

## AMENDMENTS TO THE INSURANCE INTERMEDIARIES ACT, CAP.487

Amendment of  
the Insurance  
Intermediaries Act.  
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1. This Part amends and shall be read and construed as one with the Insurance Intermediaries Act, hereinafter in this Part referred to as “the principal Act”.

Substitution of  
Title of the  
principal Act.

2. For the Title of the Act, there shall be substituted the following: “INSURANCE DISTRIBUTION ACT”.

Substitution of  
paragraph  
immediately  
following Title  
of the Act.

3. In the paragraph immediately following the Title of the Act, for the words “To regulate the registration and enrolment of insurance intermediaries and insurance intermediaries activities”, there shall be substituted the words “To regulate the registration and enrolment of insurance and reinsurance intermediaries and the insurance and reinsurance distribution activities.”.

Renaming and  
renumbering of  
Parts of the  
principal Act.

4. The “ARRANGEMENT OF ACT” of the principal Act, shall be amended as follows:

(a) immediately after "Part VIII. Registration and Enrolment of Tied Insurance Intermediaries", there shall be added the following new Parts:

“Part VIIIA. Registration and Enrolment of Ancillary Insurance Intermediaries

Part VIIIB. Provisions applicable to Undertakings authorised under the Insurance Business Act carrying out Distribution Activities”;

(b) in the new "Part VIIIA. Registration and Enrolment of Ancillary Insurance Intermediaries", under the heading "Articles", there shall be inserted the figures "43A-43J”;

(c) in the new "Part VIIIB. Provisions applicable to Undertakings Authorised under the Insurance Business Act carrying out Distribution Activities", under the heading "Articles", there shall be inserted the figures "43K-43O”; and

(d) in the “SCHEDULE”, for the words “Insurance Intermediaries and Insurance Intermediaries Activities”, there

shall be substituted the words “Insurance and Reinsurance Distribution Activities”.

Amendment of article 1.

**5.** In article 1 of the principal Act, for the words “the Insurance Intermediaries Act.”, there shall be substituted the words “the Insurance Distribution Act.”.

Amendment of article 2 of the principal Act.

**6.** Article 2 of the principal Act shall be amended as follows:

(a) in sub-article (1) thereof:

(i) for the definition “advertisement”, there shall be substituted the following:

“ "advertisement", in relation to insurance distribution activities, means any form or medium of marketing activity or communication, other than a prospectus, which promotes the purchase or procurement of a service or product and which is addressed by a person registered or enrolled under this Act, carrying on insurance distribution activities, to a client or potential client, and without prejudice to the generality of the foregoing, includes any addressed or unaddressed printed matter, electronic message or advertisement received via a mobile telephone or pager, standard letters, press advertising with or without order form, catalogue, telephone with or without human intervention, seminars and presentations, radio, videophone, videotext, e-mail, fax, television, notice, billboards, posters, brochures, and web posting including internet banners, and references to the issue of an advertisement shall be construed accordingly:

Provided that, any advertisement shall not include the provision of a personal recommendation but shall include any advertisement which is disseminated to the public via all types of media;”;

(ii) immediately after the definition “Agents Register” there shall be added the following new definitions:

“ "ancillary insurance intermediaries activities", in relation to a person registered and enrolled as an ancillary insurance intermediary, means the insurance distribution activities listed in paragraph (5) of the Third Column of the Schedule;

"Ancillary Insurance Intermediaries Company Register" in relation to an authorised undertaking means the Ancillary Insurance Intermediaries Company Register established and maintained by an authorised undertaking under article 43B(1);

"Ancillary Insurance Intermediaries List" means the list of ancillary insurance intermediaries established and maintained under article 43D(1);

"ancillary insurance intermediary" means any natural or legal person, other than a credit institution or an investment firm, as defined by points (1) and (2) of Article 4(1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, carrying out the activities listed in paragraph (5) of the Third Column of the Schedule;”;

(iii) immediately after the definition “approved auditor” there shall be added the following new definitions:

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“ "authorised insurance undertaking" has the same meaning as is assigned to it by article 2(1) of the Insurance Business Act;

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"authorised reinsurance undertaking" has the same meaning as is assigned to it by article 2(1) of the Insurance Business Act;”;

(iv) in the definition “branch”, for the words “insurance intermediaries activities”, there shall be substituted the words “insurance distribution activities or reinsurance distribution activities”;

(v) in the definition “business of insurance broking”, for the words “the activities listed in paragraph 1”, there shall be substituted the words “the activities listed in paragraph (1)”;

(vi) the definition “certificate of enrolment”, shall be amended as follows:

(aa) in paragraph (c) thereof, for the words “in the Brokers List; and”, there shall be substituted the words “in the Brokers List;”;

(bb) in paragraph (d) thereof, for the words “of any company, means a certificate issued by the competent authority under article 37 to the company enrolling that person evidencing enrolment of that person in the Tied Insurance Intermediaries List;”, there shall be substituted the words “of any authorised undertaking, means a certificate issued by the competent authority under article 37 to the authorised undertaking enrolling that person evidencing enrolment of that person in the Tied Insurance Intermediaries List; and”;

