

IMPORTANT INFORMATION YOU SHOULD READ BEFORE COMPLETING ANY OF THE FORMS INCLUDED IN THE SCHEDULES BELOW

We are required by law to determine applications within the timeframe specified under the Insurance Business Act from receipt of a properly completed application including relevant documentation. However we aim to process applications and take decisions about applications as soon as possible.

In this regard, an Application pack should be as comprehensive as possible and should be submitted complete and not in a piecemeal fashion. The Application should be accompanied by the appropriate fee and all the relevant documents for the processing of the respective Application to commence. In the instance where application documents are submitted in a piecemeal fashion or are incomplete, the processing of an application will not start and will be delayed until receipt of all the relevant documents and fees concerned. An Application is deemed to have been officially submitted once a full application pack (i.e. the Application Form and all relevant supporting documentation) together with the relevant application fee is submitted to the MFSA.

Moreover the time taken to determine each application is significantly affected by the quality of the application submitted. In this regard, Applicants are advised to provide comprehensive information as much as possible regarding the regulated activities the Applicant intends to carry out and how it will be carrying out those activities. The Applicant's description of its business is an integral basis of the processing of the application. The amount of detail submitted should be proportionate to the nature and scale of the business the Applicant intends to carry out and the risks to the Applicant's clients. It is important that Applicants are transparent with the MFSA at all stages of the application process. In this manner unnecessary delays on processing will be avoided.

If an authorisation is issued, its terms will depend (inter alia) upon all matters and circumstances discussed as part of the Application process. It is therefore essential that all pertinent matters are brought to the attention of the MFSA to enable the competent authority to form a complete and thorough understanding of the Applicant and its proposal.

Responsibility for the submission of all relevant information rests with the Applicant. Timely responses from applicants are expected. Undue and unjustifiably lengthy delays in the submission of responses from applicants may require the re-submission of updated documents.

The provision of false, misleading or inaccurate information or omission of provision of material information may prejudice the status of the application and

may also have a bearing on the fitness and properness of the person providing the information. Any person who knowingly or recklessly furnishes information or makes a statement which is inaccurate, false or misleading in any material respect is guilty of an offence under the Insurance Business Act.

If, after the Application has been submitted, the Applicant becomes aware that the information submitted has changed or if the Applicant becomes aware of any material fact that affects the information submitted, the Applicant must inform the MFSA immediately.

If the proposal changes significantly and materially during the application process, then the processing time may be lengthier than in normal circumstances.

All questions should be answered. In case where replies go beyond the space provided, separate sheets should be used. If the Applicant believes that a question does not apply, the response should be “Not Applicable”. **NONE OF THE QUESTIONS ARE TO BE LEFT UNANSWERED.**

Any supporting documents submitted as part of the application pack which are not in English should be translated into English before being submitted to the competent authority .

Applicants are encouraged to also send the Application Form electronically. The respective application fee is to be payable together with the submission of the Application Form. The fee structure is found in the Insurance Business (Fees) Regulations, 2014 which can be down loaded from the MFSA’s website.

FIFTH SCHEDULE

(Paragraph 1.6(e) of Chapter 1)

Companies Act (Incorporated Cell Companies Carrying on Business of Insurance) Regulations, 2010

Application by an Incorporated Cell Company for authorisation to carry on business of insurance or, to convert a non-cellular company or transform/divide a protected cell company, into an incorporated cell company

Director-General
Malta Financial Services Authority

**Please tick the appropriate box:*

I hereby apply for the issue of an authorisation to the incorporated cell company whose particulars are given hereunder to carry on business of insurance under article 7 of the Insurance Business Act, 1998 (“the Act”)*.

I hereby apply for the transformation of an non-cellular company into an incorporated cell company whose particulars are given hereunder to carry on business of insurance under article 7 of the Insurance Business Act, 1998 (“the Act”)*.

I hereby apply for the transformation or division of a protected cell company into an incorporated cell company whose particulars are given hereunder to carry on business of insurance under article 7 of the Insurance Business Act, 1998 (“the Act”)*.

