a) of the Insurance Act);
- b) professional suitability and business integrity (Article 70 (3) b) of the Insurance Act);
- c) having at least five years of managerial practice in insurance or public financial management or in financial and economic areas of the state administration system (Article 70 (3) c) of the Insurance Act);
- d) has a degree obtained after completion of studies at university or college (Article 70 (3) d) of the Insurance Act).

4 Licensing the starting of activities directly related to insurance activities (Articles 63-64 of the Act on insurance)

The following documents shall be submitted in an application for a licence to start activities directly related to insurance:

- a) An application containing the **identification of the activities** to be carried out;
- b) detailed explanation of the factors confirming that the activity is directly related to insurance. If the applicant intends to carry out any of the following activities, it shall suffice just to refer to the relevant legislation [Article 5 (6) of the Insurance Act]:
 - ba) management and investment of the assets of the insurer by the insurer, the asset management activities of the insurer including derivative transactions carried out in the case of insurance technical reserves for the purpose of hedging, of developing an efficient portfolio and of arbitraging;
 - bb) intermediating financial services specified in Article 3 (1) h) of the Act on credit institutions and financial enterprises (agency activities);
 - bc) accepting and forwarding orders as specified in Article 5 (1) a) of the Act on investment services;
 - bd) mortgage lending;
 - be) securities lending activities as specified in Articles 168-171 of the Act on the capital market;
 - bf) services provided by the insurer to its parent company, subsidiaries, or to companies where it holds shares, for the functioning and maintenance of the insurance operations;
 - bg) the activities specified in Article 9 (4) of Act LVIII of 2003 on the ‘Wesselényi Miklós Flood and Inland Water Compensation Fund’.
- c) in the case of providing financial services, the draft for the contract to be signed with the credit institution.
- d) in the case of mortgage lending:
 - da) the charter,
 - db) the business plan,
 - dc) to certify meeting the personal criteria required for starting the operation, the following documents of the manager in charge of **mortgage lending activities**:
 - employment contract;
 - clean police record made out not more than 3 months before submission;
 - certification of relevant higher education by presenting degree;
 - employer’s certification of professional practice;
 - questionnaire concerning professional suitability and business integrity, filled out and signed;
 - if the manager in charge of mortgage lending does not have at least five years experience in lending and real estate valuation, an assignment or employment contract concluded with a person having such experience and the relevant employer’s certificate.
 - dd) to certify the availability of the material requisites for starting the activity:
 - **ownership, usage or lease/rental contract** concerning premises for the provision of customer service activities of adequate quality standards, meeting

- the requirements of the mortgage lending activities specified in the business plan;
- development and operation of a permanent system of registration, data processing and data supply (see licensing the starting of insurance activities).
 - de) certificate of the availability of the necessary regulatory capital;
 - df) a credit collateral value establishment code;
 - dg) debtor rating and receivable rating regulations;
 - dh) risk assumption regulations;
 - di) coverage evaluation regulations.
- e) **organisation chart** showing the conditions of ownership if the insurer provides services for its parent company, for its subsidiary or for an enterprise in which it has a participation, falling in the scope of the operation and maintenance of the insurance business;
- f) in the case of agency activities in the capital market, the draft of the contract to be concluded with the investment service provider.
- g) in the case of securities lending activities (pursuant to Article 168 (1) of the Act on the capital market) a certificate of membership in the central credit information system, if the firm intends to provide the securities lending services to others than reference data providers.

5 Licensing the modification of insurance activities (Article 92 of the Act on insurance)

If the insurer wants to extend its operations to additional branches or risk categories in addition to the already licensed insurance branch or risk category, it must obtain licence from the Supervision.

Pre-requisites for the licensing of a modification of the insurance activities:

- a) the applicant's modified charter;
- b) modified business plan (the modified business plan does not have to specify the amount and composition of the capital required for starting the operation);
- c) certification of meeting the criteria and having the resources required for the modified activities;
- d) certification of the applicant having the necessary regulatory capital after the modification of its scope of operations.

6 Licensing the termination of the operations of the insurer

The following documents have to be submitted for licensing the termination of the operation of an insurer:

- a) **effective deed of foundation**, in the case of an association the **effective list of members**;
- b) **decision** taken by the organisation unit that is authorised to decide on terminating the operation, as specified in the insurer's deed of foundation;
- c) **annual report** for the year preceding the submission of the application (if this has already been submitted to the Supervision as part of the mandatory data supply obligation, this should be referred to);
- d) **statement of the liabilities** originating from direct insurance transactions and from re-insurance transactions, along with the documents supporting such statement;
- e) in the case of still outstanding liabilities, the **plan prepared for the settlement of the outstanding liabilities** and;
- f) certification of the settlement of all liabilities and commitments originating from insurance activities, which may take the form of:
 - a record drawn up of the transfer of a portfolio licensed earlier by a decision of the Supervision, or;
 - an agreement concluded with the insured parties, or;
 - cancellation of the insurance contracts in which case the registry of the insurance portfolio existing when the decision is made on terminating the operation, the terms and conditions of the contracts comprised in the portfolio and the notices of cancellation delivered to the customers, shall be submitted to the Supervision.

7 Licensing an senior of an insurer (Article 3 (1) 71, Article 83 and Article 91 of the Insurance Act)

I Definition of a person in a senior position

Persons in senior positions shall include members of the board of directors, the supervisory board and the managing (executive) director.