(cc) immediately after paragraph (d) thereof there shall be added the following new paragraph (e):

“(e) in relation to a person registered as an ancillary insurance intermediary in the Ancillary Insurance Intermediaries Company Register of any authorised undertaking, means a certificate issued by the competent authority under article 43E to the authorised undertaking enrolling that person evidencing enrolment of that person in the Ancillary Insurance Intermediaries List;”;

(vii) immediately after the definition “conditions” there shall be added the following new definition:

“ "Conduct of Business Rules" means rules relating to conduct of business issued by the competent authority under various articles of this Act and under any regulations made thereunder;

(viii) immediately after the definition “EEA State” there shall be added the following new definition:

“ "EIOPA" means the European Insurance and Occupational Pensions Authority established in terms of Article 1 of Regulation (EU) No 1094/2010;”;

(ix) the definition “enrolled” shall be amended as follows:

(aa) in paragraph (c) thereof, for the words “under article 13; and”, there shall be substituted the words “under article 13;”;

(bb) immediately after paragraph (d) thereof, there shall be added the following new paragraph (e):

“(e) in relation to a person registered as an ancillary insurance intermediary, means enrolled in the Ancillary Insurance Intermediaries List under article 43E,”;

(x) in the proviso to the definition “foreign company”, for the words “registered under article 3 of Directive 2002/92/EC of the European Parliament and of the Council of 9 December 2002 on insurance mediation;”, there shall be substituted the words “registered under article 3 of the Insurance Distribution Directive;”;

(xi) immediately after the definition “insurance agent”, there shall be added the following new definition:

“ "insurance-based investment product" means an insurance product which offers a maturity or surrender value and where that maturity or surrender value is wholly or partially exposed, directly or indirectly, to market fluctuations, and does not include:

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(a) insurance products falling within the classes of general business specified in Part I of the Third Schedule to the Insurance Business Act;

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(b) insurance contracts falling within the classes of long-term business specified in the Second Schedule to the Insurance Business Act, where the benefits under the contract are payable only on death or in respect of incapacity due to injury, sickness or disability;

(c) pension products which are recognised as having the primary purpose of providing the investor with an income on retirement, and which entitle the investor to certain benefits;

(d) officially recognised occupational pension schemes falling under the scope of Directive 2003/41/EC of the European Parliament and of the Council of 3 June 2003 on the activities and supervision of institutions for occupational retirement provision, as amended from time to time;

(e) individual pension products for which a financial contribution from the employer is required by law and where the employer or the

employee has no choice as to the pension product or provider;”;

(xii) immediately after the definition “insurance broker” there shall be added the following new definitions:

“ "insurance distribution activities" means the activities of advising on, proposing, or carrying out other work preparatory to the conclusion of contracts of insurance, of concluding such contracts, or of assisting in the administration and performance of such contracts, in particular in the event of a claim, including the provision of information concerning one or more contracts of insurance in accordance with criteria selected by the clients, through a website or other media and the compilation of an insurance product ranking list, including price and product comparison, or a discount on the price of a contract of insurance, when the client is able to directly or indirectly conclude a contract of insurance using a website or other media, and includes the activities listed in paragraphs (1) to (5) of the Third Column of the Schedule, the distribution activities carried out by an authorised insurance undertaking and any other activities as may be prescribed;

"Insurance Distribution Directive" means Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution (recast), as amended from time to time, and includes any delegated acts and any technical standards that have been or may be issued thereunder;”;

(xiii) for the definition “insurance intermediaries rule” there shall be substituted the following:

“ "Insurance Distribution Rules" means rules in respect of insurance distribution activities and reinsurance distribution activities, issued by the competent authority under various articles of this Act and under any regulations issued thereunder;”

(xiv) the definition “registered”, shall be amended as follows:

(aa) in paragraph (c) thereof, for the words “in the Brokers Register; and”, there shall be substituted the words “in the Brokers Register;”;

(bb) in paragraph (d) thereof, for the words “of any one or more companies,”, there shall be substituted the words “of any one or more authorised undertakings; and;”; and

(cc) immediately after paragraph (d) thereof, there shall be added the following new paragraph (e):

“(e) in relation to a person registered as an ancillary insurance intermediary under article 43E, means registered in the Ancillary Insurance Intermediaries Company Register of any one or more authorised undertakings,”;

(xv) immediately after the definition “regulated market” there shall be added the following new definitions:

“ "Regulation (EU) No 1094/2010" refers to Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC;

"reinsurance distribution activities" means the activities of advising on, proposing, or carrying out other work preparatory to the conclusion of contracts of reinsurance, of concluding such contracts, or of assisting in the administration and performance of such contracts, in particular in the event of a claim, including the activities carried out by an authorised reinsurance undertaking without the intervention of a reinsurance intermediary, the activities listed in paragraphs (1) to (3) of the Third Column of the Schedule, and any other activities as may be prescribed;

"reinsurance intermediary" means any natural or legal person, other than an authorised reinsurance undertaking or its employees, who, for remuneration takes up or pursues reinsurance distribution activities;

"remuneration" means any commission, fee, charge or other payment, including an economic benefit of any kind or any other financial or non-financial advantage or incentive offered or given in

respect of insurance distribution activities or reinsurance distribution activities;”; and

(xvi) for the definition “tied insurance intermediaries activities” there shall be substituted the following:

“ “tied insurance intermediaries activities”, in relation to a person registered and enrolled as a tied insurance intermediary, means the insurance distribution activities listed in paragraph (4) of the Third Column of the Schedule, including any person who carries on such activities in addition to his main activity.”.

