VERŻJONI ELETTRONIKA

L.N. 53 of 2014

INSURANCE BUSINESS ACT (CAP 403)

Insurance Business (Fees) Regulations, 2014

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

Citation and commencement.

1. (1) The title of these regulations is the Insurance Business (Fees) Regulations 2014.

(2) These regulations shall be deemed to have come into force on the 1st January 2014, and shall apply to fees falling due on or after the said date.

(3) Nothing in these regulations shall be deemed to affect the liability in respect of any fees due under the Insurance Business (Fees) Regulations, 1999 prior to the coming into force of these regulations.

Interpretation.

2. (1) In these regulations, unless the context otherwise requires:

"the Act" means the Insurance Business Act; Cap. 403.

"authorisation" means an authorisation issued or held, or to be issued or held, under the Act to carry on business of insurance or to carry on business as a reinsurance special purpose vehicle or to act as an approved auditor;

"Authority" means the Malta Financial Services Authority established by the Malta Financial Services Authority Act; Cap. 330.

"branch" includes -

(a) in the case of a company whose head office is in Malta carrying on business of insurance, any premises of the company, other than the company's principal place of business, from where the company carries on business of insurance; and

(b) in the case of a company whose head office is in a country outside Malta carrying on business of insurance in or

from Malta, any premises of the company in Malta, other than the company's principal place of business, from where the company carries on business of insurance;

"cell" shall have the same meaning as is assigned to it in the Companies Act (Cell Companies Carrying on Business of Insurance) Regulations; S.L. 386.10

"cell company" shall have the same meaning as is assigned to it in the Companies Act (Cell Companies Carrying on Business of Insurance) Regulations; S.L. 386.10

"European insurance undertaking" shall have the same meaning as is assigned to it in the European Passport Rights for Insurance Undertakings Regulations; S.L. 403.14

"gross premiums" means premiums after deduction of discounts, refunds and rebates of premium but before deduction of premiums for reinsurance ceded and before deduction of commissions payable by the company;

"gross premiums receivable" means -

(a) in the case of a company whose head office is in Malta, carrying on business of insurance, the gross amount of premiums receivable in respect of its aggregate business of insurance;

(b) in the case of a company whose head office is in a country outside Malta, carrying on business of insurance in Malta through a branch or insurance agent, or both a branch and insurance agent, the gross amount of premiums receivable in respect of the aggregate business of insurance carried on in Malta by the branch or insurance agent or both the branch and insurance agent;

(c) in the case of a company holding a permit issued under article 39 of the Act servicing solely and exclusively its long term business carried on in or from Malta, the gross amount of premiums receivable in respect of its aggregate business serviced by the company in Malta in accordance with that permit,

in each case, required to be included in the statements required to be forwarded under article 32 of the Act in relation to the calendar year to which the statements relate;

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"incorporated cell" shall have the same meaning as is assigned to it in the Companies Act (Incorporated Cell Companies Carrying on Business of Insurance) Regulations; S.L. 386.13

"incorporated cell company" shall have the same meaning as is assigned to it in the Companies Act (Incorporated Cell Companies Carrying on Business of Insurance) Regulations; S.L. 386.13

"non-cellular company" shall have the same meaning as is assigned to it in the Companies Act (Incorporated Cell Companies Carrying on Business of Insurance) Regulations; S.L. 386.13

"permit" means a permit issued or held, or to be issued or held, pursuant to or under any provision of the Act;

"reinsurance special purpose vehicle" shall have the same meaning as is assigned to it in the Reinsurance Special Purpose Vehicles Regulations; S.L. 403.19

"to service" in relation to unexpired policies, includes the run-off of such policies;

"the specified date" shall be construed in accordance with article 40 of the Act,

and words and expressions used in these regulations which are also used in the Act but which are not defined herein shall have the same meaning as in the Act.

(2) In these regulations, unless explicitly excluded, business of insurance includes business of reinsurance thereof.

Payment of application fees.