** Delete as applicable*

An application for authorisation fee/transformation fee/ division fee in accordance with regulations governing fees prescribed for such purpose under the Act is made by _____ payable to the Malta Financial Services Authority.

Particulars of the company and other matters relevant to this application are provided herein.

Separate applications will be submitted by each incorporated cell.

Contact details of person dealing with this application, in BLOCK LETTERS:

Name: _____

Entity of contact person: _____

Address: _____

Position: _____

Telephone number/s: _____

E-mail address: _____

A: Applicant details (Note 1)

A1. Name of incorporated cell company:- _____

A2. Date of registration under the Companies Act, 1995 (day/month/year):- _____

A3. Registration number:- _____

A4. Address of registered office including Post Code:- _____

A5. Name of company secretary (refer to Note 3):- _____

A6. Name of approved auditors:- _____

A7. Name of the company's principal bankers:- _____

A7.1. Address including Post Code:-

A7.2. Business telephone number/s:-

A7.3. Business fax number/s:-

A7.4. Business e-mail address/es:-

A7.5. Details of the signatories and signing details of the bank mandate :-

A8. Name of the company's legal consultants:-

A8.1. Address including Post Code:-

A8.2. Business telephone number/s:- _____

A8.3. Business fax number/s:- _____

A8.4. Business e-mail address/es:- _____

A9. Date on which the company's financial year will end:- _____

B: Shareholders and percentage sizes of holdings or voting rights (Note 2)

B1. Individual shareholders:-

Name:- (1)_____

Identity Card number/
Passport Number:- _____

Address including Post
Code:- _____

Proportion and form of
voting rights/share capital
held:- _____

Name:- (2)_____

Identity Card number/
Passport Number:- _____

Address including Post Code:-

Proportion and form of voting rights/share capital held:-

B2. *Body corporate shareholders:-*

Name:-

(1) _____

Registration number:-

Address of registered office including Post Code:-

Proportion and form of voting rights/share capital held:-

Name:-

(2) _____

Registration number:-

Address of registered office including Post Code:-

Proportion and form of voting rights/share capital held:-

C: Directors, Key functions and Officers (Note 3 to 5)

C1. Names of persons who are proposed to be appointed directors, controllers or chief executive officer of the undertaking and their position:-

C2. Name of director who is proposed to be responsible for the oversight of the Risk Management system:-

C3. Name of person, position and entity (if outsourced) who is proposed to lead the performance of the Risk Management function:-

C4. Name of person within the applicant who is proposed to be responsible for the Compliance function (if function is planned to be outsourced):-

C5. Name of person, position and entity (if outsourced) who is proposed to act as Compliance Officer:-

C6. Name of person within the applicant who is proposed to be responsible for the Internal Audit function (if function is planned to be outsourced):-

C7. Name of person, position and entity (if outsourced) who is proposed to lead the

performance of the Internal Audit function:-

C8. Name of person within the applicant who is proposed to be responsible for the Actuarial function (if function is planned to be outsourced):-

C9. Name of person, position and entity (if outsourced) who is proposed to lead the performance of the Actuarial function:-

C10. Name of person within the applicant who is proposed to be responsible for any other key function identified by the applicant (if function is planned to be outsourced):-

C11. Name of person, position and entity (if outsourced) who is proposed to lead the performance of any other key function identified by the applicant:-

C12. Name of a Board member responsible for the oversight of the insurance and, or reinsurance distribution activities of the undertaking¹:-

C13. Name of a person within the management structure of the undertaking who is designated to be responsible

¹ Applicable as from 1st October 2018

for the distribution in respect of insurance and, or reinsurance products²:-

C14. Name of person within the applicant who is proposed to be appointed as money laundering reporting officer of the undertaking (if applicable) :-

D: Kind of business of insurance to be carried on (please tick the appropriate boxes) (Note 6)