In the case of insurance associations the above persons qualify as persons in senior positions if the number of the association's members exceeds one hundred on an average in a given calendar year. If the number of members is below one hundred, as an average over a calendar year, the chair of the board of directors, the chair of the supervisory board and the managing (executive) director qualify as persons in senior positions, irrespective of the titles applied in the charter of the association to persons in such positions.

The application should clearly identify the position to which the person for whose election the application is submitted, is intended to be submitted.

Prior permit is required for the election or appointment of persons in senior positions, for which an application is to be submitted to the Supervision at least 30 days before the planned date of election or appointment.

A person against whom a charge has been brought against on account of a criminal act specified in Title VII or VIII of Chapter XV or in Chapter XVII or XVIII of Act IV of 1978 on the Criminal Code or against whom an authority having competence abroad has brought a charge on account of an economic crime or a criminal act against property, which is sanctionable under the Hungarian law, shall not be employed as a person in senior position until the final conclusion of the criminal proceedings, or the performance of such tasks by such person shall be suspended.

II Specific criteria for the licensing of the various categories of persons in senior positions

A) Members and chair of the board of directors, chair of the supervisory board:

- a) Official certificate of a clean police record, made out not more than three months before the date of submission;
- b) Questionnaire concerning professional suitability and business integrity, filled out and signed (*see in the Annex to the Guidance to licensing*);
- c) to certify technical/professional practice, a certificate, appointment, employment contract made out by the previous employer, or a trade certificate from which the date of beginning and end of the period of obtaining professional practice and the nature of the activities underlying such practice (the day on which the period during which the professional experience was obtained must not be more than 10 years before the date of submission of the application);
- d) certification of relevant higher education by presenting a copy of the degree; if the person nominated to be a person in senior position is an auditor with an insurance qualification, his statement declaring that he is not working for any insurer as auditor;

- e) a declaration made out by the applicant insurer stating that it has provided all necessary facts and details for the Supervision for the issuance of a licence (*see in the Annex to the Guidance to licensing*);

B) Managing (executive) director:

- a) In addition to the items listed in point A) the employment contract or a certificate made out by the insurer about the managing (executive) director having an employment relationship with the insurer;
- b) Since an insurance association with an annual premium revenue below HUF 300 million may employ the managing (executive) director under an assignment contract as well, in this case the assignment contract or the certificate issued by the insurer about the existence of an assignment relationship.

C) A member of the supervisory board:

- a) Official certificate of a clean police record, made out not more than three months before the date of submission;
- b) Questionnaire concerning professional suitability and business integrity, filled out and signed (*see in the Annex to the Guidance to licensing*);
- c) if the person nominated to be a person in senior position is an auditor with an insurance qualification, his statement declaring that he is not working for any insurer as auditor;
- d) a declaration made out by the applicant insurer stating that it has provided all necessary facts and details for the Supervision for the issuance of a licence (*see in the Annex to the Guidance to licensing*);

D) Person in senior position actually governing the activities of an insurance holding enterprise or a holding enterprise engaged in miscellaneous activities:

The provisions laid out in section A) shall apply.

8 Licensing of other senior employees of the insurer (Articles 85-91 of the Insurance Act)

I Definition of ‘other senior employee’, general information

Persons working in the following positions shall qualify as other senior employees:

- a) senior actuarial;
- b) senior legal counsel;
- c) manager in charge of the accounting regime;
- d) internal audit manager (internal auditor);
- e) senior physician.

An insurer shall employ other senior employees to conduct insurance activities¹.

The Supervision’s **preliminary** permit (licence) shall be required for the appointment of the ‘other senior employees’, for which a licence shall be submitted to the Supervision at least 30 days before the planned date of appointment.

‘Other senior employees’ may fulfil such position at not more than two insurance shareholding companies.

An insurance association with a premium revenue below HUF 300 million may employ a senior actuary, senior legal counsel or senior employee in charge of the accounting regime under an assignment contract as well, or may assign an other organisation - employing persons meeting the criteria laid out in Article 86 (1) a)-d), Article 87 (1) a)-e) and Article 88 (1) a)-e) of the Insurance Act - to carry out these tasks and is not obliged to employ an internal auditor.

In the case of an insurance association specified above the Supervision may accept the employment of other senior employers of the insurer providing reinsurance services for the association, as senior actuary, senior legal counsel or senior employee in charge of the accounting regime.

In all licensing procedures the **statement** issued by the applicant declaring that it has provided the Supervision with all material facts and data for the issuance of the licence must be attached to the application for the licence (*see in the Annex to the Guidance to licensing*).

Licensing the Senior actuary of the insurer (Article 86 of the Act on insurance)

- a) A copy of a degree certifying relevant university qualification and a copy of the certificate in proof of having obtained the specific actuarial qualification prescribed in specific other legislation;
- b) in proof of professional practice² a certificate, appointment, employment contract made out by the previous employer, or a trade certificate from which the date of

¹ An insurer must employ a senior physician if the coverage belonging to branches 1 and 2 or 18 of part A of the non-life insurance division specified in Annex 1 to the Insurance Act contains services relating to illnesses or accidents, or if it is engaged in operations falling in the life insurance branch specified in Annex 2 of the Insurance Act.

