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L.N. 369 of 2024

INSURANCE DISTRIBUTION ACT (CAP. 487)

Insurance Distribution Act (Fees) Regulations, 2024

IN EXERCISE of the powers conferred by article 3 of the Insurance Distribution Act, the Minister responsible for the regulation of financial services, acting on the advice of the Malta Financial Services Authority, has made the following regulations:-

Citation, commencement and applicability.

1. (1) The title of these regulations is the Insurance Distribution Act (Fees) Regulations, 2024.

(2) These regulations shall come into force on the 1st January 2025.

(3) These regulations shall apply to fees falling due on, or after the said date.

Interpretation.

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

"Act" means the Insurance Distribution Act; Cap. 487.

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

"European intermediary" shall have the same meaning as assigned to it in the European Passport Rights for Intermediaries Regulations; S.L. 487.07.

"European regulatory authority" shall have the same meaning as assigned to it in the European Passport Rights for Intermediaries Regulations; S.L. 487.07.

"gross commission" means:

(a) in the case of a person that resides in Malta or has its registered office or head office in Malta and is enrolled in the Agents List or Brokers List, the gross amount of commissions receivable in respect of their

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aggregate insurance distribution activities and, or reinsurance distribution activities, as applicable, as noted in the insurance intermediaries statement submitted to the competent authority for the preceding year;

(b) in the case of a foreign company enrolled in the Agents List or Brokers List, the gross amount of commissions receivable in respect of its aggregate insurance distribution activities and, or reinsurance distribution activities, as applicable, carried on in or from Malta, as noted in the insurance intermediaries statement submitted to the competent authority for the preceding year; and

(c) in the case of a cell created by a cell company that is enrolled in the Brokers List, the gross amount of commissions receivable in respect of its aggregate insurance distribution activities and, or reinsurance distribution activities, as applicable, carried on in or from Malta, as noted in the insurance intermediaries statement submitted by the said cell company to the competent authority for the preceding year;

"home Member State" shall have the same meaning as assigned to it in the European Passport Rights for Intermediaries Regulations.

S.L. 487.07.

(2) Words and expressions used in these regulations which are also used in the Act or the Companies Act, but which are not herein defined, shall have the same meaning as in the respective Acts, as applicable.

Cap. 386.

Application fees in relation to insurance agents, managers and brokers.

3. (1) A natural person who intends to act as an intermediary and carry out, or attempt to carry out, insurance and, or reinsurance distribution activities in or from Malta shall, upon submission of an application to the competent authority for registration in accordance with article 13 of the Act, pay to the competent authority an application fee as established in the First Schedule, as applicable, with respect to such application.

(2) A person that intends to act as an intermediary and carry out, or attempt to carry out, insurance and, or reinsurance distribution activities in or from Malta shall, upon submission of an application to the competent authority for enrolment in accordance with article 13 of the Act, pay to the competent authority an application fee as established in the First Schedule, as applicable, with respect to such application.

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(3) Without prejudice to the provisions of sub-regulation (2), a company that is to be formed or constituted as, or converted into a cell company in accordance with regulation 6 of the Companies Act (Cell Companies Carrying on Business of Insurance) Regulations and enrolled in the Managers List or the Brokers List in accordance with article 13 of the Act shall, upon submission of an application to the competent authority for approval and enrolment, pay to the competent authority an application fee as established in the First Schedule, as applicable, with respect to such application. S.L. 386.10.

(4) A cell company enrolled in the Managers List or the Brokers List under article 13 of the Act that intends to create a new cell in accordance with regulation 8 of the Companies Act (Cell Companies Carrying on Business of Insurance) Regulations shall, upon submission of an application to the competent authority for approval, pay to the competent authority an application fee as established in the First Schedule, as applicable, with respect to every such cell. S.L. 386.10.

(5) A local company enrolled under article 13 of the Act that intends to establish a branch in Malta in accordance with article 11(2) of the said Act shall, upon submission of an application to the competent authority for approval, pay the competent authority an application fee as established in the First Schedule, as applicable, with respect to every such branch.

Supervisory fees in relation to insurance agents, managers and brokers.

4. (1) A natural person registered under article 13 of the Act shall, subject to the provisions of sub-regulation (2), pay to the competent authority an annual supervisory fee as established in the Second Schedule, as applicable:

Provided that the first annual supervisory fee due in accordance with this sub-regulation shall be prorated according to the period remaining between the date when a natural person is registered under article 13 of the Act and the end of the calendar year in which such registration took place.