(b) for sub-article (2) thereof, there shall be substituted the following:

“(2) The objective of this Act is, in part, to transpose and implement the provisions of the Insurance Distribution Directive and any other European Union Directives and Regulations that may be issued and amended from time to time relating to insurance distribution activities and reinsurance distribution activities, and consequently this Act and any regulations, Insurance Distribution Rules and Conduct of Business Rules issued thereunder, shall be interpreted and applied accordingly.”.

Amendment to article 3 of the principal Act.

7. Article 3 of the principal Act shall be amended as follows:

(a) in sub-article (2) thereof:

(i) in paragraph (a) thereof, for the words “Directive 2002/92/EC of the European Parliament and of the Council of 9 December 2002 on insurance mediation;”, there shall be substituted the words “the Insurance Distribution Directive.”;

(ii) in paragraph (e) thereof, for the words “carrying out insurance intermediaries activities”, there shall be substituted the words “carrying out insurance distribution activities or reinsurance distribution activities”; and

(iii) in paragraph (h) thereof:

(aa) for the words “shall be due to the competent authority as a civil debt.”, there shall be substituted the words “shall be due to the competent authority as a civil debt.”; and



(bb) the first and second provisos thereto, shall be deleted;

(b) sub-articles (3), (4), (5), (6), (7) and (8) thereof shall be renumbered as sub-articles (4), (5), (6), (7), (8) and (9) respectively;

(c) immediately after sub-article (2) thereof, there shall be added the following new sub-article (3):

“(3) The regulations made under paragraph (h) of sub-article (2) may impose:

(a) administrative penalties which may not be greater than a financial penalty of one hundred and fifty thousand euro (€150,000) for each infringement or failure to comply, as the case may be, and, where such infringement or failure to comply continues, a further penalty not exceeding one hundred and sixteen euro (€116) for each day during which the infringement or failure to comply continues; and in such a case, a penalty imposed under this paragraph, whether in the form of a fixed amount, a daily penalty, or both, may, in no case, exceed one hundred and fifty thousand euro (€150,000); and

(b) administrative penalties and fines higher than one hundred and fifty thousand euro (€150,000), where deemed necessary or appropriate, for any contravention of or failure of compliance with the Insurance Distribution Directive or any EU Regulation issued thereunder, or with any regulations, Insurance Distribution Rules or Conduct of Business Rules issued under this Act to transpose or to give effect to such Directive or Regulation.”;

(d) in sub-article (5) thereof, as renumbered, for the words “any of the provisions of this Act to any insurance intermediary activity”, there shall be substituted the words “any of the provisions of this Act to any insurance distribution activity”; and

(e) in sub-article (7) thereof, as renumbered, for the words “the carrying out of insurance intermediaries activities, or whether such insurance intermediaries activities are or are not being carried on in Malta,” there shall be substituted the words “the carrying out of insurance distribution activities or

reinsurance distribution activities, or whether such insurance distribution activities or reinsurance distribution activities are or are not being carried on in Malta.”.

Amendment to article 4 of the principal Act.

**8.** Article 4 of the principal Act shall be amended as follows:

(a) for sub-article (1) thereof, there shall be substituted the following:

“(1) It shall be the duty of the competent authority to carry out the functions assigned to it by or under this Act and to ensure that:

(a) persons, companies, insurance intermediaries or reinsurance intermediaries, registered or enrolled in accordance with this Act and regulations made thereunder, comply with the provisions of this Act and of any regulations made thereunder, with Insurance Distribution Rules and Conduct of Business Rules made and directives issued by the competent authority in virtue of this Act and of any regulations made thereunder, and with the conditions specified in certificates of registration or enrolment; and

(b) authorised insurance undertakings and authorised reinsurance undertakings carrying out insurance distribution activities and reinsurance distribution activities comply with the provisions of this Act and of any regulations made thereunder, with any Insurance Distribution Rules and Conduct of Business Rules made and directives issued by the competent authority in virtue of this Act and of any regulations made thereunder.