- | | | |
|-----|--|--------------------------|
| D1. | Business as a Captive re/insurance undertaking:- | <input type="checkbox"/> |
| D2. | Business of reinsurance <i>solely and exclusively</i> :- | <input type="checkbox"/> |
| D3. | Business of direct insurance <i>solely and exclusively</i> :- | <input type="checkbox"/> |
| D4. | Combined – Business of direct insurance and reinsurance :- | <input type="checkbox"/> |
| D5. | Long term business in relation to commitments where Malta is the country of the commitment:- | <input type="checkbox"/> |
| D6. | Long term business in relation to commitments where Malta is not the country of the commitment:- | <input type="checkbox"/> |
| D7. | General business in relation to risks situated in Malta | <input type="checkbox"/> |

² Applicable as from 1st October 2018

D8. General business in relation to risks situated outside Malta

E: Classes of long term business and groups of classes of general business which the undertaking proposes to carry on (*Insert I for business of insurance, R for business of reinsurance and C for combined business of insurance and business of reinsurance thereof*) (Note 7)

Long term business -

- I. Life and annuity
- II. Marriage and birth
- III. Linked long term
- IV. Permanent health
- V. Tontines
- VI. Capital redemption
- VII. Pension fund management
- VIII. Collective insurance
- IX. Social insurance

General business -

- 1 Accident and Health

1	2
---	---
- 2 Motor

1(d)	3	7	10
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- 3 Marine and Transport

1(d)	4	6	7	12
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4	<input type="text"/>	Aviation	1(d)	5	7	11
5	<input type="text"/>	Fire and other Damage to Property	8	9		
6	<input type="text"/>	Liability	10	11	12	13
7	<input type="text"/>	Credit and Suretyship	14	15		
8	<input type="text"/>	General	1	2	3	4
			6	7	8	9
			11	12	13	14
			16	17	18	15

F: Where the undertaking proposes to carry on long term business in relation to with-profits business in terms of classes I and III as specified above, provide the name and other particulars of the appointed actuary

F1. Name of appointed actuary:- _____

F1.1. Address including Post Code:-

F1.2. Business telephone number/s:- _____

F1.3. Business fax number/s:- _____

F1.4. Business e-mail address/es:- _____

G: Country where business of insurance is to be carried on
(please tick the appropriate box)

G1. In Malta:-

G2. From Malta:-

G3. In and from Malta:-

H: Principal place of business

H1. Address of principal place of business including Post Code
(if not the same as A4.):-

H2. Business telephone number/s:-

H3. Business fax number/s:-

H4. Business e-mail address/es:-

I: Manner of operation

I.1: Branch or branches *(local and foreign)*

I.1.1. Address or addresses of

branch or branches including
Post Code:-

I.1.2. Branch Manager _____

I.1.3 Business telephone
number/s:- _____

I.1.4. Business fax number/s:- _____

I.1.5. Business e-mail address/es:- _____

I.2: Undertaking Managed by Insurance Manager

I.2.1. Name of insurance
manager:- _____

I.2.2. Address or addresses of
insurance manager/s
including Post Code:-

I.2.3. Business telephone
number/s:- _____

I.2.4. Business fax number/s:- _____

I.2.5. Business e-mail address/es:- _____

J: General

J1. State reasons why an incorporated cell company is required and how the incorporated cells will be operated. _____

J2. Have any of the parties connected with this application ever applied, either individually or in conjunction with others, for authority to transact insurance business in any other jurisdiction? If so please give details. _____

J3. State any connection between the incorporated cell company (including directors and officers of the incorporated cell company) and any person or organisation remunerated directly or indirectly (e.g. insurance brokers, etc) by the incorporated cell company. _____

K: Timings for application (Note 10)

K.1 Date on which the undertaking intends to commence carrying on insurance business:- _____

Declarations

The particulars provided in this application and the documents produced with it are complete and true to the best of my knowledge, information and belief. I hereby authorise the competent authority to contact any or all of the above-named or any other person considered by the competent authority to be relevant, both at the date of application and at any time in the future unless and until I rescind this authority in writing. I also undertake to inform the competent authority in writing of any material change relevant to this application.