² *Professional practice requirement*: having worked for at least five years for an insurer, the Supervision, a trade interest representing organisation of actuaries, insurance intermediaries or special consultants, a

beginning and end of the period of obtaining professional practice and the nature of the activities underlying such practice (the day on which the period during which the professional experience was obtained must not be more than 10 years before the date of submission of the application);

- c) official certificate of a clean police record, made out not more than three months before the date of submission;
- d) questionnaire concerning professional suitability and business integrity, filled out and signed (*see in the Annex to the Guidance to licensing*);
- e) employment contract or a certificate made out by the insurer that the senior actuary has an employment relationship with the insurer.

Senior legal counsel of the insurer

- a) A copy of a degree in proof of having completed studies at a university of political sciences and law;
- b) a copy of the diploma in proof of having passed a special examination in law;
- c) a copy of the diploma in proof of having completed studies in special insurance law;
- d) in proof of professional practice³ a certificate, appointment, employment contract made out by the previous employer, or a trade certificate from which the date of beginning and end of the period of obtaining professional practice and the nature of the activities underlying such practice (the day on which the period during which the professional experience was obtained must not be more than 10 years before the date of submission of the application);
- e) official certificate of a clean police record, made out not more than three months before the date of submission;
- f) questionnaire concerning professional suitability and business integrity, filled out and signed (*see in the Annex to the Guidance to licensing*);
- g) employment contract or a certificate made out by the insurer that the senior legal counsel has an employment relationship with the insurer.

Senior employee of the insurer in charge of the accounting regime

- a) A copy of the relevant degree or diploma obtained after completion of studies at university or college;
- b) a copy of the certificate in proof of certified accountant qualification;
- c) in proof of professional practice⁴ a certificate, appointment, employment contract made out by the previous employer, or a trade certificate from which the date of beginning and end of the period of obtaining professional practice and the nature of the activities underlying such practice (the day on which the period during which the professional experience was obtained must not be more than 10 years before the date of submission of the application);

business organisation engaged in insurance intermediary activities or an auditor for insurers, or as a specialised insurance consultant (advisor).

³ *Professional practice requirement*: having worked for at least five years for an insurer, in the financial or economic area of the state administration system, for a trade interest representing organisation of actuaries, insurance intermediaries or special consultants, a business organisation engaged in insurance intermediary activities or an auditor for insurers, or as a specialised insurance consultant (advisor).

⁴ *Professional practice requirement*: having worked for at least five years for an insurer, in the financial or economic area of the state administration system, for a trade interest representing organisation of actuaries, insurance intermediaries or special consultants, a business organisation engaged in insurance intermediary activities or an auditor for insurers, or as a specialised insurance consultant (advisor).

- d) official certificate of a clean police record, made out not more than three months before the date of submission;
- e) questionnaire concerning professional suitability and business integrity, filled out and signed (*see in the Annex to the Guidance to licensing*);
- f) employment contract or a certificate made out by the insurer that the senior employee in charge of the accounting regime has an employment relationship with the insurer.

Head of the internal audit function (internal auditor) of the insurer

In addition to insurers operating in the form of a shareholding company and to insurance cooperatives, those insurance associations whose annual premium revenue equals at least HUF 300 million, are obliged to employ internal auditors under the professional direction of the supervisory board. Such insurers, if they apply the same person as internal auditor, must conclude a written agreement stating that they do not object to the mutual employment of the internal auditor and shall submit such agreement to the Supervision within 30 days.

- a) A copy of the relevant degree or diploma obtained after completion of studies at university or college;
- b) in proof of professional practice⁵ a certificate, appointment, employment contract made out by the previous employer, or a trade certificate from which the date of beginning and end of the period of obtaining professional practice and the nature of the activities underlying such practice (the day on which the period during which the professional experience was obtained must not be more than 10 years before the date of submission of the application);
- c) official certificate of a clean police record, made out not more than three months before the date of submission;
- d) questionnaire concerning professional suitability and business integrity, filled out and signed (*see in the Annex to the Guidance to licensing*);
- e) employment contract or a certificate made out by the insurer that the head of the internal audit function (internal auditor) has an employment relationship with the insurer.

Senior physician of the insurer

- a) A copy of the medical degree;
- b) a copy of the diploma in proof of having obtained the basic medical qualification;
- c) in proof of professional practice⁶ a certificate, appointment, employment contract made out by the previous employer, or a trade certificate from which the date of beginning and end of the period of obtaining professional practice and the nature of the activities underlying such practice;
- d) official certificate of a clean police record, made out not more than three months before the date of submission;
- e) employment contract or a certificate made out by the insurer that the senior physician has an employment relationship with the insurer.

⁵ *Professional practice requirement*: having worked for at least five years for an insurer, in the financial or economic area of the state administration system, for a trade interest representing organisation of actuaries, insurance intermediaries or special consultants, a business organisation engaged in insurance intermediary activities or an auditor for insurers, or as a specialised insurance consultant (advisor).

⁶ *Professional practice requirement*: at least five years of relevant professional practice.

9 Licensing the assignment of an insurance portfolio (Articles 93-95 of the Act on insurance)

With the permit of the Supervision the whole or part of an insurance portfolio may be assigned on the basis of an agreement between the assignor and the assignee insurer:

- to an insurer having its registered seat in the territory of the Republic of Hungary;
- to an insurer having its registered seat in another Member State;
- to the branch unit in the territory of the Republic of Hungary or in that of another Member State, established by a third country insurer.

The insurance portfolio of a branch unit in the territory of the Republic of Hungary of an insurer having its registered seat in another Member State may be transferred with the permit granted by the supervisory authority of such other Member State.