(b) sub-articles (2), (3) and (4) thereof, shall be renumbered as sub-articles (3), (4) and (5) respectively;

(c) immediately after sub-article (1) thereof, there shall be added the following new sub-article (2):

“(2) The competent authority shall also carry out the functions and duties as competent authority for the purposes of the Insurance Distribution Directive, and the European Commission shall be informed accordingly.”;

(d) sub-article (3) thereof, as renumbered, shall be amended as follows:

(i) for the words “may make insurance intermediaries rules as may be required”, there shall be substituted the words “may make Insurance Distribution Rules and Conduct of Business Rules as may be required,” and;

(ii) for the words “may amend or revoke insurance intermediaries rules”, there shall be substituted the words “may amend or revoke Insurance Distribution Rules or Conduct of Business Rules,” ;and

(e) for sub-article (4) thereof, as renumbered, there shall be substituted the following:

“(4) Insurance Distribution Rules and Conduct of Business Rules shall be binding on persons registered or enrolled under this Act, on authorised insurance or reinsurance undertakings and others, as may be specified therein.”;

(f) sub-article (5) thereof, as renumbered, shall be amended as follows:

(i) for the words “Insurance intermediaries rules made by the competent authority”, there shall be substituted the words “Insurance Distribution Rules and Conduct of Business Rules made by the competent authority”;

(ii) for the words “without prejudice to insurance intermediaries rules required to be made under this Act”, there shall be substituted the words “without prejudice to Insurance Distribution Rules and Conduct of Business Rules required to be made under this Act”;

(iii) for the words “by such insurance intermediaries rules”, there shall be substituted the words “by Insurance Distribution Rules and Conduct of Business Rules”;

(iv) in paragraph (a) thereof, for the words “in relation to insurance intermediaries,”, there shall be substituted the words “in relation to persons registered or enrolled under this Act,”;

(v) in paragraph (b) thereof, for the words “in relation to insurance intermediaries,”, there shall be substituted the words “in relation to persons registered or enrolled under this Act,”;

(vi) in paragraph (c) thereof, for the words “information which insurance intermediaries shall

disclose”, there shall be substituted the words “information which persons registered or enrolled under this Act shall disclose”;

(vii) in paragraph (d) thereof, for the words “between insurance intermediaries and authorised insurance undertakings or between such intermediaries and persons seeking”, there shall be substituted the words “between persons registered or enrolled under this Act and authorised insurance undertakings or authorised reinsurance undertakings, or between such persons and persons seeking”; and

(viii) in paragraph (e) thereof, for the words “in relation to insurance intermediaries activities,”, there shall be substituted the words “in relation to insurance distribution activities,”; and

(g) immediately after sub-article (5) thereof, as renumbered, there shall be added the following new sub-articles (6) and (7):

“(6) The competent authority may make, amend or revoke, Insurance Distribution Rules and Conduct of Business Rules, as may be required for the purpose of implementing any guidelines and recommendations issued by EIOPA under Article 16 of Regulation (EU) No 1094/2010, for the implementation of the Insurance Distribution Directive.

(7) The competent authority shall monitor the market relating to insurance and reinsurance distribution activities, including the market for ancillary insurance products which are marketed, distributed or sold in, or from, Malta.”.

Amendment to article 5 of the principal Act.

**9.** Article 5 of the principal Act shall be amended as follows:

(a) in the marginal note thereto, for the words “to specified insurance intermediaries.”, there shall be substituted the words “to specified insurance and reinsurance intermediaries.”;

(b) for the words “and persons carrying on business as insurance brokers,”, there shall be substituted the words “and insurance brokers, carrying on insurance distribution activities, reinsurance distribution activities or both activities”.

Amendment to article 6 of the principal Act.

**10.** Article 6 of the principal Act shall be amended as follows:

(a) in the marginal note thereto, for the words “enrolment of insurance intermediaries.”, there shall be substituted the words “enrolment of insurance and reinsurance intermediaries.”;

(b) in sub-article (1) thereof:

(i) for the words “Subject to subarticle (3),”, there shall be substituted the words, “Subject to sub-articles (3) and (4),”; and

(ii) for the words “carry on, in or from Malta, insurance intermediaries activities”, there shall be substituted the words “carry on, in or from Malta, insurance distribution activities and reinsurance distribution activities.”;

(c) in sub-article (2) thereof, for the words “registration or enrolment under this article”, there shall be substituted the words “registration or enrolment under article 13”; and

(d) in sub-article (3) thereof, for the words, “pursuant to Directive 2002/92/EC of the European Parliament and of the Council of 9 December 2002 on insurance mediation”, there shall be substituted the words “pursuant to the Insurance Distribution Directive”.

Amendment to article 7 of the principal Act.

**11.** Article 7 of the principal Act shall be amended as follows:

(a) in the marginal note thereto, for the words “Register of insurance intermediaries”, there shall be substituted the words “Register of insurance and reinsurance intermediaries.”;

(b) for the words, “registers of persons carrying on the insurance intermediaries activities”, there shall be substituted the words “registers of persons carrying on the insurance distribution activities or reinsurance distribution activities”; and

(c) for the words “determined by that rule to be so registered.” there shall be substituted the words “determined by the said Insurance Distribution Rules to be so registered.”.

Amendment to  
article 8 of the  
principal Act.

