**First Schedule**

*(Paragraph 14.2.1(a) of Chapter 14)*

**Application for authorisation of a RSPV under the RSPV Regulations**

**Part I**

|  |  |  |  |  |  |  |  |  |
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| **A** | **Details of the RSPV** | | | | | | | |
|  | | | | | | | | |
| A.1 | Name of RSPV | | | | Date of registration under the Companies Act, 1995  *(day/month/year)*:- | | | |
| Registration number:- | | | | Address of registered office including Post Code:- | | | |
|  | | | | | | | |
| Telephone Number | | | Fax Number | | | E-Mail Address | |
|  | | | | | | | | |
| A.2 | Name of RSPV secretary | | | | | | | |
|  | | | | | | | | |
|  | | | | | | | | |
| A.3 | Name of approved Auditors | | | | Address including Post Code | | | |
|  | | | | | | | |
| Telephone Number | | | Fax Number | | | E-Mail Address | |
|  | | | | | | | | |
| A.4 | Name of the RSPV’s principal bankers | | | | Address including Post Code | | | |
|  | | | | | | | |
| Telephone number | Fax number | | | | E-Mail Address | | |
|  | | | | | | | | |
| A.5 | Name of the RSPV’s legal consultants | | | | Address including Post Code | | | |
|  | | | | | | | |
| Telephone Number | | Fax Number | | | | | E-Mail Address |
|  | | | | | | | | |
| A.6 | Date on which the RSPV’s financial year will end:- | | | | | | | |
|  | | | | | | | | |
| A.7 | Contact details of person/s who will accept receipt of any correspondence from the MFSA in respect of the application for authorisation. | | | | | | | |

**Note 1**

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

Attach a copy of the draft Memorandum and articles of association of the RSPV which needs to be approved prior to registration. The objects in the Memorandum and Articles should be restricted to operating as a RSPV.

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.

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| **B** | **Ownership Structure** | | | | | |
|  | | | | | | |
|  | Please list below all of the RSPV’s shareholders, indicating whether they are Qualifying or Non-Qualifying, together with their respective holdings. | | | | | |
|  |  | | | | | |
| B.1 | *Details of Individual Shareholders* | | | | | |
| Name:- | |  | | | |
| Identity Card number / Passport Number | |  | | | |
| Address including Post Code | |  | | | |
| Proportion and form of voting rights/share capital held | | | | | |
| Qualifying | Non-  Qualifying | | Ordinary | Other | % |
|  |  | | | | | |
| B.2 | *Details of Qualified Corporate Shareholders* | | | | | |
|  | Name | | |  | | |
|  | Date of Incorporation | | |  | | |
|  | Registration Number | | |  | | |
|  | Registered Address | | |  | | |

Attach an ownership structure chart of the RSPV providing a transparent “look through” of all parties involved up to the ultimate beneficial owner. Please include the rationale for this structure below.

**Note 2**

A Personal Questionnaire should be submitted for each qualifying shareholder, director, controller, senior manager, and compliance officer.

Where qualifying shareholders are individuals, a Personal Questionnaire as set out in Annex I to Chapter 2 in Part A of these Insurance Rules 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 Rules, 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.

**C: Organisation of the RSPV and Governance Arrangements**

C1. Names of persons who are proposed to be appointed directors, controllers or senior managers of the RSPV and their position:**-**

Where applicable, attach details of the insurance manager enrolled under the Insurance Intermediaries Act, to be appointed to manage the business of the RSPV.

C2. Name of person who is proposed to be appointed as compliance officer.

C3. *Applicant’s Governance Arrangements*

C3.1 Attach details on how the RSPV will be in a position to comply with the system of governance requirements, referred to in Article 324 of the EU Commission Delegated Regulation.

C3.2 Attach details on how the day-to-day management of the RSPV will be carried out.

C3.3 Attach staff organisational structure chart, if applicable.

**D: Details of Ceding Undertaking**

D1. Name of ceding undertaking

D2. Address of ceding undertaking

Where applicable, for the purposes of regulation 5(3) of the RSPV Regulations, attach a confirmation that the ceding undertaking has notified its home country supervisory authority of its intention to cede the risks to a reinsurance special purpose vehicle.

D3. The identities and regulatory status of the directors and management of the ceding undertaking under the RSPV contract.

D4.Details of Financial Strength of ceding undertaking

D4.1 Attach a copy of the latest available audited financial statements of, both the ceding undertaking and its parent undertaking, as well as any ultimate parent undertaking of the group to which the ceding undertaking belongs, if applicable.