The application for licensing the transfer of a portfolio shall contain the following:

- precise identification of the portfolio to be assigned, in terms of division, branch, risk category and policy numbers;
- the contractual terms and conditions of insurance applying to the portfolio to be assigned;
- the legal statements made out by the assignor and assignee insurers concerning the assignment and taking over of the portfolio (the draft of the portfolio assignment contract);
- a description of the insurance technical reserves and their coverage relating to the portfolio to be transferred and a statement about the intended management of such reserves and the conditions and circumstances of their transferring (if these are not contained in the attached draft);
- the date of portfolio transfer and its price (if these are not specified in the attached draft);
- a certificate of the fact that according to the preliminary calculations of the regulatory capital the recipient insurer does have, in addition to the minimum regulatory capital, the minimum regulatory capital required for the portfolio to be taken over;
(in the case of a recipient insurer established in another member state this certificate is issued at the request of the Supervision by the supervisory authority having competence over the registered seat of the insurer, in accordance with the procedural regime specified in the Insurance Act (Article 94 (2) and (6) of the Insurance Act)
- the draft of the letter in which the recipient insurer notifies the customers about the fact and consequences of taking over the portfolio (Article 95 (2) of the Insurance Act).

The Supervision shall refuse to grant a licence if:

- the content required elements of the application are not provided, or
- it seems likely that the transfer of the portfolio would violate the interests of the insured parties.

The insured parties and the contracting parties need not consent to the assignment of an insurance portfolio. Their consent is substituted by the decision by which the Supervision permits the transfer.

The insurer taking over the insurance portfolio must notify all contracting parties concerned within 30 days of receipt of the decision permitting the assignment or, in the case of an association of insurers, within 30 days of the day on which this is entered in the trade registry. Within 30 days of receipt of the notice the contracting party may, in a written notice to the recipient insurer - with effect from the 30th day after the date of the notice - cancel the insurance contract.

The same rules shall apply in respect of the notification obligation and the right to cancel, in the case of a merger, fusion or de-merger of insurers.

10 Licensing the acquiring of participation (Article 3 (1) 5 and Articles 111-114 of the Insurance Act)

I Definition of qualified influence:

Qualified influence is a direct and indirect relationship with an enterprise on the basis of which the person with the influence

- a) owns at least 10 % of the enterprise or holds at least 10% its voting rights, or
- b) may appoint or dismiss at least 20 % of the members of the decision making, executive or supervisory bodies of the enterprise, or
- c) may, according to the charter, deed of foundation or a contract, have a decisive influence on the operation of the enterprise.

In establishing the extent of the qualifying influence direct and indirect ownership must be taken into account together and pursuant to Article 27/A sections (2)-(6) of the Act on investment services.

The acquisition of a qualifying influence in an insurer operating in the form of a shareholding company, or a change that reaches or exceeds a threshold of 20, 33 or 50 percent is subject to licensing by the HFSA.

II Criteria for licensing the acquisition of a participation as specified in Article 111 of the Insurance Act and the documents to be enclosed with the application:

- a) the name of the insurer and the size of its participation already held and of its participation to be acquired;
- b) Identification details as specified under Article 3 section (1) subsection 3 for the applicant and for persons with a qualified influence in the enterprise, as follows:

For natural persons the personal identification and residential address details: name, name at birth, mother's maiden name, place and date of birth, citizenship, residential address, postal address, number of personal identification certificate (passport) or the number of some other certificate that can be used as proof of personal identity pursuant to Act LXVI of 1992 on the registration of citizens' personal details and addresses;

For organisations the identification details: name, short name, registered address, addresses of sites and branch offices, tax registration number, names and positions of the persons authorised to represent the organisation.

- c) If the applicant is a natural person, an official certificate of no criminal record, or an equivalent document according to the jurisdiction of the applicant;
- d) For an applicant who is a natural person or for natural persons with qualified influence in the applicant if the applicant is an enterprise, a declaration stating that there are no other reasons for exclusion in connection with his/her person;
- e) If the applicant is not a natural person, its instrument of institution in effect at the date when the application is submitted; documentary confirmation dated not earlier than 30 days prior to the submission date of the application, that its incorporation and registration has taken place in its jurisdiction; that it is not subject to a bankruptcy, liquidation or final settlement procedure; and a declaration stating that there are no reasons for exclusion regarding its senior executive;
- f) Documentary confirmation dated not earlier than 30 days prior to the submission date of the application, stating that the applicant has no outstanding liabilities to the tax authority, customs authority and social insurance organisation with competency within its jurisdiction;
- g) Confirmation of the lawful origin of the funds necessary for the acquisition of the qualified influence;
- h) A declaration stating that the other ownership interests and activities of the applicant pose no threat to the operation of the financial institution; and about its pending and future liabilities pursuant to the Act on accounting;
- i) A contractual offer made for the acquisition of ownership or for the agreement that should ensure significant benefits in connection with voting rights;
- j) For an applicant that is not a natural person, a detailed description of its ownership structure;
- k) The declarations pursuant to Article 58 section h) and i), i.e.:
 - For an insurer subject to supervision on a consolidated basis or subject to supplementary supervision, a presentation of the information transfer regime related to the consolidated or supplementary supervision and a declaration from the persons closely connected to the insurer that they will provide to the HFSA

all data, facts and information that may be necessary for the supervision of the insurer on a consolidated basis or for its supplementary supervision.