**12.** Article 8 of the principal Act shall be amended as follows:

(a) in sub-article (1) thereof:

(i) for the words “if he satisfies the competent authority that –”, there shall be substituted the words “if such person satisfies the competent authority that the person –”;

(ii) in paragraph (a) thereof, the word “he” shall be deleted;

(iii) in paragraph (b) thereof, for the words “he is a fit and proper person to be so registered”, there shall be substituted the words “is fit and proper to be so registered”; and

(iv) for paragraph (c) thereof, there shall be substituted the following:

“(c) has appropriate knowledge and ability in order to complete tasks and perform duties adequately, in relation to insurance distribution activities and reinsurance distribution activities and possesses the qualifications and fulfils or complies with the requirements determined by Insurance Distribution Rules made for the purposes of this article.”; and

(b) in sub-article (2) thereof, for the words “entitled to carry out insurance intermediaries activities”, there shall be substituted the words “to carry out insurance distribution activities and reinsurance distribution activities”.

Amendment to  
article 9 of the  
principal Act.

**13.** Article 9 of the principal Act shall be amended as follows:

(a) in the marginal note thereto, for the words “carrying on insurance intermediaries activities”, there shall be substituted the words “carrying on insurance and reinsurance distribution activities.”;

(b) article 9 shall be renumbered as subarticle (1) thereof;

(c) sub-article (1) thereof, as renumbered, shall be amended as follows:

(i) for the words “a list of persons carrying on insurance intermediaries activities”, there shall be

substituted the words “a list of persons carrying on insurance distribution activities and reinsurance distribution activities”;

(ii) for the words “in an insurance intermediaries rule made for the purposes of this article.”, there shall be substituted the words “in Insurance Distribution Rules made for the purposes of this article. The said Lists shall be updated on a regular basis.”; and

(d) immediately after sub-article (1) thereof, as renumbered, there shall be added the following new sub-articles (2), (3) and (4):

“(2) The Agents List, the Managers List, and the Brokers List are to specify the names of the registered individuals within the management of the intermediary who are responsible for the insurance distribution activities or reinsurance distribution activities.

(3) In the case of cross-border activities carried out in terms of the Insurance Distribution Directive, the Agents List, the Managers List, and the Brokers List shall also indicate the Member States or the EEA States in which the intermediary is carrying out insurance distribution activities or reinsurance distribution activities, and the competent authority shall communicate that information to EIOPA, for the purpose of publication on EIOPA’s single electronic register in terms of Article 3(4) of the Insurance Distribution Directive.

(4) The competent authority and EIOPA shall have the right to modify such data stored on EIOPA’s single electronic register referred to in sub-article (3), and data subjects, whose personal details are stored on such register and exchanged, shall have the right to access such stored data and the right to be appropriately informed.”.

Amendment to article 10 of the principal Act.

**14.** Article 10 of the principal Act shall be amended as follows:

(a) in sub-article (1) thereof:

(i) in paragraph (a) thereof:

(aa) in sub-paragraph (i) thereof, for the words “arising directly from insurance intermediaries activities”, there shall be substituted the words

“arising directly from insurance distribution activities or reinsurance distribution activities”;

(bb) sub-paragraphs (iii), (iv), (v) and (vi) thereof, shall be renumbered as sub-paragraphs (v), (vii), (viii) and (ix) respectively;

(cc) immediately after sub-paragraph (ii) thereof, there shall be added the following new sub-paragraphs (iii) and (iv):

“(iii) the applicant discloses the identity of the shareholders, direct or indirect, whether natural or legal persons, who will have qualifying holdings in that intermediary and the amounts of those holdings;

(iv) the applicant discloses the identity of persons who have close links with the intermediary;”;

(dd) immediately after paragraph (v), as renumbered, there shall be added the following new paragraph (vi):

“(vi) the applicant possesses appropriate knowledge and ability in order to be able to complete tasks and perform duties adequately, in relation to insurance distribution activities and reinsurance distribution activities, as determined by Insurance Distribution Rules made for the purposes of this article;” and

(ee) in sub-paragraph (viii), as renumbered, immediately after the words “may from time to time determine”, there shall be added the words “by Insurance Distribution Rules”;

(ii) in paragraph (b) thereof:

(aa) in sub-paragraph (i) thereof, for the words “subarticle (1)(a)(i) and (iii)”, there shall be substituted the words “sub-article (1)(a)(i), (iii) and (v)”;

(bb) for indent (ii) thereof, there shall be substituted the following:

“(ii) he shall be entitled to be enrolled in the Agents List, Managers List or the Brokers List



if the applicant satisfies the competent authority that the individual –

(aa) is fit and proper to be so enrolled and to ensure that the business is carried on in a sound and prudent manner;

(bb) has appropriate knowledge and ability in order to complete tasks and perform duties adequately in relation to insurance distribution activities and reinsurance distribution activities and possesses the qualifications and fulfils or complies with the requirements as determined by the Act and Insurance Distribution Rules made for the purposes of this article;

(cc) carries out activities which are limited to operations arising directly from insurance distribution activities and matters and functions connected therewith or ancillary thereto, to the exclusion of all other commercial business, other than business determined by Insurance Distribution Rules;

(dd) discloses the identity of persons who have close links with the intermediary.”;

(b) in sub-article (2) thereof:

(i) for the words “Where close links exist”, there shall be substituted the words “Where the holdings or close links referred to in sub-article (1) exist”;

(ii) in paragraph (a) thereof, immediately after the words “grant enrolment if it considers that such”, there shall be added the words “holdings or”;

(c) in sub-article (3) thereof:

(i) for the words “to carry on insurance intermediaries activities”, there shall be substituted the words “to carry on insurance distribution activities or reinsurance distribution activities”; and

(ii) for the words “signed by a senior officer of an insurer or an insurance broker,,” there shall be substituted

the words “signed by a senior officer of an insurer, reinsurer or an insurance broker,”; and

(d) in the proviso to sub-article (3) thereof, for the words “shall not act for an insurer or an insurance broker,”, there shall be substituted the words “shall not act for an insurer, reinsurer or an insurance broker,”.