(2) The first annual supervisory fee due in accordance with sub-regulation (1) shall be paid to the competent authority on the date when a natural person is registered under article 13 of the Act, and every annual supervisory fee following the first supervisory fee which is due in accordance with the said sub-regulation shall be paid to the competent authority on the 31st January of each calendar year.

(3) A person enrolled in the Agents List or the Brokers List shall, subject to the provisions of sub-regulation (6), pay to the competent authority an annual supervisory fee as established in the Second Schedule, as applicable:

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Provided that, in any case, the annual supervisory fee shall not be less than the minimum annual supervisory fee established in the Second Schedule, as applicable.

(4) Without prejudice to the provisions of sub-regulation (3), a cell company that has been enrolled in the Brokers List shall, subject to the provisions of sub-regulation (6), pay to the competent authority an annual supervisory fee as established in the Second Schedule, as applicable:

Provided that where such a cell company has created one (1) or more cells in accordance with regulation 8 of the Companies Act (Cell Companies Carrying on Business of Insurance) Regulations, it shall also pay to the competent authority an annual supervisory fee as established in the Second Schedule, as applicable, with respect to every such cell:

S.L. 386.10.

Provided further that, in any case, the annual supervisory fee shall not be less than the minimum annual supervisory fee established in the Second Schedule, as applicable.

(5) Notwithstanding the provisions of sub-regulations (3) and (4), the first annual supervisory fee due to the competent authority in accordance with the said sub-regulations shall be the aggregate of the following:

(a) the minimum fee established in the Second Schedule, as applicable, prorated according to the period remaining between the date when a person or a cell as referred to in sub-regulation (3) or (4), as applicable, is enrolled under article 13 of the Act or created in accordance with regulation 8 of the Companies Act (Cell Companies Carrying on Business of Insurance) Regulations, as applicable, and the end of the calendar year in which such enrolment or creation took place; and

S.L. 386.10.

(b) the minimum fee established in the Second Schedule, as applicable, prorated according to the period between the start of the following calendar year and the date when the next supervisory fee is due in accordance with sub-regulation (6).

(6) The first annual supervisory fee due in accordance with sub-regulation (5) shall be paid to the competent authority on the date when a person or a cell as referred to in sub-regulation (3) or (4), as applicable, is enrolled under article 13 of the Act or created in accordance with regulation 8 of the Companies Act (Cell Companies Carrying on Business of Insurance) Regulations, as applicable, and

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every annual supervisory fee following the first annual supervisory fee which is due in accordance with sub-regulation (3) or (4), as applicable, shall be paid to the competent authority one (1) month from the date of submission of the insurance intermediaries statements as established by law.

(7) Any person, including a cell company, enrolled in the Managers List shall, subject to the provisions of sub-regulation (9), pay to the competent authority an annual supervisory fee which shall be the aggregate of the following:

(a) the fixed supervisory fee established in the Second Schedule, as applicable; and

(b) the variable supervisory fee established in the Second Schedule, as applicable, with respect to every appointment taken on by such person:

Provided that where such a cell company as referred to in this sub-regulation has created one (1) or more cells in accordance with regulation 8 of the Companies Act (Cell Companies Carrying on Business of Insurance) Regulations, it shall also pay to the competent authority an annual supervisory fee as established in the Second Schedule, as applicable, with respect to every such cell. S.L. 386.10.

(8) Notwithstanding the provisions of sub-regulation (7), the first annual supervisory fee due in accordance with the said sub-regulation shall be prorated according to the period remaining between the date when a person or a cell as referred to in the said sub-regulation is enrolled under article 13 of the Act or created in accordance with regulation 8 of the Companies Act (Cell Companies Carrying on Business of Insurance) Regulations, as applicable, and the end of the calendar year in which such enrolment or creation took place. S.L. 386.10.

(9) The first annual supervisory fee due in accordance with sub-regulation (8) shall be paid to the competent authority on the date when a person or a cell as referred to in sub-regulation (7) is enrolled under article 13 of the Act or created in accordance with regulation 8 of the Companies Act (Cell Companies Carrying on Business of Insurance) Regulations, as applicable, and every annual supervisory fee following the first supervisory fee which is due in accordance with the provisions of sub-regulation (7) shall be paid to the competent authority on the 31st January of each calendar year. S.L. 386.10.

(10) A local company enrolled under article 13 of the Act that has established a branch in Malta in accordance with article 11 of the said Act shall, subject to the provisions of sub-regulation (11), pay to

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the competent authority an annual supervisory fee as established in the Second Schedule, as applicable, with respect to every such branch.

(11) The annual supervisory fee due in accordance with he provisions of sub-regulation (10) shall be paid to the competent authority on the date when a person is granted approval in accordance with article 11 of the Act to establish a branch in Malta and annually thereafter on the date when such approval was granted.