- For an insurer subject to supervision on a consolidated basis or subject to supplementary supervision, declarations from the natural persons closely connected to the insurer, that they consent to their personal details provided to the insurer to be handled and forwarded for the purposes of supervision on a consolidated basis or for the purposes of supplementary supervision as required under the legislation.
- l) A declaration by the applicant in a private document of full probative value, stating that the applicant consents to the verification, at organisations contacted by the HFSA, of the veracity of the contents of the document attached to its application for the license.
- m) For the acquisition of a direct participation proof, that the applicant has deposited the cash part of the capital needed for the acquisition of the participation with a credit institution incorporated in some member state;
- n) If the applicant is an insurer, reinsurer, credit institution or investment enterprise incorporated in a third country, then it must also attach to its application a certificate or a declaration issued by the competent supervisory authority of the state with jurisdiction over its registered seat, stating that the enterprise conducts its operations in compliance with the rules governing the respective activities;
- o) If the applicant is a natural person, the completed questionnaire with respect to his/her professional suitability and business integrity;
- p) Proof of financial results for the 3 years prior to the submission of the application (annual reports, financial statements, auditor's statements);
- q) If the applicant is domiciled abroad, the power of attorney for the agent for service of process. The following may act as agents for service of process: an attorney or law office registered within the territory of the Republic of Hungary or the insurer, insurance broker or insurance consultant of the applicant incorporated within the territory of the Republic of Hungary, or its permanent representation pursuant to Article 55 of the Act on insurance.

11 Licensing independent insurance intermediary (brokerage or multiple brokerage) activities (section I) and of the manager of independent insurance intermediary activities (section II) (Article 38 of the Insurance Act)

I Licensing independent insurance intermediary (brokerage or multiple brokerage) activities

The following documents need to be submitted for licensing the starting of independent insurance intermediary activities:

- a) a declaration of the nature of the operation intended to be performed (brokerage or multiple brokerage activities);
- b) a copy and proposal slip of a third party liability insurance policy providing for at least EUR 1,120,200 per claim event and EUR 1,680,300 a year in aggregate, covering the entire territory of the European Union, or certificate of converge made out by the insurer or certificate by a bank of the existence of collateral items of EUR 1,680,300;
- c) the application should contain an application for the licensing of the manager of the independent insurance intermediary activities (*see separate section on personal licenses*);
- d) a declaration made out by the applicant stating that it has provided the Supervision with all material facts and data that are required for issuing the licence (*see in the Annex to the Guidance to licensing*);
- e) the regulations introduced by the independent insurance intermediary to prevent and impede money laundering (*see money laundering regulations*);
- f) a document confirming the right of ownership of, or the right to use or to lease the business premises for conducting the activities (such as a proprietorship register or a lease contract);
- g) declaration about the existence of continuous record-keeping suitable for individual identification;

If the applicant is an enterprise not yet registered by the Court of Registration or the branch unit of a third country independent insurance intermediary, that has not yet been registered in Hungary, the following should also be attached to the application:

- h) The articles of association, deed of foundation of a limited liability company (Kft) with equity of at least HUF 5 million or that of a branch unit with equity of at least HUF 5 million or the charter or deed of foundation of a public or non-public shareholding company (Nyrt, Zrt);
- i) In the case of a limited liability company a statement by the credit institution conforming the payment of the cash contribution or a declaration by the managing director endorsed by an attorney or made out as a public document by a notary public, that the financial contribution will be made available to the company; for contributions in kind, a declaration by the managing director that the contribution in kind will be made available to the company, together with the declarations made by the members about the valuation of the contribution in kind;
- j) Bank statements as proof of payment of the share equity for cooperatives and of the equity for branch offices;
- k) Certificate of the commencement of the incorporation procedure.

II Licensing the manager of independent insurance intermediary activities

The following shall be attached to the application:

- a) original clean police record of the person to be licensed, made out not more than 3 months before submission;
- b) a copy of the degree issued in proof of having completed tertiary education or of the diploma in proof of having completed secondary education;
- c) in proof of professional practice a certificate, appointment, employment contract made out by the previous employer, or a trade certificate from which the date of beginning and end of the period of obtaining professional practice and the nature of the activities underlying such practice (the day on which the period during which the professional experience was obtained must not be more than 10 years before the date of submission of the application);

A person with a degree from tertiary education may carry out the tasks of managing insurance intermediary activities if before taking up such tasks he worked for at least three years in an insurance related managerial position at an insurer, an enterprise engaged in insurance intermediary activities or in financial or economic area in the state administration system or at a relevant trade interest representing organisation, or worked for such as insurance consultant, or has completed at least five years of service with such organisations as employee, in a civil service relationship or other relationship aiming at performing work, or a person who has secondary qualifications, if he worked at least for seven years in an insurance related managerial position for an insurer or an enterprise engaged in insurance intermediary activities.

- d) a declaration made by the person intended to be licensed (*see in the Annex to the Guidance to licensing*) stating
 - that he is not a senior officer of an enterprise against which bankruptcy or liquidation procedures were started within 3 years before the submission of the application;
 - he is engaged in insurance intermediary activities exclusively for the insurance intermediary concerned;
 - has no employment or other working relationship with any insurer;
- e) statement issued by the applicant declaring that he has provided the Supervision with all material facts and data for the issuance of the licence must be attached to the application for the licence (*see in the Annex to the Guidance to licensing*);

12 Licensing the employment of a lead agent (Article 50 of the Insurance Act)

The lead agent is the agent of the insurer to whom the insurer has granted full authorisation to carry out all of the responsibilities and exercise the rights that are required for the operation of the insurer, including in particular the conclusion of contracts, making out policies and taking over insurance fees.

