

CELL COMPANY HANDBOOK | 09

Definitive guide to global cell companies
Jurisdictional overviews
Expert advice on diverse use of the cell structure

Middle East & Africa



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Dubai

Vital statistics:

Local name for the service: Protected Cell Company (PCC)

Date legislation was passed: September 2004

Number of core cells: 1

Estimated number of active cells: Not disclosed

Capitalisation requirements: Non-cellular assets: \$50,000. Cellular assets: \$50,000. PCCs are subject to a risk-based capital requirement. If this leads to a higher figure than the minimum, then this higher figure will apply.

Tax regime: Zero percent tax rate on income and profits.

Licensing fees: Wholly-owned PCC: \$15,000, \$15,000 is payable annually thereafter on 1st January. Sponsored PCC: \$40,000, \$40,000 is payable annually thereafter on 1st January. An additional variable is levied at \$1,000 per \$1m of gross premium income capped at \$150,000 yearly and is applicable to all PCCs.

A captive insurer or PCC will also need to register with the DIFC Registrar of Companies (ROC):

- Application for reservation of company name: \$800
- Incorporation of a PCC or for conversion to a PCC: \$8,000
- Commercial licence fee (payable upon incorporation and annual renewal): \$12,000

Regulator contact: For more information about the DIFC and authorisation requirements, please contact the insurance department on Tel: +971 (0)4 362 2222; email: captives@difc.ae

For information on legislation, applications or registration, contact the Dubai Financial Services Authority on Tel: +971 (0)4 362 1500 or visit: www.dfsa.ae

PCCs in Dubai:

Dubai Holding Insurance Services PCC Limited

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Mauritius

Vital statistics:

Local name for the service: PCCs

Date cell captive legislation was passed: 23 December 1999

Name of cell captive law: The Protected Cell Companies Act

Total number of cell companies: Not disclosed

Total number of individual active cells: Not disclosed

Capitalisation requirements: Not disclosed

Tax regime for cell companies/cells: Not disclosed

Licensing fees: Processing fee: \$1,000 which includes the first cell and \$300 for each additional cell

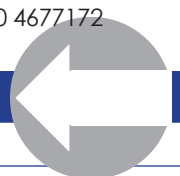
Fixed annual fee: \$2,500 which includes the first cell and \$500 for each additional cell

Please also refer to: www.gov.mu/portal/sites/ncb/fsc/coffiedlist.html

Regulatory contact name: Financial Services Commission Mauritius, FSC House 54, Cybercity, Ebene, Mauritius, Tel: +230 403 7000, Fax: + 230 4677172
email: fscmauritius@intnet.mu, website: www.fscmauritius.org

PCCs in Mauritius:

Guardrisk International PCC



Mauritius



GUARDRISK INTERNATIONAL PCC is a subsidiary of the South African-based Guardrisk group which pioneered the cell captive concept in 1992. Since 2004, an independent, international survey has annually confirmed Guardrisk as the world's number one, specialist captive insurance group of its kind (in US\$ terms).

Guardrisk International was originally based on the contractual cell model of the South African operation, but the company converted from a contractual cell company to a PCC (protected cell company) when the legislation was introduced in Mauritius in 2000, giving clients added protection through a legal framework over and above the ring fencing concept.

Guardrisk International has both life and short-term insurance licences and provides cell captive and rent-a-captive facilities, as well as captive management facilities to its clients.

The Mauritian operation offers a valuable resource for international clients seeking to operate in an offshore, low tax environment, who can use its facilities as a hub for their global insurance programmes.

Date formed:	1998
Number of cells:	14
Associated fees:	N/A
Sponsor:	Alexander Forbes
Assets under management:	£22.6m (US\$32m) as at 31 March 2009
Premiums written:	£25.6m (US\$36.2m) as at 31 March 2009

Contact details

Vikram Ramlochun

Guardrisk International PCC

Registered address: Suite 599, Barkly Wharf, Le Caudan Waterfront, Port Louis, Mauritius

Tel: +230 210 1688

Email: Vikramr@intnet.mu

Website: www.guardrisk.com

Namibia

Vital statistics:

Local name for the service: Contractual Cell Company

Date legislation was passed: 1998

Total number of cell companies: Not disclosed

Total number of individual active cells: Not disclosed

Capitalisation requirements: N\$4m (Namibian Dollars) or 15% of annual net written premium for short-term insurance.