D4.2 Attach a copy of the financial rating of the ceding undertaking, its parent undertaking, and the ultimate parent undertaking of the group to which the ceding undertaking belongs, if applicable.

**E**: **Procedures and Controls**

Detailed information is required in respect of the following key areas:**-**

E1. *Credit Risk*

* Provide details of the procedures in place to ensure that the RSPV monitors and reports to the Board of Directors counterparty credit risk and to exercise the contractual remedies available to the RSPV as set out in the various agreements.

* Provide details of the financial ratings of each counterparty to the RSPV;

* Provide details of the criteria for accepting/selecting these counterparties.

E2. *Administrative and Accounting Procedures, internal controls and risk management techniques*

* Provide details of the administrative and accounting procedures, internal controls and risk management techniques of the RSPV, which should take into account the nature, scale and complexity of its business.

* Provide details of the persons who are providing or will provide administration and accounting services to the RSPV.

E3. *Outsourcing*

Full details of any outsourcing arrangements should be attached, including:

* background information concerning the third party to whom functions will be outsourced;
* draft copies of all service level agreements;
* transaction flow charts for the activities involving outsourcing may be required, i.e. details of the interrelationships of the various entities, timings, etc);
* a description of the scope of activities to be outsourced;
* details of those persons in the undertaking who will be responsible for overseeing such delegations, including details of how the outsourced activities will be monitored and controlled including details of key performance indicators[[1]](#footnote-1) used;
* details of termination of the agreement, rights and obligations of the outsourced service provider.

All outsourcing, service level or sub-contracting agreements should be subject to a formal and comprehensive written agreement covering at least the responsibilities of both parties and a qualitative description of the services. Drafts of any outsourcing, service level or sub-contracting agreements with persons who will manage any significant part of the business of the applicant are to be submitted to the competent authority for prior approval.

**F**: **Confirmations to be attached**

F1. The undertakings shall not use intra-group RSPVs (i.e. one where no element of finance is raised externally) to achieve a regulatory capital reduction at group level in the absence of any financing external to the group.

F2. The undertaking making the application falls under the definition of a RSPV stipulated in regulation 2 of the RSPV Regulations.

F3. The RSPV will assume risks from a ceding undertaking through a reinsurance contract or through similar arrangements.

F4. Confirmation that the RSPV will not issue debt securities, unless the documents specifying the rights of the holders of the securities−

1. make it clear that the RSPV is a legal entity separate from any third party involved in the establishment of the RSPV;
2. state the manner in which claims relating to such securities rank as between different security holders and limited in the event of insufficient funds; and

(iii) make it a condition of securities issued that the holders of the securities undertake not to initiate or participate in winding**-**up proceedings against it until those securities are discharged.

F5. Confirmation that the RSPV shall notify the MFSA in writing before entering into any RSPV contracts not specified in this application form, or making any other material changes to its current scheme of operations and application.

**Part II**

**G: Proposed Scheme of Operations – Details/Documentation to be included**

When submitting an application for authorisation, the applicant shall submit the following supporting documentation:

|  |
| --- |
| 1. a clear and profound presentation and analysis in an organisational chart identifying all the relevant parties involved in the transaction, including the ceding undertakings involved, which are supervised by supervisory authorities other than the competent authority; 2. information about the identity and qualification of the originator or sponsor of the RSPV, where this party differs from the ceding undertaking; 3. identification and qualification of the persons who are, or will be, appointed to act as trustees, where applicable, of the RSPVs' assets; 4. the identity of any foundation (if any) and the identity and regulatory status of its administrator, who owns the shares of the RSPV; 5. information about the identity and qualification of the persons who are providing or will provide management and professional services, such as accounting to the RSPV; 6. details of the ceding undertakings' original insurance policies clearly detailing which risks were initially assumed by the ceding undertaking and which will be transferred to the RSPV, including an assessment and a description of how the transfer of ceded risks and the retention of any residual risks will comply with the requirements of Article 320 of the EU Commission Delegated Regulation; 7. details of the draft RSPV contract including a description of how the RSPV contract will meet the requirements of Articles 210, 211, 319 and 320 of the EU Commission Delegated Regulation. The description shall include: 8. any relevant triggering events or mechanisms under the RSPV contract which are to include: the nature of trigger, (e.g. indemnity, modelled loss), and detail in relation to the nature, level and treatment of basis risk; 9. the maximum aggregate risk exposure of the RSPV contract; 10. the duration of the RSPV contract; 11. an assessment made by the Directors of the RSPV outlining how the legal and governance structures of the RSPV are deemed to comply with the requirements of Articles 210, 319, 320, 324, 326 and 327 of the EU Commission Delegated Regulation. The review should also give an independent legal opinion on whether the legal structure chosen for the RSPV affords a legally enforceable protection of the assets of the RSPV, thereby ensuring that the solvency of the RSPV shall not be adversely affected in line with the requirements of Articles 318(b) and Article 321 of the EU Commission Delegated Regulation. The assessment should include the following: 12. an explanation of how the RSPV is, or will be, fully funded, including relevant tests, such as stress and scenario tests, to determine if the fully funded requirement has been complied with as well as an overall risk management plan including details as to how the RSPV will continue to be fully funded during the term of the RSPV contract; 13. information on the RSPV's equity including size, growth, potential investor concentration, and on the RSPV's management share of that equity; 14. details of the counterparties to the RSPV contract, including details of all the roles of the RSPV and the ceding undertaking, as well as the roles and identities of other participants, including (but not limited to) note holders, account managers and account servicing managers, custodians and trusts, asset managers, underwriters and sponsors to the transaction. This shall also include an assessment of the applicable accounting consolidation requirements of the RSPV into a group, where relevant; 15. details of any assets or rights of the RSPV which are held or controlled by the ceding undertaking and which should be separately identified from the non-securitised assets and rights of the ceding undertaking; 16. information on quantifiable risks of the RSPV including details of the RSPV's liquidity risk and liquidity strategy; 17. information on risk implications of the RSPV's proposed investment strategy; 18. information on the RSPV's adherence to the solvency requirements ( prudent person principle) according to regulation 9(2) of the RSPV Regulations; 19. details of the risk transfer, including assessment of material residual risks, including basis risk; 20. details on, if any, the use and details of hedging instruments, such as interest rate swaps or currency contracts; 21. details of any off-balance sheet commitments to support the RSPV, including guarantees or any other form of credit risk mitigation sold to or otherwise provided to the RSPV; 22. A description of any terms and conditions for payments under the RSPV contract; 23. financial projections based on the calculation agents report, premium contributions, expenses and investment income/charges over the expected life of the RSPV; 24. an actuarial assessment of the insurance risks assumed; 25. a draft plan outlining the RSPV's supervisory reporting procedures, designed to comply with the requirements of Articles 325 to 327 of the EU Commission Delegated Regulation, including specific reportable matters identified under Article 325(2) and Article 326(1) and (2) of the EU Commission Delegated Regulation and with regards to how material changes would be communicated to the competent authority; 26. transaction documentation, or drafts thereof, regarding the issue of debt or financial mechanisms, and risk transfer to providers of such debt or financing mechanisms, to explain how compliance with Articles 210, 211, 320 and 321 of the EU Commission Delegated Regulation will be maintained. This documentation should include: 27. prospectus or offering circular or private placement memorandum, or drafts thereof; 28. rating assessment or credit rating agency's report prior to the issue of the funding instruments by the RSPV; 29. details relating to the potential use of financial guarantors on any of the ‘tranches’ of notes to be issued; 30. trustee agreement, where such an arrangement exists, or drafts thereof; 31. with regard to the debt or financing mechanisms, details of the RSPV's liquidity strategy for the issued financial instruments, including the structure and tiering, types of positions, and note holder withdrawal rules; 32. information on risk implications of the RSPV's investment strategy; 33. Copies of contracts or drafts thereof, and details, of any hedging instrument, such as interest rate swaps or currency contracts; 34. transaction documentation, or draft thereof, governing parts of the contractual arrangements relating to the transfer of risk from a ceding undertaking to the RSPV, which may be understood as “connected transaction” according to Articles 210(3) and 320(2) of the EU Commission Delegated Regulation. Where applicable, this may include contracts with other participants to the transaction, as well as outsourcing and service contracts; 35. Potential conflicts of interest that may arise in respect of the interactions among the various parties into which the RSPV will enter (including any such conflict concerning the applicant/cession) undertaking must be disclosed; 36. Any other documentation deemed necessary to process the application. |

**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 and Signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Position \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. “Key performance indicators” means factors by reference to which the development, performance or position of the business of the company can be measured effectively. [↑](#footnote-ref-1)