Name: _____

Position: _____

Signature: _____

Date: _____

When filling in the application form, if more space is needed to fill in any details or to supply any information required by the form, please add continuation sheets at the back of the form and mark each sheet with the section appropriate to the details given or information supplied. The person who signs the application form shall initial each page including any continuation sheet.

*The **Personal Questionnaire, Competency Form and Assessment Form** referred to hereunder are set out in Annexes I, II and III to Chapter 2 in Part A of these Insurance Rules.*

Documentation submitted shall have to be either in the Maltese language or the English language.

Where the information required has already been submitted, such information may be omitted.

Notes

1. (a) All particulars required by the application form are in respect of a limited liability company formed and registered under Companies Act, 1995. The head office of the undertaking shall be situated in Malta.

The name of the undertaking shall include the expression “Incorporated Cell Company” or “ICC”.

Where an applicant is a company in formation, details required by the application form which are not available at the time of submission are to be provided as soon as these are available.

- (b) Individual incorporated cells each need to complete and submit separate incorporated cell application forms.
2. Where qualifying shareholders are individuals, a Personal Questionnaire should be submitted by each individual.

Where qualifying shareholders are not individuals, the Questionnaire for Qualifying Shareholders other than Individuals set out in the Annex to Chapter 3 in Part A of these Insurance Rule should be provided.

Where the applicant has or will have one or more qualifying shareholders, or if the applicant holds or will hold a qualifying shareholding in any one or more companies, a diagram of the group *family tree* should be attached.

Note: The family tree should give details up to the ultimate beneficial owner/s, showing percentage size of holdings in each entity unless (a) the entity has one ultimate beneficial owner with a holding of over 50% of the voting rights or (b) no less than fifty ultimate beneficial owners can between them account for over 50% of the voting rights. In either case (a) or (b) it will only be necessary to give details of the ultimate beneficial owners with holdings of 10% or more.

The Passport Number is to be submitted in cases where individual shareholders do not hold an identity card.

During the application process, the competent authority will consult the competent authorities of other Member States or EEA States responsible for the supervision of insurance undertakings, credit institutions or investment firms where the applicant will be -

- (a) a subsidiary of an insurance undertaking, reinsurance undertaking, credit institution or investment firm authorised in another Member State or EEA State; or
- (b) a subsidiary of the parent undertaking of an insurance undertaking, reinsurance undertaking, credit institution or investment firm authorised in another Member State or EEA State; or
- (c) controlled by the same person, who controls an insurance undertaking, reinsurance undertaking, credit institution or investment firm authorised in another Member State or EEA State.

The competent authority shall, in particular, consult the other competent authorities when assessing the suitability of the shareholders and the reputation and experience of directors involved in the management of another entity of the same group as well as for the ongoing assessment of compliance with authorisation conditions.

Applicants are also directed to refer to the [MFSA Policy Document – Applicants for authorisation as Credit Institutions and Insurance Companies](#) dated 13th February 2012.

3. A Personal Questionnaire should be submitted for each:
- (a) Qualifying shareholder (individual);
 - (b) Directors, controllers or chief executive officers;
 - (c) Persons responsible for key functions (“key function holders”) or when a key function is outsourced, the persons appointed to oversee the outsourced key function from within the undertaking. Where a group of persons or a committee is responsible for the key function, a PQ is to be submitted for the person leading the committee;
 - (d) Compliance officer or where the compliance function is outsourced, the person who is responsible to carry out the function at the service provider;
 - (e) Money Laundering Reporting Officer (“MLRO”) (if applicable);
 - (f) An individual who is responsible for the effective management of a branch in Malta of an authorised undertaking with head office in Malta;
 - (g) Actuary appointed in terms of article 22 of the Act;

The compliance officer and money laundering reporting officer are to ensure that they are clear about the extent of their responsibilities. In this respect reference is to be made to Annexes I and II appended to this Chapter.

