

# GEDİK & ERAKSOY

## *Amendment to the Regulation on Financial Structure of Insurance, Reinsurance and Pension Companies*

On 23 August 2015, the Treasury issued a regulation amending the Regulation on Financial Structure of Insurance, Reinsurance and Pension Companies (the **Amendment**). The Amendment came into force on 23 August 2015 except for its provision on reinsurance policies referred to below, which will become effective as of 1 January 2016.

As is already known, insurance companies and pension companies offering life and personal accident insurance products are required to provide certain collaterals pro-rata to their liabilities under the insurance policies. Under the Amendment, the Treasury is now granted the authority to determine the value of the items that can be accepted as collateral, in addition to those already set out under the relevant regulations, and also to increase or decrease collateral amounts and ratios up to 50%.

Furthermore, companies are imposed with additional reporting obligations with respect to their reinsurance policies. If the risk assumed by the company under an insurance policy exceeds 5% of its equity, the company must provide the Treasury with a chart setting out the overall coverage amount as well as certain information on technical and financial adequacy of the reinsurers who have taken over the risk under the relevant insurance policy. If such a risk exceeds 10% of the company's equity, the company must also provide a report on the reasons for assuming such risk.

### **Gedik & Eraksoy Avukatlık Ortaklığı**

Büyükdere Caddesi, River Plaza  
Bahar Sokak, No: 13 Kat: 17  
Levent, Istanbul  
Turkey

Tel +90 212 371 2950  
Fax +90 212 371 2955

[www.gedikeraksoy.com](http://www.gedikeraksoy.com)

© Gedik & Eraksoy Avukatlık Ortaklığı 2013. This document is for general guidance only and does not constitute definitive advice.



**Hakkı Gedik**  
Partner, Gedik & Eraksoy

**Contact**  
Tel +90 212 371 2953  
hakkı.gedik@gedikeraksoy.com



**Gökhan Eraksoy**  
Partner, Gedik & Eraksoy

**Contact**  
Tel +90 212 371 2952  
gokhan.eraksoy@gedikeraksoy.com