Amendment of  
article 11 of  
the principal Act.

**15.** Article 11 of the principal Act shall be amended as follows:

(a) in the paragraph immediately following paragraph (c) of sub-article (1) thereof, for the words “and the insurance intermediaries activities are carried on”, there shall be substituted the words “and the insurance distribution activities or reinsurance distribution activities are carried on”;

(b) for sub-article (2) thereof, there shall be substituted the following:

“(2) A person enrolled under article 13 may, with the approval of the competent authority given in writing, open a branch or set up or acquire a subsidiary, in Malta.”;

(c) in sub-article (3) thereof, for the words “if it is satisfied that the insurance intermediaries activities carried on”, there shall be substituted the words “if it is satisfied that the insurance distribution activities or reinsurance distribution activities carried on”; and

(d) for sub-article (4) thereof, there shall be substituted the following:

“(4) Except with the written consent of the competent authority, no person enrolled under this Part of the Act may carry out, nor hold itself as carrying out, insurance distribution activities or reinsurance distribution activities, open a branch, office or other place of business, or set up or acquire a subsidiary, in any country outside Malta.”.

Amendment of  
article 12 of  
the principal Act.

**16.** Article 12 of the principal Act shall be amended as follows:

(a) in paragraph (a) of sub-article (1) thereof, for the words “to carry on insurance intermediaries activities;”, there shall be substituted the words “to carry on insurance distribution activities or reinsurance distribution activities;”;

(b) in sub-article (2) thereof:

(i) for the words “carrying on insurance intermediaries activities as may be prescribed, the insurance intermediaries activities shall be carried out”, there shall be substituted the words “carrying on insurance distribution activities or reinsurance distribution activities as may be prescribed, the insurance distribution activities or reinsurance distribution activities shall be carried out”; and

(ii) in paragraph (a) thereof:

(aa) for the words “a company carrying on insurance intermediaries activities -”, there shall be substituted the words “a company carrying on insurance distribution activities or reinsurance distribution activities -”; and

(bb) in sub-paragraph (ii) thereof, for the words “the insurance intermediaries activities are carried on”, there shall be substituted the words “the insurance distribution activities or reinsurance distribution activities are carried on”; and

(iii) in paragraph (b) thereof, for the words “a company carrying on other insurance intermediaries activities”, there shall be substituted the words “a company carrying on other insurance distribution activities or reinsurance distribution activities”.

Amendment of  
article 13 of  
the principal Act.

**17.** Article 13 of the principal Act shall be amended as follows:

(a) in the marginal note thereto, for the words “by competent authority to insurance intermediaries.”, there shall be substituted the words “by competent authority to insurance and reinsurance intermediaries.”;

(b) in sub-article (3) thereof, immediately after the words, “on the basis of the information required to be submitted under this Act”, there shall be added the words “and any regulations or Insurance Distribution Rules made thereunder,”;

(c) in sub-article (5) thereof, immediately after the words, “the information required to be submitted under this Act”, there shall be added the words “and any regulations or Insurance Distribution Rules made thereunder,”; and

(d) immediately after sub-article (5) thereof there shall be added the following new sub-article (6):

“(6) The validity of the registration or enrolment under this article shall be subject to a regular review by the competent authority.”.

Amendment of article 14 of the principal Act.

**18.** In sub-article (2) of article 14 of the principal Act, for the words “A certificate of registration or enrolment granted under this article”, there shall be substituted the words “A certificate of registration or enrolment issued under this article”.

Addition of article 14A to the principal Act.

**19.** Immediately after the article 14 of the principal Act, there shall be added the following new article 14A:

“Professional and organisational requirements

**14A.** An intermediary carrying out insurance distribution activities or reinsurance distribution activities and its employees carrying out insurance or reinsurance distribution activities, shall comply with continuing professional training and development requirements in order to maintain an adequate level of performance corresponding to the role they perform and the relative market, as may be determined by means of Insurance Distribution Rules and, or Conduct of Business Rules issued for the purposes of this article.”.

Amendment of article 15 of the principal Act.

**20.** Subarticle (1) of article 15 of the principal Act shall be amended as follows:

(a) in paragraph (a) thereof, for the words “to carry on the insurance intermediaries activities”, there shall be substituted

the words “to carry on the insurance distribution activities or reinsurance distribution activities”; and

(b) in paragraph (c) thereof, for the words “company carrying on insurance intermediaries activities”, there shall be substituted the words “company carrying on insurance distribution activities or reinsurance distribution activities,”.