4. A Competency form should be submitted by:
- a) the designated board member responsible to oversee the risk management system;
 - b) the proposed compliance officer;
 - c) the proposed appointed actuary (if applicable);
 - d) each person within the undertaking responsible for a key function if the latter is outsourced;

- e) each person performing a key function if the latter is undertaken in-house;
 - f) committee members (if applicable) performing or overseeing a key function.
5. An Assessment form should be submitted by the applicant in cases where a key function is going to be outsourced.
 6. Where an applicant proposes to carry on -
 - general business, the applicant may also propose to carry on simultaneously reinsurance of long term business;
 - long term business, the applicant may also propose to carry on simultaneously general business classes 1 and 2.
 - business restricted to reinsurance, the applicant may also propose to carry on simultaneously general reinsurance business and long term reinsurance business.
 7. Where the applicant proposes to carry on general business, the scheme of operations is to include the individual classes of general business (as per Part I of the Third Schedule to the Act) which the undertaking proposes to carry on.
 8. As from 21 December 2012, the unisex rule contained in Article 5(1) of Directive 2004/113/EC must be applied without any possible exception in relation to the calculation of individuals' premiums and benefits in contracts of insurance entered into after the said date. The applicant is to be guided by the [European Commission Guidelines on the application of Council Directive 2004/113/EC to insurance, in the light of the judgment of the Court of Justice of the European Union in Case C-236/09 \(Test-Achats\)](#).
 9. The competent authority cannot guarantee to authorise an applicant by a specific date but it will try to take into account any identified timings when assessing the application.

Documentation

Please provide the following documentation:

1. Memorandum and articles of association of the company which shall have to be approved by the Authorisation Unit of the competent authority before registration. In the case of an application by an existing company for its conversion into an incorporated cell company, the applicant shall also submit a copy of the resolution amending the company's memorandum and articles of association.

The memorandum and articles of association of an incorporated cell company shall state that it is an incorporated cell company.

2. A scheme of operations relating to the proposed business to be carried on by the company prepared in accordance with this Chapter.
3. Organisation set-up including number of employees and their qualifications. If the incorporated cell company appoints an insurance manager to manage any part of its business, it is to indicate whether the insurance manager will underwrite the business of the incorporated cell company or handle its claims.
4. Copies of all proposed reinsurance treaties.
5. Where the applicant proposes to carry on long term business in relation to with-profits business and/or life insurance business with guarantees, a profile of the office of the appointed actuary including the name and other particulars of the institute of which the appointed person is a fellow or holds actuarial qualifications of similar standing of an institute of repute recognised for such purposes by the competent authority.
6. In the case of a transformation of a non-cellular company or a division of a protected cell company into an incorporated cell company, a draft letter to be sent to any person with whom it transacts business of insurance (directly or on behalf of any cell) and every other person who claims an interest in a policy must be submitted to the competent authority. Before the competent authority authorises the transformation or division, it requires details of any representations.

The competent authority may require that a notice relating to the conversion into an incorporated cell company approved by it be published in at least two local daily newspapers of which one is published in the Maltese language and the other in the English language; and the text of the notice shall be in Maltese in the Maltese daily newspapers and in English in the English daily. If the company intends to insure risk or to undertake any commitment situated outside Malta, the

competent authority may require that such notice be published in two daily newspapers in the country where the risk or commitment is situated.

7. Where the applicant proposes to carry on business of insurance of group 2 specified in Part II of Third Schedule to the Act in relation to vehicles registered in Malta it is to produce:
 - (a) a declaration stating that the policy complies with the specific requirements, in respect of such policies, contained in the Motor Vehicle Insurance (Third Party Risks) Ordinance (Cap. 104), and that the undertaking undertakes to comply with the provisions of any law relating to any such insurance which may from time to time be in force;
 - (b) an irrevocable undertaking to sign:
 - i. the **Malta Green Card Bureau Agreement** whose object, in relation to Third Party Road Risks, is that the Bureau is to remain a member of the Uniform Agreement between Bureaux established by a European instrument on Road Transport and to act as Paying Bureau and Handling Bureau in accordance with the terms of the Uniform Agreement;
 - ii. the **Motor Insurers' Bureau Domestic Agreement** whose object is to require members of the Protection and Compensation Fund to act as insurers concerned;
 - (c) a written undertaking to the Protection and Compensation Fund Management Committee to contribute for the compensation of victims of road traffic accidents in the circumstances specified in Part IV of the Protection and Compensation Fund Regulations, 2003.
8. Where the applicant proposes to carry on business of insurance of group 2 specified in Part II of Third Schedule to the Act in relation to vehicles registered in any other jurisdiction, the applicant should also provide a declaration stating that the policy complies with the specific requirements of the applicable legislation and that the undertaking undertakes to comply with the provisions of any law relating to such jurisdiction.
9. Where the applicant proposes to carry on class 10 of Part I of the Third Schedule to the Act, other than carrier's liability, it is to communicate