Tax regime: Contractual cell companies are taxed at the rate applicable to traditional insurers. The basis of taxation in Namibia is that only income derived, or deemed to be derived, from sources within Namibia is subject to tax. The legislation contains a number of exceptions to the source rule, which deem non-Namibian source income to be from a Namibian source and thus make it taxable in Namibia. Namibia has tax treaties in force with a number of countries as well as some in various stages of negotiation or ratification.

Licensing fees: Registration fee: between N\$200 and N\$500 depending on the line of insurance taken. A levy of 1% of gross written premium is paid to the regulator.

Regulatory contact: Namibia Financial Institutions' Supervisory Authority, 154 Independence Avenue, Sanlam Centre, 8th Floor, Windhoek, Namibia
Tel: + 264 61 290 5000, Fax: + 264 61 290 5194

PCCs in Namibia:

Guardrisk Ins Co of Namibia Ltd



South Africa

Vital statistics:

Local name for the service: Cell Captive Insurance Companies

Name of cell captive law: There is no specific legislation for cell captives in South Africa – they fall under the normal Short and Long term Insurance Acts which were passed in 1998 and became effective on 1 January 1999

Total number of cell companies: As at 31/03/2009 – active long-term insurers – 7; active short-term insurers – 11

Total number of individual active cells: Short-term – as at end 2007 the number of active cells (including 1st party, 3rd party and promoters' cells) was 182. In terms of the statutory long-term insurance return the information is not explicitly requested.

Capitalisation requirements: Short-term insurance - R3m (South African Rand) or 15% of annual net written premium plus additional contingency reserve. Long-term insurance - R10m or 1 times the prescribed minimum capital adequacy requirement.

Tax regime: Residents' and entities' based tax regime: South African residents and entities are taxed on their world wide income, taking into account any double taxation agreements. Contractual cell companies are taxed at the rate applicable to traditional insurers.

Licensing fees: Non refundable application fee: R16,068. Registration fee: R11,455

Regulatory contact: Registrar of Long-term and Short-term Insurance, Financial Services Board. Tel: +27 012 428 8050; Email: jonathand@fsb.co.za

South Africa



GUARDRISK PIONEERED the short-term cell captive concept in 1992 and extended it to the life sector in 1999. Since 2004, an independent, international survey has annually confirmed Guardrisk as the world's number one, specialist captive insurance group of its kind (in US\$ terms).

The group provides first party, third-party* and rent-a-captive facilities. Guardrisk Insurance (short-term) offers tailor-made programmes for a wide range of risk financing needs, including environmental rehabilitation and finite risk insurance programmes. Guardrisk Life gives clients a host of customisable facilities including funding for post retirement healthcare liabilities, employee benefits, investment protection, customer protection and credit life insurance, group funeral benefits and health insurance. The group also provides underwriting facilities to underwriting managers for niche homogenous insurance related products.

Guardrisk Insurance has an "AA" domestic claims paying ability rating and Guardrisk Life an "AA-" financial soundness rating – both from Global Credit Rating Co.

Through Guardrisk International PCC in Mauritius and sister company, Euroguard Insurance Company PCC Limited in Gibraltar, Guardrisk clients have access to international facilities to insure and reinsure their foreign risk exposures.

The relationship between Guardrisk and cell owners is governed by a contractual shareholders' agreement as there is no PCC legislation in South Africa.

** In the South African context, third party refers to the facility that Guardrisk offers cell clients to sell branded insurance to their own client base.*

Date formed:	1992
Number of cells:	160 (109 short-term, 51 life)
Associated fees:	N/A
Sponsor:	Alexander Forbes
Assets under management:	£427m as at 31 March 2009
Premiums written	£281m as at 31 March 2009

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