

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

Insurance Rules
issued under the
Insurance Business Act
(Cap.403)

Issued: 22nd December 2015

Last Updated: 28th April 2016

Introduction

In terms of article 4 of the Insurance Business Act (Cap.403) (“the Act”), the Malta Financial Services Authority may issue Insurance Rules in respect of the business of insurance, as may be required for carrying into effect any of the provisions the Act and of any regulations made thereunder. The competent authority may amend or revoke such Insurance Rules. Insurance Rules and any amendment or revocation thereof, shall be communicated to the persons concerned.

The Act, as amended by Act XXXIII of 2015, together with regulations and Insurance Rules issued thereunder, provide the framework of Maltese insurance legislation and more detailed provisions on its articles are found in these Insurance Rules. The objective of the Insurance Business Act and subsidiary legislation is to implement the various provisions of the Solvency II Directive. The Solvency II Directive is a framework Directive under the Lamfalussy process which has been supplemented with delegated acts issued by the European Commission in the form of an EU Regulation entitled the [Commission Delegated Regulation \(EU\) 2015/35 of 10 October 2014](#), Implementing or Regulatory Technical Standards issued in the form of EU Regulations and Guidelines by EIOPA according to Regulation (EU) No. 1094/2012 of the European Parliament and of the Council of the 24 November 2010, establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority).

The purpose of Insurance Rules is to transpose some of the provisions of the Solvency II Directive. It is to note that while EU Directives require transposition in the legal framework of a Member State, EU Commission Regulations have direct effect and from the date they come into force are considered to form part of the legal framework of a Member State. Therefore, although the EU Commission Regulations issued under the Solvency II Directive do not require transposition, undertakings carrying on business of insurance are nonetheless required to comply with the Articles contained therein. For ease of reference, the MFSA is making reference to the EU Regulations issued under the Solvency II Directive when transposing specific articles of the Directive in the Insurance Rules. The omission of specific reference to any of the Articles of the EU Regulations in any part of these Insurance Rules should not be interpreted to mean that an authorised undertaking need not comply with the said Articles of the EU Regulations. It is important that reference be made directly to the Articles of the said EU Regulations. These Insurance Rules also implement the various Guidelines issued by EIOPA at Level III issued in accordance with Regulation (EU) No.1094/2010.

These Insurance Rules are divided into three main Parts:

Part A - Authorisation requirements applicable under the Insurance Business Act

Part B - Conditions for carrying on Business of insurance

Part C - Other provisions.

These Insurance Rules shall come into force on the **1st January 2016**.