Consequently, a lead agent may have a legal relationship for insurance intermediating with no more than one insurer.

Before employing a lead agent the insurer must ask the Supervision for a licence. If the application is submitted by any other than the insurer the licensing process cannot be started.

An insurance agent - including a lead agent - may be a natural person or a business organisation.

If the lead agent is a **business organisation**, the following documents need to be submitted for its employment:

- a) The deed of foundation, charter, articles of association etc. of the business organisation;
- b) a copy of the decision (order) certifying the incorporation or registration of the business organisation by the Court;
- c) original clean police record of the person managing the lead agency activities made out not more than 3 months before submission;
- d) copy of the degree or diploma in proof of the completion of (tertiary or secondary) studies by the manager of the lead agency activities;
- e) in proof of professional practice of the manager of the lead agency activities⁷, a certificate, appointment, employment contract made out by the previous employer, or a trade certificate from which the date of beginning and end of the period of obtaining professional practice and the nature of the activities underlying such practice (the day on which the period during which the professional experience was obtained must not be more than 10 years before the date of submission of the application);
- f) the contract underlying the employment of the lead agent;
- g) a declaration made out by the applicant stating that it has provided the Supervision with all material facts and data that are required for issuing the licence;

If the lead agent is a **natural person**, the documents specified in sections c)-g) shall be submitted to the Supervision for licensing his employment.

⁷ *Professional practice requirement:* having worked for at least five years for an insurer, in the financial or economic area of the state administration system, for a trade interest representing organisation of actuaries, insurance intermediaries or special consultants, a business organisation engaged in insurance intermediary activities or an auditor for insurers, or as a specialised insurance consultant (advisor), or has completed at least five years of service with such organisations as employee, in a civil service relationship or other relationship aiming at performing work, or a person who has secondary qualifications, if he worked at least for seven years in an insurance related managerial position for an insurer or an enterprise engaged in insurance intermediary activities.

II Other procedures

1 Registration of insurance consulting activities (Articles 51-53 of the Act on insurance)

The following documents are required for the registration of organisations and persons engaged in insurance consulting activities:

- a) Copy of a liability insurance policy with an insurance limit of at least HUF 50 million for individual damages and per annum, the offer sheet, the certificate of coverage issued by the insurer, or a bank statement confirming the existence of collateral assets in the amount of HUF 50 million;
- b) The application must include a request for the registration of the person managing the insurance consulting activities (see separate section on personal licenses);
- c) In case of a business organisation a declaration stating that the business has not been subject to and at the time of registration is not subject to a bankruptcy or liquidation procedure.

I Registration of the person in charge of insurance consulting activities (Article 52 section (2) of the Act on insurance)

The following are to be attached to the application:

- a) An official certificate of criminal history for the person being applied for, dated not earlier than three months prior to the date of the application;
- b) A certified copy of the diploma or degree certificate that provides proof of an academic qualification;
- c) A certificate issued by the previous employer, or an appointment, employment contract or certificate of incorporation that could be used to identify the start and completion dates of the professional experience and the nature of the activity underlying the experience (the completion date of the professional experience may not be earlier than 10 years prior to the submission date of the application);
- d) A certified copy of the diploma or certificate of the person being applied for, confirming his/her professional qualification as an “insurance consultant”, “insurance lawyer” or “actuary” (Annex 13 to the Act on insurance);
- e) A declaration stating that the applicant has provided to the HFSA every material fact and detail that may be necessary for the license to be issued (*see the annex to the licensing guidelines*).

Pursuant to **Article 45 section (1) of Act CXXXVI of 2007** on the prevention and deterrence of money laundering and terrorist financing, in collaboration with the authority functioning as the financial intelligence unit and with the agreement of the Ministry of Finance, the HFSA provides sample regulations to the service providers.

Pursuant to Article 45 section (2), service providers already active on the effective date of the Act, i.e., on 15 December 2007, must revise their regulations within 90 days following the entry into force of the Act, without preliminary supervisory approval, and

such regulations shall only be inspected by the HFSA in the course of its ad-hoc examinations.

2 Preparation and approval of the regulations on the prevention and deterrence of money laundering

Pursuant to Act CXXXVI of 2007 on the prevention and deterrence of money laundering (hereinafter referred to as the Act on money laundering) legal entities active in insurance, insurance brokerage, insurance consulting and providing occupational pension services (hereinafter referred to as service providers) shall prepare internal regulations.

Pursuant to the decree for the implementation of the Money Laundering Act, in collaboration with the authority functioning as the financial intelligence unit and with the agreement of the Ministry of Finance, the HFSA provides sample regulations to the service providers.

Within 90 days from the entry into force of the Act service providers shall revise their existing regulations in order to enable all of their employees to comply with the customer due diligence and reporting obligations specified in the Money Laundering Act, and to be able to recognise unusual transactions aimed at using the service provider to launder money gained from criminal activities or to provide financial support for terrorism.

The Hungarian Financial Supervisory Authority shall approve such regulations if those contain the mandatory formal elements specified in the decree issued for the implementation of the Money Laundering Act and if they are not in conflict with the legal regulation.

Service providers in the process of formation shall prepare their own regulations on the basis of the sample regulations and shall submit those together with their other licensing documents. The amended regulations of already active service providers are examined by the HFSA within the framework of audits, but they need not be sent in for authorisation.

