L.N. 253 of 2008

INSURANCE BUSINESS ACT (CAP. 403)

Insurance Business (Companies Accounts) (Amendment) Regulations, 2008

IN exercise of the powers conferred by articles 20 and 64 of the Insurance Business Act, the Minister of Finance, the Economy and Investment, after consultation with the Malta Financial Services Authority, has made the following regulations:-

Citation.

1. The title of these regulations is the Insurance Business (Companies Accounts) (Amendment) Regulations, 2008, and they shall be read and construed as one with the Insurance Business (Companies Accounts) Regulations, 2000, hereinafter referred to as "the principal regulations".

L.N. 103 of 2000.

Amends regulation 2 of the principal regulations.

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

(a) in sub-regulation (1) thereof:

(i) the second definition "the Authority" immediately after the definition "authorised company" shall be deleted;

(ii) immediately after the definition "authorised company" there shall be inserted the following new definition:

"generally accepted accounting principles and practice" has the same meaning as is assigned to it by article 2(4) of the Companies Act;"; and

Cap. 386.

(b) in sub-regulation (4) thereof:

(i) in paragraph (a) thereof, for the words "paragraphs 54A to 54D", there shall be substituted "paragraphs 54 to 54D";

(ii) in paragraph (b) thereof, after the word " "receivables" ", there shall be added the words " "related party",".

Amends regulation 3 of the principal regulations.

3. Regulation 3 of the principal regulations shall be amended as follows:

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

(b) immediately after sub-regulation (1) as renumbered, there shall be added the following new sub-regulation (2):

"(2) For the avoidance of doubt, in the event that a provision of these regulations is in conflict or is not compatible with International Financial Reporting Standards, as may be issued from time to time by the International Accounting Standards Board, or by any other body succeeding it by whatever name it may be known, the accounts shall be drawn up in accordance with generally accepted accounting principles and practice.".

Amends regulation 4 of the principal regulations.

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

(a) for the words "of the First Schedule:", there shall be substituted the words "of the First Schedule.";

(b) the proviso to regulation 4 thereof shall be deleted.

Amends regulation 8 of the principal regulations.

5. In regulation 8 of the principal regulations, for the words "and Directive 2003/51/EC of the European Parliament of the Council of 18 June 2003 amending Directives 78/660/EEC, 83/349/EEC, 86/635/EEC and 91/674/EEC on the annual and consolidated accounts of certain types of companies, banks and other financial institutions and insurance undertakings and shall be interpreted and applied accordingly." there shall be substituted the words "Directive 2003/51/EC of the European Parliament of the Council of 18 June 2003 amending Directives 78/660/EEC, 83/349/EEC, 86/635/EEC and 91/674/EEC on the annual and consolidated accounts of certain types of companies, banks and other financial institutions and insurance undertakings and Directive 2006/46/EC of the European Parliament and of the Council of 14 June 2006 amending Council Directives 78/660/EEC on the annual accounts of certain types of companies, 83/349/EEC on consolidated accounts, 86/635/EEC on

the annual accounts and consolidated accounts of banks and other financial institutions and 91/674/EEC on the annual accounts and consolidated accounts of insurance undertakings and shall be interpreted and applied accordingly.".

6. Paragraph 54 of the First Schedule to the principal regulations shall be amended as follows – Amends the First Schedule to the principal regulations.

(a) sub-paragraphs (k), (l), (m), (n), (o), (p), (q), (r), (s), (t), (u) and (v) thereof, shall be renumbered as sub-paragraphs (m), (n), (o), (p), (q), (r), (s), (t), (u), (v), (w) and (x) respectively;

(b) the following new sub-paragraphs (k) and (l) shall be inserted immediately after sub-paragraph (j) thereof -

"*Information about off-balance sheet arrangements*

(k) The nature and business purpose of the company's arrangements that are not included in the balance sheet and the financial impact on the company of those arrangements, provided that the risks or benefits arising from such arrangements are material and in so far as the disclosure of such risks or benefits is necessary for assessing the financial position of the company;

Related party transactions

(l) (i) Particulars may be given of transactions which the company has entered into with related parties, and shall be given if such transactions are material and have not been concluded under normal market conditions;

(ii) The particulars of transactions required to be disclosed by sub-paragraph (l)(i) shall include-

(aa) the amount of such transactions;

(bb) the nature of the related party relationship; and

(cc) other information about the transactions necessary for an understanding of the financial position of the company;

(iii) Information about individual transactions may be aggregated according to their nature, except where separate information is necessary for an understanding of the effects of related party transactions on the financial position of the company;";

(c) in sub-paragraph (q)(ii) thereof, as renumbered, for the words "for the purposes of sub-paragraph (o)(i)", there shall be substituted the words "for the purposes of sub-paragraph (q)(i)"; and

(d) in sub-paragraph (w) thereof, as renumbered, for the words "referred to in sub-paragraph (s) and (t)", there shall be substituted the words "referred to in sub-paragraphs (u) and (v)".

Amends the Second Schedule to the principal regulations.

7. The Second Schedule to the principal regulations shall be amended as follows:

(a) for paragraph 9 in Title I thereof, there shall be substituted the following:

"9. Paragraph (22) of the Schedule shall apply as if –

(a) immediately after sub-paragraph (5) thereof, there were added the following new sub-paragraphs:

"(5A) The nature and business purpose of any arrangements that are not included in the consolidated balance sheet and the financial impact of those arrangements, provided that the risks or benefits arising from such arrangements are material and in so far as the disclosure of such risks or benefits is necessary for assessing the financial position of the undertakings included in the consolidation taken as a whole.

(5B) The transactions, save for intra-group transactions, entered into by the parent undertaking, or by other undertakings included in the consolidation, with related parties, including the amounts of such transactions, the nature of the related party relationship as well as other information about the transactions

necessary for an understanding of the financial position of the undertakings included in the consolidation taken as a whole, if such transactions are material and have not been concluded under normal market conditions. Information about individual transactions may be aggregated according to their nature except where separate information is necessary for an understanding of the effects of the related party transactions on the financial position of the undertakings included in the consolidation taken as a whole;

(b) in paragraph (9) thereof, reference to "the Third Schedule to this Act" were a reference to the "First Schedule to the Regulations".; and

(b) for paragraph 6 in Title II thereof, there shall be substituted the following:

"6. The information required by paragraphs 54(m), (n), (o) and (p) thereof need not be shown.".

Ippubblikat mid-Dipartiment ta' l-Informazzjoni (doi.gov.mt) — Valletta — *Published by the Department of Information (doi.gov.mt) — Valletta*
Mitbugh fl-Istamperija tal-Gvern — *Printed at the Government Printing Press*

Prezz/*Price*
€0.28