Amendment of  
article 16 of  
the principal Act.

**21.** Article 16 of the principal Act shall be amended as follows:

(a) in paragraph (a) thereof, for the words “and any regulations made thereunder or any insurance intermediaries rule;”, there shall be substituted the words “and any regulations, Insurance Distribution Rules or Conduct of Business Rules made thereunder;”;

(b) in paragraph (b) thereof, for the words “and any regulations made thereunder, or any insurance intermediaries rule;”, there shall be substituted the words “and any regulations, Insurance Distribution Rules or Conduct of Business Rules made thereunder;”;

(c) in paragraph (j) thereof, for the words “is carrying on insurance intermediaries activities,”, there shall be substituted the words “is carrying on insurance distribution activities or reinsurance distribution activities,”;

(d) in paragraph (m) thereof, for the words “to have carried on insurance intermediaries activities”, there shall be substituted the words “to have carried on insurance distribution activities or reinsurance distribution activities”;

(e) in paragraph (n) thereof, for the words “as may be defined by means of an insurance intermediaries rule made under this Act.”, there shall be substituted the words “as may be defined by means of Insurance Distribution Rules made under this Act; or”;

(f) immediately after paragraph (n) thereof, there shall be added the following new paragraphs:

“(o) the intermediary is not utilising the services of intermediaries which are listed in article 44B; or

(p) the intermediary fails to comply with the conduct of business requirements set out in Conduct of Business Rules transposing Chapters V and VI of the

Insurance Distribution Directive, in relation to an insurance-based investment product; or

(q) the intermediary ceases to fulfil any of the requirements laid down in articles 8(1)(b) and (c), 10(1)(a)(v),(vi), (vii) and (viii), 10(1)(b)(ii)(aa) and (bb), 14A and 20, and where applicable, any Insurance Distribution Rules issued under the said articles; or

(r) the intermediary fails to comply with conduct of business requirements set out in Conduct of Business Rules transposing Chapter V of the Insurance Distribution Directive, in relation to any insurance product other than an insurance-based investment product.”.

Amendment of article 17 of the principal Act.

**22.** Article 17 of the principal Act shall be amended as follows:

(a) in sub-article (2) thereof, for the words “a period of not less than forty-eight hours and not longer than fifteen days),”, there shall be substituted the words “a period of not less than forty-eight hours and not longer than thirty days),”;

(b) in sub-article (5) thereof, for the words “it may, if it so elects give publicity to such suspension or striking off in a manner it deems appropriate. “, there shall be substituted the words “the competent authority shall give publicity to such suspension or striking off, and the provisions of article 53A shall apply.”.

Amendment of article 20 of the principal Act.

**23.** In sub-article (2) of article 20 of the principal Act, for the words “all proper claims arising out of insurance intermediaries activities”, there shall be substituted the words, “all proper claims arising out of insurance distribution activities or reinsurance distribution activities”.

Amendment of article 21 of the principal Act.

**24.** In sub-article (1) of article 21 of the principal Act for the words “as respects the insurance intermediaries activities”, there shall be substituted the words “as respects the insurance distribution activities”.

Amendment of article 24 of the principal Act.

**25.** In sub-article (2) of article 24 of the principal Act, for the words “within such period as may be specified in the rule.”, there shall be substituted the words “within such period as may be specified by Insurance Distribution Rules.”.

Amendment of article 25 of the principal Act.

**26.** For article 25 of the principal Act there shall be substituted the following:

“Information to be provided for supervisory purposes.

**25.** (1) Subject to the following sub-articles, an enrolled person shall submit to the competent authority any information which is necessary for the purposes of supervision, as may be specified by means of regulations, Insurance Distribution Rules or Conduct of Business Rules, which may also specify the period within which this information is to be submitted.

(2) The information to be submitted to the competent authority in terms of sub-article (1) shall include the submission of a statement relating to the business of insurance distribution activities and, or reinsurance distribution activities, carried on by an enrolled person in any calendar year. The statement relating to that business shall be made out in the form, manner and content as the competent authority may, by Insurance Distribution Rules made for the purposes of this article determine; and the date by which such statement shall be forwarded shall also be established by Insurance Distribution Rules.

(3) The statement required to be submitted under sub-article (2) shall be verified in the manner required by Insurance Distribution Rules. and the competent authority may at any time direct an enrolled person to submit to it such statement at such interval and for such period as it may specify in the Insurance Distribution Rules.”.

Amendment of article 26 of the principal Act.

**27.** Article 26 of the principal Act shall be amended as follows

(a) in the marginal note thereto, for the words “ceasing to carry on insurance intermediaries activities.”, there shall be substituted the words “ceasing to carry on insurance and reinsurance distribution activities.”; and

(b) in sub-article (1) thereof, for the words “to carry on, in Malta, insurance intermediaries activities”, there shall be substituted the words “to carry on, in Malta, insurance distribution activities or reinsurance distribution activities,”.

Amendment of article 28 of the principal Act.