Ancillary fees in relation to insurance agents, managers and brokers.

5. (1) Any person enrolled in the Agents List or the Managers List under article 13 of the Act that intends to take on a new appointment with an insurer, reinsurer or an insurance broker, as applicable, shall, upon submission of an application to the competent authority to modify its enrolment accordingly, pay the competent authority an application fee as established in the First Schedule, as applicable, with respect to such application.

(2) Where a person as referred to in sub-regulation (1), that has been appointed by an insurer, reinsurer or an insurance broker to carry on any one (1) or more classes under the business of insurance and, or reinsurance, intends to carry on any one (1) or more additional classes under the business of insurance and, or reinsurance on behalf of the same insurer, reinsurer or an insurance, as applicable, the said person shall, upon submission of an application to the competent authority to modify its enrolment accordingly, pay to the competent authority the application fee established in sub-regulation (1), as applicable, which application fee shall be reduced by twenty-five per cent (25%).

(3) Where a person as referred to in sub-regulation (1), that has been appointed by an insurer, reinsurer or an insurance broker to carry on any one (1) or more classes under the business of insurance and, or reinsurance, intends to stop carrying on any one (1) or more such classes under the business of insurance and, or reinsurance on behalf of the same insurer, reinsurer or an insurance, as applicable, the said person shall, upon submission of an application to the competent authority to modify its enrolment accordingly, pay to the competent authority a modification fee of one thousand euro (€1,000).

(4) Any person enrolled in the Brokers List under article 13 of the Act that intends to make or enter into an underwriting agreement in accordance with article 32 of the Act shall, upon submission of an application to the competent authority for registration, pay the competent authority an application fee as established in the First Schedule, as applicable, with respect to such application.

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(5) A person as referred to in sub-regulation (4) that has made or entered into an underwriting agreement in accordance with the provisions of article 32 of the Act, which agreement provides that it shall be subject to an annual review, shall also pay the competent authority, on the first anniversary of the registration of the said agreement in accordance with the said article and annually thereafter on the date of such anniversary for as long as the same agreement remains in force, an annual registration fee as established in the First Schedule, as applicable.

(6) A person that intends to have their name restored on the Agents Register, the Managers Register, the Brokers Register, the Agents List, the Managers List or the Brokers List, as applicable, in accordance with article 18(1)(b) of the Act shall, upon submission of an application to the competent authority in accordance with article 18(2) of the said Act, pay to the competent authority an application fee as established in the First Schedule, as applicable, with respect to such application.

Application and modification fees in relation to tied insurance intermediaries and ancillary insurance intermediaries.

6. (1) Where an authorised undertaking intends to appoint a person to act as a tied insurance intermediary on its behalf, such person shall, upon submission of an application to the competent authority for their enrolment in accordance with article 37 of the Act, pay to the competent authority an application fee as established in the First Schedule, as applicable, with respect to such application:

Provided that where such person is a legal person, the application fee due in accordance with this sub-regulation shall be the following:

(a) the fixed application fee established in the First Schedule, as applicable; and

(b) where applicable, the variable application fee established in the First Schedule, as applicable, with respect to every branch established by such legal person.

(2) Where a tied insurance intermediary enrolled to act as such on behalf of an authorised undertaking in accordance with article 37 of the Act intends to carry on any one (1) or more additional classes under the business of insurance on behalf of the same undertaking, the said intermediary shall, upon submission of an application to the competent authority to modify their enrolment accordingly, pay to the competent authority the application fee established in sub-regulation (1), as applicable, which application fee shall be reduced by twenty-five per cent (25%).

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(3) Where an authorised undertaking or an enrolled insurance broker intends to appoint a person to act as an ancillary insurance intermediary on its behalf, such person shall, upon submission of an application to the competent authority for their enrolment in accordance with article 43E of the Act, pay to the competent authority an application fee as established in the First Schedule, as applicable, with respect to such application:

Provided that where such person is a legal person, the application fee due in accordance with this sub-regulation shall be the following:

(a) the fixed application fee established in the First Schedule, as applicable; and

(b) where applicable, the variable application fee established in the First Schedule, as applicable, with respect to every branch established by such legal person.

(4) Where an ancillary insurance intermediary enrolled to act as such on behalf of an authorised undertaking or an enrolled insurance broker in accordance with article 43E of the Act intends to carry on any one (1) or more additional classes under the business of insurance on behalf of the same undertaking or broker, as applicable, the said intermediary shall, upon submission of an application to the competent authority to modify their enrolment accordingly, pay to the competent authority the application fee referred to in sub-regulation (3), as applicable, which application fee shall be reduced by twenty-five per cent (25%).