the name and address of the claims representative appointed in each Member State and EEA State other than Malta.

10. A written undertaking to the Protection and Compensation Fund Management Committee to pay a contribution to be utilised exclusively for the payment of claims remaining unpaid by reason of the insolvency of a undertaking relating to protected risks situated in Malta or protected commitments where Malta is the country of the commitment.

Where an applicant applies for the conversion of an existing company into an incorporated cell company, the incorporated cell company shall omit paragraphs 7 to 10 of this section.

Paragraph 7 shall not apply where an applicant proposes to carry on solely and exclusively business of reinsurance or business where the insurance relates to vehicles not registered in Malta.

Paragraph 10 shall not apply where an applicant proposes to carry on solely and exclusively business of reinsurance or business as a captive insurance undertaking or a captive reinsurance undertaking .

For more information regarding the agreements mentioned in paragraph 8, kindly contact the Director-General of the Malta Insurance Association. Tel: 21232640, 21240609; Fax: 21248388.

During the analysis of the application, the competent authority reserves the right to require submission of any other documentation which it deems necessary.

The **original** document or a certified true photocopy of the **original** is to be produced. Where a photocopy of a document is produced, the competent authority may also require the applicant to produce the **original** document.

Annex I

Guidelines for Compliance Officers

1.0 Preliminary

1.1 As the regulator of business of insurance, the competent authority is responsible for ensuring that:

(a) every undertaking desirous of applying for authorisation to carry on and, on continuing basis, a company authorised to carry on business of insurance; or

(b) every branch of an undertaking whose head office is in a country outside Malta carrying on business of insurance in Malta; or

(c) every company formed or constituted as a protected cell company;

(a) every company formed and constituted in Malta as an incorporated cell company or incorporated cell,

(the “Company”) is required to identify one individual who will be responsible for ensuring the company’s adherence.

2.0 Appointment of a compliance officer

2.1 Before a compliance officer is appointed, the company must inform in writing the competent authority of the proposed appointment, after having conducted its own due diligence checks.

2.2 The competent authority will then write to the person proposed reminding that person of the responsibilities attached to the role and asking that person to confirm in writing his understanding of these responsibilities and acceptance attached to the compliance role.

3.0 The responsibilities of a compliance officer

3.1 The compliance officer is the person responsible for all aspects of compliance.

- 3.2** The compliance officer shall be expected to demonstrate independence of judgement and to exercise proper day-to-day supervision and control over the activity of the company.
- 3.3** The compliance officer must familiarise himself thoroughly with Insurance Legislation which may be in force from time to time, the conditions of authorisation that attach to the company`s authority.
- 3.4.** The competent authority expects the compliance officer:
- (a) not to breach, or to permit breaches by others, of internal control procedures and systems or conditions of authorisation to which the company is subject;
 - (b) if he becomes aware of such breaches, to draw them to the attention of the person concerned and, where appropriate, to the attention of the board of directors;
 - (c) to record in writing all such breaches and course of action taken as a result;
 - (d) to notify the competent authority of any breach of conditions of the company`s authorisation upon being aware of such a breach;
 - (e) to ensure, as far as possible, that incorrect or misleading information is not provided deliberately or recklessly to it, either in supervisory returns or in other way.
- 3.5** The compliance officer must be aware that the competent authority requires very high standards of conduct and compliance from all companies. A breach of any condition of authorisation, and in particular, evidence of bad faith, lack of care and concern for the interests of policyholders, potential policyholders and the general public, deceptive acts and behaviour, and incompetence, shall be all considered to be serious matters.

