Suppliment tal-Gazzetta tal-Gvern ta' Malta, Nru. 17,834, 28 ta' Ottubru, 2005
Taqsima B

L.N. 352 of 2005

INSURANCE BUSINESS ACT (CAP. 403)

Insurance Business (Supplementary Supervision of Insurance Undertakings in an Insurance Group) (Amendment) Regulations, 2005

IN exercise of the powers conferred by articles 63 and 64 of the Insurance Business Act, the Prime Minister and Minister of Finance, after consultation with the Malta Financial Services Authority, has made the following regulations:-

Citation and commencement.

1. The title of these regulations is the Insurance Business (Supplementary Supervision of Insurance Undertakings in an Insurance Group) (Amendment) Regulations, 2005, and they shall be read and construed as one with the Insurance Business (Supplementary Supervision of Insurance Undertakings in an Insurance Group) Regulations, 2004, hereinafter referred to as "the principal regulations" .

L.N. 311 of 2004.

Amends regulation2 of the principal regulations.

2. Regulation 2 of the principal regulations shall be amended as follows:

(a) sub-regulation (1) thereof shall be renumbered as the whole regulation 2; and

(b) in regulation 2 as renumbered:

(i) for the definition "insurance holding company" there shall be substituted the following:

" " insurance holding company" means a parent undertaking, the main business of which is to acquire and hold participations in subsidiary undertakings, where those subsidiary undertakings are exclusively or mainly insurance undertakings, reinsurance undertakings, or non-EEA insurers, at least one of such subsidiary undertakings being an insurance undertaking, and which

is not a mixed financial holding company as is assigned to it in regulation 2 of the Financial Conglomerates Regulations, 2004;";

L.N. 521 of 2004.

(ii) for the definition "mixed-activity insurance holding company" there shall be substituted the following:

" "mixed-activity insurance holding company" means a parent undertaking, other than an insurance undertaking, a non EEA insurer, a reinsurance undertaking, an insurance holding company or a mixed financial holding company in terms of regulation 2 of the Financial Conglomerates Regulations, 2004, which includes at least one insurance undertaking among its subsidiary undertakings;";

L.N. 521 of 2004.

(iii) for the definition "non-EEA insurer" there shall be substituted the following:

" "non-EEA insurer" means an insurer, other than a pure reinsurer, whose head office is not in an EEA State;";

(iv) for the definition "participating undertaking" there shall be substituted the following:

" " participating undertaking" means an undertaking which is either a parent undertaking or other undertaking which holds a participation or an undertaking linked with another undertaking by a relationship within the meaning of Article 12(1) of Seventh Council Directive 83/349/EEC of the 13th June, 1983 based on the Article 54(3)(g) of the Treaty on consolidated accounts;";

(v) for the definition of "related undertaking" there shall be substituted the following:

" "related undertaking" means either a subsidiary or another undertaking in which a participation is held, or an undertaking linked with another undertaking by a relationship within the meaning of Article 12(1) of the Seventh Council Directive 83/349/EEC of the 13th June, 1983 based on the Article 54(3)(g) of the Treaty on consolidated accounts;"; and

(vi) in the definition of "reinsurance undertaking", for the words "a non-member-country insurance undertaking", there shall be substituted the words "a non-EEA insurer".

3. Sub-regulation (7) of regulation 4 of the principal regulations shall be amended as follows:

Amends regulation 4 of the principal regulations.

(a) Paragraph (a) thereof shall be substituted by the following -

"(7) (a) Where a foreign authority wishes to verify information concerning an undertaking situated in Malta which is a related insurance undertaking, a subsidiary undertaking, a parent undertaking or a subsidiary undertaking of a parent undertaking of the insurer subject to supplementary supervision, the foreign authority may request the competent authority to have that verification carried out on its behalf;";

(b) paragraph (b) thereof shall be deleted;

(c) paragraph (c) shall be renumbered as paragraph (b);

(d) in paragraph (b) of as renumbered for the words "foreign authorities", there shall be substituted the words "foreign authority"; and

(e) immediately after paragraph (b) thereof, there shall be added the following new paragraph:

"(c) The foreign authority making the request may participate in the verification when it does not carry out the verification itself.".

4. Regulation 5 of the principal regulations shall be amended as follows:

Amends regulation 5 of the principal regulations.

(a) in sub-regulation (8) thereof, for the words "with the requirements of Part X of the Regulations", there shall be substituted the words "with the requirements of Part IX of the Regulations"; and

(b) immediately after sub-regulation (11) thereof, there shall be added the following new sub-regulation:

"(12) Without prejudice to sub-regulation (3) of regulation 4, and for the purposes of sub-regulations (1) and (2) of this regulation, insurers shall have in place adequate risk management processes and internal control mechanisms, including sound reporting and accounting procedures, in order to identify, measure, monitor and control transactions.".

Substitutes regulation 7of the principal regulations.

5. For regulation 7 of the principal regulations, there shall be substituted the following:

"Implementation of Council Directives.

7. The purpose of these regulations is to implement the provisions of Directive 98/78/EC of the European Parliament and of the Council of the 27th October, 1998, and Directive 2002/87/EC of the European Parliament and of the Council of the 16th December, 2002 on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate and amending Council Directives 73/239/EEC, 79/267/EEC, 92/49/EEC, 92/96/EEC, 93/6/EEC and 93/222/EEC, and Directives 98/78/EC and 2002/12/EC of the European Parliament and of the Council, and shall be interpreted and applied accordingly.".

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