(5) Where a tied insurance intermediary or an ancillary insurance intermediary enrolled under the Act to act as such on behalf of an authorised undertaking or an enrolled insurance broker, as applicable, intends to stop carrying out any one (1) or more such classes of the business of insurance which it carries on behalf of the same undertaking or broker, the said intermediary shall, upon the submission of a request to the competent authority to modify their enrolment accordingly, pay to the competent authority a modification fee of two hundred and fifty euro (€250).

Supervision fees in relation to tied insurance intermediaries and ancillary insurance intermediaries.

7. (1) A person enrolled in accordance with article 37 of the Act to act as a tied insurance intermediary shall, subject to the provisions of sub-regulation (3), pay to the competent authority an annual supervisory fee as established in the Second Schedule, as applicable, which annual supervisory fee shall vary depending on whether such person carries on long term business of insurance or general business of insurance, or both such types of business of

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insurance:

Provided that where such person is a legal person, the annual supervisory fee due in accordance with this sub-regulation shall be the following:

(a) the fixed supervisory fee established in the Second Schedule, as applicable; and

(b) where applicable, the variable supervisory fee established in the Second Schedule, as applicable, with respect to every branch established by such legal person:

Provided further that the first annual supervisory fee due in accordance with this sub-regulation shall be prorated according to the period remaining between the date when a tied insurance intermediary is enrolled under the Act and the end of the calendar year in which such enrolment took place.

(2) A person enrolled in accordance with article 43E of the Act to act as an ancillary insurance intermediary shall, subject to the provisions of sub-regulation (3), pay to the competent authority an annual supervisory fee as established in the Second Schedule, as applicable:

Provided that where such person is a legal person, the annual supervisory fee due in accordance with this sub-regulation shall be the following:

(a) the fixed supervisory fee established in the Second Schedule, as applicable; and

(b) where applicable, the variable supervisory fee established in the Second Schedule, as applicable, with respect to every branch established by such legal person:

Provided further that the first annual supervisory fee due in accordance with this sub-regulation shall be prorated according to the period remaining between the date when an ancillary insurance intermediary is enrolled under the Act and the end of the calendar year in which such enrolment took place.

(3) The first annual supervisory fee due in accordance with sub-regulations (1) and (2) shall be paid to the competent authority on the date when a tied insurance intermediary or an ancillary insurance intermediary, as applicable, is enrolled under the relevant provisions of the Act, and every annual supervisory fee following the first supervisory fee which is due in accordance with the said sub-

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regulation shall be paid to the competent authority on the 31st January of each calendar year.

Fees in relation to European intermediaries. S.L. 487.07.

8. (1) A European intermediary that intends to establish a branch in Malta in accordance with regulation 3 of the European Passport Rights for Intermediaries Regulations shall, upon being notified by the European regulatory authority of its home Member State in accordance with Article 6(2) of the Insurance Distribution Directive, as transposed in national law, pay the competent authority a notification fee of one thousand euro (€1,000).

S.L. 487.07.

(2) A European intermediary that has established a branch in Malta in accordance with regulation 3 of the European Passport Rights for Intermediaries Regulations shall, subject to the provisions of sub-regulation (3), pay to the competent authority an annual supervisory fee as established in the Second Schedule, as applicable.

S.L. 487.07.

(3) The first annual supervisory fee due in accordance with the provisions of sub-regulation (2) shall be paid to the competent authority on the date when the branch of the European intermediary is established and commences distribution activities in Malta in accordance with the regulation 3(5) of the European Passport Rights for Intermediaries Regulations and annually thereafter on the date when such branch was established and commenced distribution activities in Malta in accordance with the said provision.

Non-refundable or prorated fees.

9. (1) The fees established and due in terms of these regulations shall not be refundable.

(2) Without prejudice to the provisions of regulation 4(1), (5) and (8) and regulation 7(1) and (2), the fees established and due in terms of these regulations shall not be prorated.

Repeal and saving. S.L.487.03.

10. The Insurance Distribution (Fees) Regulations are hereby repealed without prejudice to anything done or omitted to be done thereunder.

Transitory provision. S.L.487.03.

11. These regulations shall not be deemed to affect the liability in respect of any fees due under the Insurance Distribution (Fees) Regulations, prior to the coming into force of these regulations.

