

16 April 2019

## Amendments to Insurance Rules

### **1. Purpose**

On the 1<sup>st</sup> October 2018, the MFSA issued Chapter 16 of Part B of the Insurance Distribution Rules on Freedom of Establishment and Freedom to provide Services by a European Intermediary. This Chapter applies to a European intermediary which intends to establish a branch in Malta and/or seeking to provide services in Malta in exercise of a European right and lays down the applicable provisions to be complied with on a continuing basis by a European Intermediary in terms of Article 4(2) and 6(2) of the Directive (EU) 2016/97 (“Insurance Distribution Directive”).

European Insurance Undertakings are considered to be “insurance distributors” for the purposes of the Insurance Distribution Directive. As a consequence, the MFSA updated the general good provisions applicable to European insurance undertakings found in Chapter 9 of Part B of the Insurance Rules to align them with the general good provisions applicable European intermediaries.

### **2. Amendments to Chapter 9 on Freedom of Establishment and Freedom to provide Services by a European Insurance Undertaking and a European Reinsurance Undertaking**

The Chapter contains the applicable provisions which a European insurance undertaking is required to comply with when establishing a branch in Malta in exercise of a European right and/or when seeking to provide services in Malta in exercise of a European right in terms of the European Passport Rights for Insurance and Reinsurance Undertakings Regulations, 2015. Sections 9.7 and 9.16 of the said Chapter on the applicable provisions were amended to make reference to Annex I and Annex II respectively.

The previous Annex I which applied to a European insurance undertaking which had been authorised by the European regulatory authority of its home Member State to carry on business of insurance in Malta under the provisions relating to the right of establishment and the provision to provide services was replaced by the new Annexes I and II. Annex I contains the General Good Provisions which apply to a European insurance undertaking establishing a branch in Malta in terms of the European Passport Rights for Insurance and Reinsurance

Undertakings Regulations, 2015. Annex II contains the General Good Provisions for European Insurance Undertakings providing services in Malta through the freedom of services in terms of the European Passport Rights for Insurance and Reinsurance Undertakings Regulations, 2015. The previous Annex II entitled "Forms" applicable to a European insurance undertaking which has established a branch in Malta, has been renumbered as Annex III.

In drafting these provisions, the MFSA has reflected the provisions which apply to insurance intermediaries found in Chapter 16 of the Insurance Distribution Rules, so as to ensure a level playing field in the context of insurance distribution activities.

Any queries relating to the general good provisions applicable to European insurance undertakings are to be addressed to the Conduct Supervisory Unit by email on [csuinsurance@mfsa.com.mt](mailto:csuinsurance@mfsa.com.mt).