3. Any person, other than a Mutual Association -

(a) applying for an authorisation in respect of a matter of a description specified in the First Column of Group A or Group B or Group D of Part I of the Schedule; or

(b) applying for a permit in respect of a matter of a description specified in the First Column of Group C of Part I of the Schedule; or

(c) applying for approval in respect of a matter of a description specified in the First Column of Group E of Part I of the Schedule,

shall upon submission of the application, irrespective of whether the application is eventually accepted or not, pay to the Authority the fee relating to the matter of the description to which the application

relates specified in the Second Column of the respective Group of that Part of the Schedule subject, where applicable, to the payment of the minimum fee relating to the matter of that description specified in the Third Column of that respective Group:

Provided that, where a person is already authorised to carry on business of insurance and such person applies for the authorisation of additional classes of business in the same business as already authorised, the applicable fee shall be that relating to the matter of the description to which the application relates as specified in the Second Column of Part I of the Schedule, and the minimum fee shall not apply in such case.

Payment of annual supervisory and permit fees.

4. Any person, other than a Mutual Association, who, on the 31st December of each year, holds an authorisation or permit in respect of a matter of a description specified in Part II of the Schedule shall, during the month of January of the following year, pay to the Authority the annual supervisory or permit fee, as the case may be, in respect of a matter of that description held by the person concerned specified in the Second Column of Part II of the Schedule:

Provided that, the first annual supervisory fee shall be due immediately once an authorisation or permit is granted. The first annual supervisory fee payable shall be proportionate to the period remaining between the date of granting of the authorisation or permit and the end of that calendar year.

Payment of annual supervisory fees.

5. (1) Subject to the provisions of sub-regulation (2), a company carrying on business of insurance which, in accordance with article 32 of the Act, is required to submit business of insurance statements, shall, upon submission of the business of insurance statements, pay to the Authority the annual supervisory fee established in Part III of the Schedule on the basis of the gross premiums receivable declared in the business of insurance statements:

Provided that, the first annual supervisory fee shall be due immediately once an authorisation is granted and shall be equal to a proportion of the minimum fee relating to the matter of that description specified in the Third Column of Part I of the Schedule. The first annual supervisory fee due shall be proportionate to the period remaining between the date of the granting of the authorisation and the date established for the submission of the business of insurance statements in accordance with article 32 of the Act.

(2) This regulation does not apply -

(a) in the case of a company carrying on business of affiliated insurance;

(b) in the case of a company whose business is servicing solely and exclusively general business; or

(c) in the case of a company whose business is servicing solely and exclusively long term business where the gross premiums receivable by the company in respect of that business for the calendar year to which the statements forwarded relate fall below the amount of and including twenty-five thousand euro (€25,000).

(3) For the purposes of this regulation and Part III of the Schedule, servicing, in relation to general business, is deemed to be effected on the first day immediately following the date of the first anniversary of the specified date shown in the permit to which the business serviced, or being serviced, relates.

Fees payable by Mutual Associations.

6. Any Mutual Association applying for a permit to carry on business of insurance in Malta shall pay to the Authority -

(a) upon submission of the application, irrespective of whether the application is eventually accepted or not, the fee relating to the matter of the description to which the application relates specified in the Second Column of Group C of Part I of the Schedule; and

(b) thereafter, during the month of January of each year, the annual permit fee relating to the matter of description in the Second Column of Part II of the Schedule:

Provided that, the first annual permit fee shall be due immediately once the permit is granted. The first annual permit fee payable shall be proportionate to the period remaining between the date of the granting of the permit and the end of that calendar year.

Fees payable by European insurance undertakings. S.L. 403.14

7. There shall be paid to the Authority by any European insurance undertaking establishing a branch in Malta under regulation 3 of the European Passport Rights for Insurance and Reinsurance Undertakings Regulations, the annual supervisory fee specified in Part IV of the Schedule. Such annual supervisory fee shall be paid during the month of June of each year and shall be calculated on the gross premiums receivable attributable to the business of insurance carried on in Malta through the establishment of a branch during the last calendar year:

Provided that, the first annual supervisory fee shall be due

immediately upon the establishment of a branch in Malta. The first annual supervisory fee payable shall be equal to a proportion of the minimum fee established in Part IV of the Schedule. The fee payable shall be proportionate to the period remaining between the date of the establishment of the branch and the end of the following June.