The provisions of the Act are to be applied exclusively for activities within the life insurance branch because dependent insurance brokers specified under Article 33 section (4) of Act LX of 2003 on insurers and insurance activities (hereinafter referred to as the Act on insurance) and independent insurance brokers specified under the Act on Insurance are not subject to the Money Laundering Act concerning their activities related to contracts within the non life branch and neither is an insurer if it holds a license to conduct activities only within the non life insurance branch, and neither is a service provider licensed to conduct activities concurrently within both the non-life insurance and life insurance branches (a composite insurer) with regard to its activities within the non-life insurance branch.

The legislation for the prevention and deterrence of terrorist financing was expanded with Act CLXXX of 2007 on the implementation of restrictive measures ordered by the European Union with regard to funds and assets and on the amendment of certain related Acts, which is to be considered in the drafting of the regulations.

Click on the below references to access the individual sample regulations and the related guidelines:

[Sample regulations for insurers, insurance brokers and providers of occupational pension services, to assist in the preparation of regulations for the prevention and deterrence of money laundering and terrorist financing.](#)

[Guidelines to the sample regulations for insurers, insurance brokers and providers of occupational pension services.](#)

Annexes

Professional suitability and business integrity (Article 3 (1) 52, Article 92 of the Insurance Act)

Professional suitability and business integrity means the criteria of certain managers and owners of an insurers being suitable for managing and owning the enterprise.

Professional suitability and business integrity have to be proven by the applicant.

The mode of providing proof may be chosen by the applicant, but the Supervision may call for the submission of other, clearly specified documents. In the course of the licensing procedures the Supervision has introduced the **questionnaire** (*see the next pages*) the completion and signing of which is a minimum pre-requisite for certifying professional suitability and business integrity. In addition to the questionnaire the Supervision may prescribe the submission of additional documents and in the course of making its judgement of professional suitability and business integrity the Supervision takes into account any other information in its possession *ex officio*.

If the Supervision finds the attempt to prove professional suitability and business integrity unsuccessful, it shall make a decision on this.

Pursuant to the Insurance Act in the following cases a person cannot be considered, by force of law, to be professionally suitable and to have the required business integrity, who:

- a) has (or had) a qualified holding or is (or was) a person in a senior position or other manager of an insurer, insurance intermediary or financial institution,
 - aa) in the case of which illiquidity could be avoided only through an action by the organisation's supervisory authority and whose personal responsibility for the development of such a situation was established by a final decision of a court or a competent authority, or
 - ab) that had to be liquidated and whose personal responsibility for the development of such a situation was established by a final decision of a court or a competent authority, or
- b) who has gravely or repeatedly violated the provisions of this Act or of other legal regulations applying to insurance activities as a consequence of which the Supervision has applied the highest amount penalty to him in a final decision dated not more than 5 years ago or whose responsibility was established by court in a final decision taken not more than 5 years ago.

Since the above list is not exclusive, the Supervision may decide that the applicant does not have the required professional suitability and business integrity even if in view of the available data the Supervision holds that the applicant has not managed to prove his meeting the criteria that would enable him to manage or own an insurance undertaking.

Questionnaire for natural persons - to establish professional suitability and business integrity

- 1 Full name:
Date at birth:
Mother's maiden name:
Place and date of birth (indicating also the country for foreigners):
Number of official personal identification document:
Residence address(es) for the past five years (for foreigners also addresses abroad) indicating the length of stay:
Postal address:
Citizenship(s):

- 2 Purpose for requesting a statement of good business reputation: taking a position (job) or acquisition of ownership:

- 3 Name, registered seat of the insurer:

- 4 Precise identification of the senior position to be taken or the percentage of the ownership to be acquired:

- 5 Names and addresses of registered seats of all enterprises (not only insurers) in which he has been owner and/or chief executive during the past 10 years:

- 6 Highest school qualification, in the case of foreigners mentioning country and educational institution (name and registered address of the educational institution):

- 7 Vocational qualification(s), including country and institution (name and registered address of the educational institution):

- 8 Jobs held during the past 10 years, including name(s) and address(es) of employer(s), name(s) of function(s), time spent working for the various employers and reasons for quitting the various jobs (please highlight separately any jobs or offices held at financial organisations):

- 9 Positions (employment) with any insurer or insurance brokerage firms in temporal order, for the past 10 years:

- 10 A list of all (any) enterprises (Hungarian and/or foreign) in which he has held an ownership (voting) stake of at least 5% for a period longer than six months during the past 10 years (please highlight separately any stakes held in financial organisations):

- 11 A list of all (any) enterprises (Hungarian and/or foreign), in which he currently also holds an ownership (voting) stake of at least 5% (please highlight separately any stakes held in financial organisations):

- 12 A list of all enterprises (where he served as the chief executive or where an ownership (voting) stake of at least 10% was held), for which a license was received from a competent authority (supervisory authority or chamber):

- 13 Memberships or offices held during the past 10 years in other professional bodies, representation bodies or other bodies or organisations and the reasons for leaving if applicable:

- 14 A list of all non-appealable sentences in criminal courts, indicating the court of trial, with a brief presentation of the operative part of the sentence handed down by the criminal court and with a statement of the facts:

- 15 All indictments of the applicant for crimes specified under Chapter XV titles VII and VIII and Chapters XVII and XVIII of Act IV of 1978 on the Criminal Code, and any indictments by foreign competent authorities for crimes against property or for economic crimes:

- 16 All non-appealable ethical decisions by courts, authorities, professional supervisory organisations, chambers and professional representation organisations that have ended in condemnation, for the past 10 years, with a brief presentation of the operative part of the ruling and of the statement of facts:

- 17 A list of the names of all enterprises headed by the applicant (indicating the country, town and registered address) during the past 10 years that were subjected to bankruptcy or liquidation procedures, with an indication of the reasons for starting the procedure and how the procedure was closed. Please state whether or not you were found to be personally responsible for the emergence of the situation:

.....
(date and place of signature)

.....
(signature)

Questionnaire for bodies corporate to establish professional suitability and business integrity

- 1 Name of the insurer to be established (name of the insurer in which the entity intending to obtain a participation intends to obtain a participation) along with the percentage of ownership intended to be acquired:

- 2 Precise identification of the applying founder (acquirer of participation), its registered seat (specifying the country):

- 3 Date and place of the establishment of the applicant founder enterprise (acquirer of participation), where it was registered or incorporated (country and town) and corporate registration number:

- 4 The countries in which the applicant founder (acquirer of participation) is engaged in insurance activities:

- 5 A list of any (other than insurance) business activities in which the applicant founder (acquirer of participation) has been engaged during the 10 year period before submitting the application:

- 6 A list of the ownerships (in percentage) of the applicant founder (acquirer of participation) in any other insurers at the submission date of the application:

- 7 Names of the chief executive, the person in charge of the accounting regime, the senior counsel and the audit firm of the applicant founder (acquirer of participation):

- 8 Name, address and chief executive officer of the bank of the applicant founder (acquirer of participation):

- 9 Names and addresses of the state and/or professional authorities of the applicant founder (acquirer of participation) (local and central tax authority, social security

authority, competition authority, (insurance) supervisory authority, chamber etc.):

- 10 The intended purpose to be achieved by the enterprise of the applicant founder (acquirer of participation) in the Hungarian insurance market (what it actually expects from its investment in the Hungarian insurance market):
- 11 The names of the non-resident persons (under the Foreign Exchange Act) that the applicant founder (acquirer of participation) intends to transfer (delegate) to the insurer with its registered seat in Hungary:
- 12 Name and registered seat of the reinsurer of the applicant founder (acquirer of participation), if it is an insurance undertaking:
- 13 If the applicant founder (acquirer of participation) is a member of a holding, syndicate etc., the name and registered seat of such organisation:
- 14 Number and subjects of final condemning court verdicts against the previous chief executive of the applicant founder (acquirer of participation) during the five years preceding the submission of the application:
- 15 Number and brief description of the contents of proceedings instituted and closed against the applicant founder (acquirer of participation) by the competition, insurance, banking, securities or other professional supervisory and other authorities of its home country and the amounts of the fines imposed - if any - during the 10 year period preceding the submission of the application:
- 16 Was any bankruptcy or liquidation proceeding instituted against the applicant founder (acquirer of participation) entity during the 10 year period preceding the date of the submission of the application, the number of such cases and brief description of the closure of such procedures:

- 17 In the case of a foreign applicant founder (acquirer of participation), has any condemning decision/verdict been brought against the applicant by a Hungarian authority/court during the five years before submitting the application on any account, now many times, what authorities/courts were involved, what were the actual cases and decisions:

.....
(date and place of signature)

.....
(signature)

Declaration of completeness for the licensing of independent insurance intermediaries

I, the undersigned, representing (enterprise) declare that I have communicated all material facts and data to the Hungarian Financial Supervisory Authority as are required for the issuance of a licence for the *performance of independent insurance intermediary activities / performance of tasks directly related to insurance intermediary activities / appointing the manager of independent insurance intermediary activities* *⁸.

Dated:.....

.....
(authorised signature)

This declaration has been made out as an annex to the application submitted to the Hungarian Financial Supervisory Authority for a licence, referred to above.

⁸ Please underline as appropriate.

Declaration of no conflict of interests for the manager of the operations of an independent insurance intermediary

I, the undersigned, representing (enterprise) declare that I do not meet the criteria for exclusion specified in Article 38 (6) of Act LC of 2003 on insurers and insurance activities (hereinafter: Insurance Act),

- I am not a senior officer of any economic association against which bankruptcy or liquidation procedures were instituted in the three year period before submitting this application (Article 38 (6) a) of the Insurance Act);
- I am engaged in insurance intermediary activities exclusively for⁹ (Article 38 (6) c) of the Insurance Act);
- I have no employment or any other working relationship with any insurer (Article 38 (6) d) of the Insurance Act)

.....
(signature)

This declaration has been made out as an annex to the application submitted to the Hungarian Financial Supervisory Authority for a licence for the appointment of the manager of independent insurance intermediary activities, referred to above.

In witness whereof:

Name:	Name:
Home address:	Home address:
.....
Personal identity card number:	Personal identity card number

⁹ The entity whose manager of insurance intermediating activities the person concerned is asked to be licensed.

Declaration of completeness for the licensing of managers of persons in senior positions of insurance companies

I, the undersigned, representing
..... (enterprise) declare that I have
communicated all material facts and data to the Hungarian Financial Supervisory
Authority as are required for the issuance of a licence for the *appointment of*
..... *(name) a person in managerial position.*

.....
(authorised signature)

This declaration has been made out as an annex to the application submitted to the Hungarian Financial Supervisory Authority for a licence, referred to above.