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FIRST SCHEDULE
(regulations 3, 5 and 6)

Application Fee

	Fees falling due in 2025 (€)	Fees falling due in 2026 (€)	Fees falling due in 2027 (€)	Fees falling due in 2028 (€)	Fees falling due in 2029 and thereafter (€)
Registration of natural persons in the Agents Register, the Managers Register or the Brokers Register	200	250	300	300	300
Enrolment of persons, other than cell companies, in the Agents List, the Managers List or the Brokers List	5,000	7,500	10,000	10,000	10,000
Enrolment of cell companies in the Managers List or the Brokers List:					
(a) cell company	4,000	6,000	8,000	8,000	8,000
(b) cell	2,000	2,500	3,000	3,000	3,000
Establishment of a branch	700	900	1,400	1,400	1,400
Enrolment in the Tied Insurance Intermediaries List:					
(a) natural person	500	700	1,000	1,000	1,000
(b) legal person					
(i) fixed application fee	500	700	1,000	1,000	1,000
(ii) variable application fee	500	700	1,000	1,000	1,000
Enrolment in the Ancillary Insurance Intermediaries List:					
(a) natural person	360	430	520	520	520
(b) legal person					
(i) fixed application fee	500	700	1,000	1,000	1,000
(ii) variable application fee	500	700	1,000	1,000	1,000

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Ancillary Fees

	Fees falling due in 2025 (€)	Fees falling due in 2026 (€)	Fees falling due in 2027 (€)	Fees falling due in 2028 (€)	Fees falling due in 2029 and thereafter (€)
New appointment:					
(a) Persons enrolled in the Agents List	750	1,000	1,500	1,500	1,500
(b) Persons enrolled in the Managers List	750	950	1,100	1,100	1,100
Underwriting agreement:					
Application	400	500	600	600	600
Registration	400	500	600	600	600
Name restoration:					
(a) in the Agents Registers, the Managers Register or the Brokers Register	500	700	1,000	1,000	1,000
(b) in the Agents List, the Managers List or the Brokers List	2,000	2,500	4,000	4,000	4,000

SECOND SCHEDULE
(regulations 4, 7 and 8)

Annual Supervisory Fee

	Fees falling due in 2025 (€)	Fees falling due in 2026 (€)	Fees falling due in 2027 (€)	Fees falling due in 2028 (€)	Fees falling due in 2029 and thereafter (€)
Natural persons registered in the Agents Register, the Managers Register or the Brokers Register	250	300	350	400	400
Persons enrolled in the Managers List:					
(a) person other than a cell company					
(i) fixed supervisory fee	800	800	800	800	800
(ii) variable supervisory fee	800	1,000	1,200	1,400	1,500

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(b) cell company					
(i) fixed supervisory fee	2,200	2,400	2,600	2,800	3,000
(ii) variable supervisory fee	800	1,000	1,200	1,400	1,500
(c) cell	1,800	2,000	2,200	2,400	2,500
Branch of a local company	700	900	1,400	1,400	1,400
Persons enrolled in the Tied Insurance Intermediaries List:					
(a) natural person					
(i) long term business or general business	350	450	550	550	550
(ii) long-term and general business	450	550	650	650	650
(b) legal person					
(i) long term business or general business					
- fixed supervisory fee	350	450	550	550	550
- variable supervisory fee	350	450	550	550	550
(ii) long-term and general business					
- fixed supervisory fee	450	550	650	650	650
- variable supervisory fee	450	550	650	650	650
Persons enrolled in the Ancillary Insurance Intermediaries List:					
(a) natural person	360	400	450	500	550
(b) legal person					
(i) fixed fee	360	440	530	560	600
(ii) variable fee	360	440	530	560	600
European intermediary	500	750	1,000	1,000	1,000

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	Fees falling due in 2025 (€)	Fees falling due in 2026 (€)	Fees falling due in 2027 (€)	Fees falling due in 2028 (€)	Fees falling due in 2029 and thereafter (€)
Persons and cells enrolled in the Agents List or the Brokers List					
Minimum fee:	3,000	3,500	4,000	4,500	5,000
Gross commission:					
Up to €250,000	3,000	3,500	4,000	4,500	5,000
Over €250,000 up to €750,000	4,000	5,000	6,000	6,500	7,000
Over €750,000 up to €1 million	5,000	6,000	7,000	7,500	8,000
Over €1 million	9,000	11,000	13,000	15,000	17,000

Ippubblikat mid-Dipartiment tal-Informazzjoni (doi.gov.mt) — Valletta — ***Published by the Department of Information (doi.gov.mt) — Valletta***
Mitbugħ fl-Istamperija tal-Gvern fuq karta FSC — ***Printed at the Government Printing Press on FSC certified paper***
Prezz/*Price*
€0.63