4.0 Consultation with the competent authority

- 4.1** The competent authority considers it important to ensure that the compliance officer understands the responsibilities placed upon him and that it is always prepared to discuss any doubts, worries, suspicions or queries that may arise from time to time in respect of his role.

Annex II

Guidelines for Money Laundering Reporting Officers

1.0 Preliminary

1.1 As the regulator of business of insurance, the competent authority is responsible for ensuring that:

(a) every undertaking desirous of applying for authorisation to carry on and, on continuing basis, a company authorised to carry on long term business of insurance, other than business of reinsurance; or

(b) every branch of an undertaking whose head office is in a country outside Malta carrying on long term business of insurance, other than business of reinsurance; or

(c) every undertaking desirous of applying for authorisation to carry on long term business of insurance, other than business of reinsurance, as a captive insurance undertaking and, on continuing basis, an undertaking authorised to carry on such business; or

(d) every company formed or constituted as a protected cell company authorised to carry on long term business of insurance, other than business of reinsurance;

(e) every company formed or constituted as an incorporated cell company authorised to carry on long term business of insurance, other than business of reinsurance, or an incorporated cell authorised to carry on such business,

(“the company”) is aware of its responsibilities under the anti-money laundering legislation in Malta, mainly the Prevention of Money Laundering Act, (Cap. 373), the Regulations made thereunder and the Implementing Procedures issued by the Financial Intelligence Analysis Unit.

1.2 Regulation 15 of the Prevention of Money Laundering and Funding of Terrorism Regulations (S.L.373.01), requires a company to appoint a money laundering reporting officer.

2.0 Appointment of money laundering reporting officer

- 2.1** Before a money laundering reporting officer is appointed, the company must inform, in writing, the competent authority of the proposed appointment after having conducted its own due diligence checks.
- 2.2** The competent authority will then write to the person proposed reminding that person of the responsibilities attached to the role and asking the person to confirm in writing his understanding of these responsibilities and acceptance attached to the role of the money laundering reporting officer.
- 2.3** The person assuming the role may or may not act as a compliance officer.

3.0 Responsibilities of money laundering reporting officers

- 3.1** The money laundering reporting officer should familiarise himself thoroughly with the Prevention of Money Laundering Act, (Cap. 373) and provisions amending the Act, the Regulations made thereunder, as well as the Implementing Procedures and any guidance notes issued by the Financial Intelligence Analysis Unit.

4.0 The responsibilities of the money laundering reporting officer

- 4.1** The money laundering reporting officer should ensure that all staff are familiar with the legislation referred to in paragraph 3.1 above and that regular training is being provided in this regard.
- 4.2** Note is to be taken of training that has been carried out and records retained of the persons trained and the date of such training.
- 4.3** Care should be taken when new staff is recruited to ensure that they receive the necessary training.
- 4.4** The money laundering reporting officer should ensure that proper Customer Due Diligence procedures are in place and that the procedures set out in the Implementing Procedures relating to the identification and verification of natural or legal persons are complied with.
- 4.5** Any suspicious transactions are to be reported directly by the money laundering reporting officer to the Financial Intelligence Analysis Unit, even if the transaction is not carried out.

4.6 The money laundering reporting officer is to set up an internal reporting procedure to ensure that staff can report any such suspicious transactions without hindrance and that clear reporting lines are in place.

4.7 The money laundering reporting officer must be aware that the competent authority requires very high standards of conduct and compliance on money laundering matters from all companies. Evidence of bad faith, lack of care and concern for the interests of policyholders, potential policyholders and the general public, deceptive acts and behaviour, and incompetence, shall be all considered to be serious matters.

5.0 Consultation with the competent authority

5.1 The competent authority considers it important to ensure that the money laundering reporting officer understands the responsibilities placed upon him and that it is always prepared to discuss any doubts, worries, suspicions or queries that may arise from time to time in respect of his role.