

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

Circular relating to EIOPA Guidelines on Facilitating an Effective Dialogue between Insurance Supervisors and Statutory Auditors

On 2nd February 2017 the European Insurance and Occupational Pensions Authority (EIOPA) published [Guidelines on facilitating an effective dialogue between competent authorities supervising insurance undertakings and statutory auditor\(s\) and the audit firm\(s\) carrying out the statutory audit of those undertakings](#), pursuant to Article 12(2) of Regulation (EU) No 537/2014 of 16 April 2014 of the European Parliament and of the Council on specific requirements regarding statutory audit of public-interest entities, (the “[Statutory Audit Regulation](#)”).

The purpose of these Guidelines is to facilitate a relevant and efficient dialogue by means of a set of principle-based Guidelines to support supervisors of insurance undertakings and reinsurance undertakings¹ in developing a consistent, appropriate and proportionate supervisory approach. The supervisory tasks of supervisors are to be supported by an effective dialogue between supervisors and statutory auditors and audit firms of such undertakings, in addition to the reporting of information made by auditors pursuant to Articles 68 and 72 of the Solvency II Directive. It is also to be noted that in terms of Article 12(2) of the Statutory Audit Regulation, the responsibility for establishing this effective dialogue rests with both parties to the dialogue (i.e. the MFSA and the approved auditors of insurance undertakings and reinsurance undertakings carrying on business of insurance under the Insurance Business Act (Cap. 403).

These EIOPA Guidelines are addressed to the competent authorities supervising insurance and reinsurance undertakings and shall apply as from the **31st May 2017**. In accordance with these EIOPA Guidelines, the Malta Financial Services Authority is to adopt and ensure compliance with such Guidelines and further engage with the approved auditors of insurance undertakings and reinsurance undertakings, so as to establish an effective dialogue. These

¹ These Guidelines apply in relation to the supervision of both **insurance undertakings and reinsurance undertakings**, and this is in accordance with the term of “*public interest entities*” as defined in Article 2 of *Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC, (“the Statutory Audit Directive”)*, as amended by Directive 2014/56/EU.

EIOPA Guidelines have been included in [Chapter 13 on General Principles of Supervision Rules](#) of Part B of the Insurance Rules issued under the Insurance Business Act (Cap. 403).

Contacts

Any queries or requests for clarifications in respect of the above should be addressed by email on ipsu@mfsa.com.mt.

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