Fees payable by cell companies.

8. (1) Where an application is made by a company which will, when formed or constituted, be authorised or, when converted, is a company authorised under article 7 of the Act, or where an application is submitted by the cell company for the creation of a new cell to carry on business of insurance pursuant to the Companies Act (Cell Companies Carrying on Business of Insurance) Regulations, the applicant shall pay to the Authority -

S.L. 386.10

(a) upon submission of the application to carry on business of insurance as a cell company, irrespective of whether the application is eventually accepted or refused, the fee relating to the matter of the description to which the application relates specified in the Second Column of the respective Group of Part I of the Schedule;

(b) upon submission of the application for the creation of a cell, irrespective of whether the application is eventually accepted or refused, the fee relating to the matter of the description to which the application relates specified in the Second Column of the respective Group of Part I of the Schedule.

(2) When the business of insurance statements are forwarded by the cell company under article 32 of the Act, there shall be paid by the said cell company to the Authority the annual supervisory fee in the following manner:

(a) if the cell company does not issue insurance contracts from the non-cellular section of the cell company, the fee specified in the Second Column of Part II of the Schedule and, in addition, where such company carries on business of insurance through its cells, for each cell:

(i) where the cell carries on business of insurance, other than business of affiliated insurance, the fee specified in the Second Column of Part III of the Schedule;

(ii) where the cell carries on exclusively business of affiliated insurance, fee specified in the Second Column of Part II of the Schedule; and

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(b) if the cell company issues insurance contracts from the non-cellular section of the cell company, the fee specified in the Second Column of Part III of the Schedule, and in addition, where such company carries on business of insurance through its cells, for each cell:

(i) where the cell carries on business of insurance, other than business of affiliated insurance, the fee specified in the Second Column of Part III of the Schedule;

(ii) where the cell carries on exclusively business of affiliated insurance, fee specified in the Second Column of Part II of the Schedule:

Provided that, in each case, the first annual supervisory fee as set out in this sub-regulation shall be due immediately once an authorisation is granted and shall be equal to a proportion of the fee established under the Second Column of Part II of the Schedule, or the minimum fee under Part III of the Schedule, as the case may be. The first annual supervisory fee due shall be proportionate to the period remaining between the date of the granting of the authorisation and the date established for the submission of the business of insurance statements.

(3) For the purposes of sub-regulation (2), "business of affiliated insurance" shall have the same meaning as is assigned to it by regulation 15 of the Companies Act (Cell Companies Carrying on Business of Insurance) Regulations. S.L. 386.10

9. (1) Where, pursuant to the Companies Act (Incorporated Cell Companies Carrying on Business of Insurance) Regulations an application is made by - Fees payable by incorporated cell companies and incorporated cells. S.L. 386.13

(a) a company which shall be, when formed or constituted, authorised or, when transformed, authorised to carry on business of insurance as an incorporated cell company or an incorporated cell in terms of article 7 of the Act; or

(b) an incorporated cell company having no cells or an incorporated cell which shall be, when transformed, a non-cellular company authorised to carry on business of insurance,

the applicant shall pay to the Authority the fees applicable in terms of regulation 3.

(2) Where, pursuant to the Companies Act (Incorporated S.L. 386.13

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Cell Companies Carrying on Business of Insurance) Regulations, an application is made by an incorporated cell company having no incorporated cells which shall be, when transformed, authorised as a cell company, the company shall pay to the Authority the fees specified in regulation 3.

(3) When business of insurance statements are forwarded under article 32 of the Act by an incorporated cell company and an incorporated cell, the incorporated cell company and incorporated cell shall pay the Authority the fees determined in regulation 5.

Non-refundable fees.

10. None of the fees established as due in terms of these regulations shall be refundable. Nor shall they be prorated, other than the first annual supervisory fee, as established in regulations 4, 5, 7 and 8, and the first annual permit fee established in regulation 6.

Revokes the Insurance Business (Fees) Regulations, 1999. L.N. 139 of 1999.

