



محكمة قطر الدولية
ومركز تسوية المنازعات
QATAR INTERNATIONAL COURT
AND DISPUTE RESOLUTION CENTRE

**In the name of His Highness Sheikh Tamim bin Hamad Al Thani,
Emir of the State of Qatar**

Neutral Citation: [2023] QIC (F) 48

**IN THE QATAR FINANCIAL CENTRE
CIVIL AND COMMERCIAL COURT
FIRST INSTANCE CIRCUIT**

Date: 16 December 2023

CASE NO: CTFIC0032/2022

RE AIG MEA LIMITED

Applicant

JUDGMENT

Before:

Justice Lord Hamilton

Justice Sir Bruce Robertson

Justice Ali Malek KC

Order

1. The Court, having considered the revised and reissued Application dated 1 October 2023 for an order sanctioning the scheme for the transfer by the Applicant to Qatar General Insurance and Reinsurance Company Q.P.S.C. of the portfolio of insurance business referred to in the Portfolio Transfer Agreement between these parties dated 9 December 2021, together with further information subsequently provided, sanctions that scheme under article 100 of the Qatar Financial Centre Financial Services Regulations (as amended).

Judgment

1. The Applicant is a branch registered in the Qatar Financial Centre ('QFC') of AIG MEA Limited, a company established in the United Arab Emirates. The Applicant is an entity authorised by the QFC Regulatory Authority ('QFCRA') to carry on certain insurance-related business.
2. The Applicant has, since 1 April 2021, voluntarily ceased to underwrite new insurance business, the intention being, following the completion of the transfer process to which this Application relates, to close the QFC branch and deregister it.
3. Qatar General Insurance and Reinsurance Company Q.P.S.C. (the '**Transferee**') is an entity established in Qatar outside the QFC. It is licensed by the Qatar Central Bank (the '**QCB**') to conduct insurance business in the State of Qatar. Any transfer of insurance business to the Transferee is subject to regulation in the State of Qatar and requires the approval of the QCB. It is envisaged that such approval will be sought if and when this Court, for its part, has sanctioned the scheme.
4. The QFC Financial Services Regulations (the '**Regulations**') provide, in Part 16, for the Control of any Business Transfer, including any Insurance Business Transfer, being, "*a transfer of the whole or any part of the business of effecting or carrying out contracts of insurance or reinsurance undertaken by an Authorised Firm in or from the QFC...*" (article 94(1)). Article 95 provides that any such scheme, "*shall have effect only if an order has been made in relation to it under Article 100*".

5. Article 100 of the Regulations, as originally made, provided that the body empowered under that article to make an order sanctioning a relevant scheme was, “*the Tribunal*”, being a tribunal established or to be established under certain (other) regulations. The Regulations were subsequently amended, most recently by the Financial Services (Amendment) Regulations 2023-2, which commenced on 1 August 2023. By that amendment, “*the Tribunal*” was replaced in article 100, and elsewhere, by “*the Court*” (this Court), which accordingly has jurisdiction to entertain this Application.

6. The power of this Court to make an order under article 100 sanctioning a relevant scheme is subject to certain conditions. These are that:
 - i. *the requirements stipulated by the Regulatory Authority pursuant to Articles 97 and 98 have been complied with;*

 - ii. *on or before the Relevant Scheme becoming effective the transferee:*
 - a. *will have the authorisation required (if any) to enable it to carry on the business which is to be transferred to it in the place to which it is to be transferred; and*

 - b. *will possess adequate financial resources to carry on the business concerned in accordance with the legislation applicable in the place to which it is to be transferred; and*

 - iii. *the [Court] considers, in all the circumstances of the case, it is appropriate to sanction the Relevant Scheme.*

7. Article 97 makes provision in relation to the preparation of a Scheme Report, including conferring powers on the QFCRA to issue Rules setting out requirements as to the form and content of such a Report. The QFCRA has issued such Rules, being those contained in Part 11.2 of the Insurance Business Rules 2006 (PINS).

8. A Scheme Report on the proposed transfer has been prepared and signed by a nominated Consulting Actuary, approved with a non-objection from the QFCRA. A summary of that Scheme Report has also been prepared. The Scheme Report addresses,

in the context of the proposed transfer, the Rules made by the QFCRA. It also addresses certain issues required by QCB regulations. The Court understands that the Scheme Report has been seen and considered by the QFCRA and that it has raised no objection to the proposed transfer.

9. Article 98 addresses the publicity which must be given to a proposed transfer. The QFCRA is authorised to issue Rules in that respect also and has done so; they are contained in Part 11.3 of the Insurance Business Rules 2006 (PINS). In terms thereof, written notice of intention to make the proposed transfer must be provided to affected policyholders and the notice published in 2 national newspapers (one in English and one in Arabic). There have been exhibited letters, including notice of the intention to transfer and the prepared summary of the Scheme Report, to each of the five current or former policyholders understood to have a continuing interest in the policies which the Applicant proposes to transfer. Notices of intention to transfer have also been published in the Gulf Times (English) and in Al-Raya (Arabic). In all of these it is stated that any objection to the proposed transfer can be notified to the QCB no later than 10 September 2023. The Court has sought confirmation from the QCB that no objections have been so notified but has received no substantive reply. The matters stipulated by the Regulatory Authority pursuant to article 98 do not, in terms, require that, as a pre-condition of sanctioning a scheme, the Court must have received such confirmation. Although ordinarily the Court would wish to have such express confirmation, it is satisfied that in the circumstances it can deal with this matter under article 100(3), below.

10. In these circumstances the Court is satisfied that the requirements referred to in article 100(1) have been complied with.

11. It is also satisfied that the requirements of article 100(2) have been met. There has been exhibited the licence which the transferee holds from the QCB to conduct the relevant classes of insurance business in the State of Qatar. The Scheme Report addresses the financial resources of the Transferee. It is plain that it has more than sufficient financial resources to carry on in the State the transferred business in accordance with the applicable legislation.

12. There remains to be considered article 100(3). The Applicant, in furtherance of policies adopted by its ultimate parent company, has decided to run down its non-life insurance business, with a view to the winding up in due course of these operations in the QFC. The transferee, an established insurance company in Qatar outside the QFC, has agreed to take over this residual business. After due publicity, no objection to such transfer has, so far as the Court is aware, been intimated. The interests of the few remaining policyholders are adequately protected, including by the provision of reinsurance by AIG MEA Limited of potential liabilities under the portfolio of policies proposed to be transferred.

13. So far as appears, no other relevant interests are materially affected by the proposed transfer. Article 99 of the Regulations provides that, in addition to the proposed transferor and transferee, the following are entitled to be heard with respect to any application, namely, “(i) *the Regulatory Authority and (ii) any person (including an*

employee of the proposed transferor or transferee) who alleges he would be adversely affected by the sanctioning or implementation of the Relevant Scheme”.

14. As stated above, the QFCRA has raised no objection to the proposed transfer. The Court has been advised by the Transferee that it has not received any objections, directly or through the QCB, with regard to the proposed transfer. The Court proceeds on the basis that, if the QCB had been timeously notified by any other interested person of any objection to the proposed transfer, it would, as a responsible public authority, have drawn that to the attention of the Court. As it has not done so, it is to be inferred that no such objection was notified to it. In the foregoing circumstances the Court is satisfied that it is appropriate that it make an order under article 100 sanctioning the Scheme.

By the Court,



[signed]

Justice Lord Hamilton

A signed copy of this Judgment has been filed with the Registry.

Representation

The Applicant was represented by Clyde and Co (Doha, Qatar)