11. The Insurance Business (Fees) Regulations, 1999 are hereby revoked, without prejudice to anything done, or omitted to be done prior to the coming into force of these regulations.

SCHEDULE

(Regulations 3 to 9)

Application, Permit and Annual Supervisory Fees

Part I

Application and Permit Fees

First Column	Second Column Fees €	Third Column Minimum Fee €
Group A		
Application for authorisation to carry on -		
1. Business of insurance only/ business of reinsurance only/ business of insurance and reinsurance:		
(a) Long term business	500 per class	5,000
(b) General business	300 per class	3,500
2. Business of affiliated insurance or affiliated reinsurance	5,000	
3. Business of reinsurance in the classes already authorised for business of insurance or business of insurance in the classes already authorised for business of reinsurance:		
(a) Long term business	250 per class	2,500
(b) General business	150 per class	1,750
Group B		
Application for authorisation to act as an approved auditor -		
(a) Individual	300	
(b) Partnership	750	
Group C		
Application for Permits to -		
1. Open a branch in Malta	500	
2. Cease to carry on and subsequently to service -		
(a) Business of insurance only/ business of reinsurance only/ business of insurance and reinsurance:		

(i) Long term business	400 per Class	2,000
(ii) General business	150 per Class	2,000
(b) Business of affiliated insurance of affiliated reinsurance	2,500	
3. Carry on business of insurance in Malta by a Mutual Association	1,000	
Group D		
Application for authorisation to -		
1. Carry on business of insurance as a cell company	6,500	
2. Create of a new cell to carry on business of insurance	2,500	
3. Carry on business as a reinsurance special purpose vehicle	1,000 per contract	6,500
4. Assume additional risk transfer arrangements by an authorised reinsurance special purpose vehicle	1,000 per contract	
Group E		
Approval of a scheme to transfer general business	0.02% of Gross Premium of the last financial year	3,250

Part II

Annual Supervisory and Annual Permit Fees

First Column	Second Column €
1. Annual supervisory fee for authorisation to carry on business of affiliated insurance or reinsurance	6,500
2. Annual supervisory fee for Cell companies that do not issue insurance contracts from the non-cellular section of the cell company	3,250
3. Annual supervisory fee for Cells carrying on exclusively business of affiliated insurance	3,250
4. Annual supervisory fee for Reinsurance Special Purpose Vehicles	6,500
5. Annual supervisory fee to continue to act as an approved auditor:	
(a) Individual	300
(b) Partnership	750
6. Permit fees to service:	
(a) General business	2,000

	(b) Business of affiliated insurance or affiliated reinsurance	2,000
	(c) Business of reinsurance (solely and exclusively)	2,000
7.	Permit fees to maintain a branch in Malta	500
8.	Permit fees for a Mutual Association to continue to carry on business of insurance in Malta	1,500

Part III

Annual Supervisory fees for companies required to submit Insurance Business Statements

First Column Gross Premium Receivable	Second Column €
Up to and including €1 million	3,250 (minimum fee)
Over €1 million up to and including €2.5 million	7,500
Over €2.5 million up to and including €3.5 million	8,500
Over €3.5 million up to and including €5 million	10,000
Over €5 million up to and including €7.5 million	14,000
Over €7.5 million up to and including €12 million	16,250
Over €12 million up to and including €25 million	19,500
Over €25 million up to and including €35 million	26,000
Over €35 million up to and including €50 million	29,000
Over €50 million up to and including €70 million	31,500
Over €70 million up to and including €100 million	36,500
Over €100 million up to and including €150 million	43,000
In excess of €150 million	50,000

Part IV

Annual Supervisory fees for European Insurance Undertakings

First Column Gross Premium Receivable	Second Column €
Up to and including €2.5million	6,000 (minimum fee)
Over €2.5 million up to and including €3.5 million	7,000
Over €3.5 million up to and including €5 million	8,250
Over €5 million up to and including €7.5 million	11,500
Over €7.5 million up to and including €12 million	13,000
Over €12 million up to and including €25 million	17,000
In excess of €25 million	25,000

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