**28.** Article 28 of the principal Act shall be amended as follows:

(a) in sub-article (12) thereof, for the words “the integrity of the insurance intermediaries activities carried on”, there shall be substituted the words “the integrity of the insurance distribution activities and reinsurance distribution activities carried on”;

(b) immediately after paragraph (b) of sub-article (13) thereof, there shall be added the following new paragraph (c):

“(c) is a material breach of the provisions of this Act, regulations or Insurance Distribution Rules which lay down the conditions governing registration or enrolment or which specifically govern the carrying out of insurance distribution activities and reinsurance distribution activities by an enrolled company.”;

(c) in sub-article (14) thereof, for the words “the integrity of the insurance intermediaries activities carried on”, there shall be substituted the words “the integrity of the insurance distribution activities and reinsurance distribution activities carried on”; and

(d) immediately after sub-article (14) thereof, there shall be added the following new sub-article (15):

“(15) Without prejudice to any provision contained in this Act, the competent authority may request the auditor to provide it with such information and documentation relating to any fact or decision as specified in sub-articles (12) or (14) concerning the enrolled company or a branch in Malta of a foreign company enrolled under article 13.”.

Amendment of article 31 of the principal Act.

**29.** In sub-article (1) of article 31 of the principal Act, for the words “Subject to the following sub-articles, except with the approval of the Minister given generally by order in the Gazette, or with the approval of the competent authority”, there shall be substituted the words “Subject to the following sub-articles, except with the approval of the competent authority”.



Amendment of article 33 of the principal Act.

**30.** In sub-article (2) of article 33 of the principal Act, for the words “to a tied insurance intermediary, which is registered pursuant to Directive 2002/92/EC of the European Parliament and of the Council of 9 December 2002 on insurance mediation”, there shall be substituted the words “to a person which is registered pursuant to the Insurance Distribution Directive,”.

Amendment of article 35 of the principal Act.

**31.** For sub-article (1) of article 35 of the principal Act. there shall be substituted the following:

“(1) A person shall be entitled to be registered by an authorised undertaking in the Tied Insurance Intermediaries Company Register of such undertaking if it is satisfied that such person:

(a) is fit and proper to carry out tied insurance intermediaries activities; and

(b) possesses appropriate knowledge and ability in order to complete tasks and perform duties adequately, in relation to tied insurance intermediaries activities, as determined by means of Insurance Distribution Rules issued for the purposes of this article.”.

Addition of article 35A of the principal Act.

**32.** Immediately after article 35 of the principal Act, there shall be added the following new article 35A:

“Professional and organisational requirements.

**35A.** A tied insurance intermediary carrying out tied insurance intermediaries activities, and, where applicable, the employees of such intermediary carrying out tied insurance intermediaries activities, shall comply with continuing professional training and development requirements in order to maintain an adequate level of performance corresponding to the role they perform, as may be determined by means of Insurance Distribution Rules and, or Conduct of Business Rules issued for the purposes of this article.”.

Amendment of article 36 of the principal Act.

**33.** Article 36 of the principal Act shall be amended as follows:

(a) in sub-article (1) thereof, immediately after the words “entitled under this article to be enrolled therein.”, there shall be added the words “The Tied Insurance Intermediaries List shall be updated on a regular basis.”; and

(b) immediately after sub-article (4) thereof, there shall be added the following new sub-article (5):

“(5) Where the enrolled person is not an individual, the Tied Insurance Intermediaries List is to specify the name of the individual who carries out tied insurance intermediaries activities and who satisfies the requirements of article 35(1).”.

Amendment of article 37 of the principal Act.

**34.** Article 37 of the principal Act shall be amended as follows:

(a) in the first proviso to sub-article (1) thereof:

(i) paragraph (c) thereof shall be renumbered as paragraph (d); and

(ii) immediately after paragraph (b) thereof, there shall be added a new paragraph (c):

“(c) a person enrolled in the Ancillary Insurance Intermediaries List under article 43E;”;

(b) sub-articles (2), (3), (4), (5), (6), (7), (8) and (9) thereof shall be renumbered as sub-articles (4), (5), (6), (7), (8), (10), (11) and (13) respectively;

(c) immediately after sub-article (1) thereof, there shall be added the following new sub-articles (2) and (3):

“(2) Every authorised undertaking desirous of appointing, registering and enrolling a person to act on his behalf as a tied insurance intermediary shall disclose the following information to the competent authority:

(a) where the tied insurance intermediary is a person which is not an individual:

(i) the identity of the shareholders, direct or indirect, whether natural or legal

persons, who will have qualifying holdings in the tied insurance intermediary and the amounts of those holdings; and

(ii) the identity of persons who have close links with the tied insurance intermediary; and

(b) where the tied insurance intermediary is a person who is an individual, the identity of persons who have close links with the tied insurance intermediary.

(3) Where the holdings or close links referred to in sub-article (2) exist between the tied insurance intermediary and any other person, the competent authority shall only grant enrolment if it considers that such holdings or close links do not prevent it from effectively exercising its supervisory functions.”;

(d) in sub-article (5) thereof, as renumbered, for the words “Subject to sub-articles (4) and (5),”, there shall be substituted the words “Subject to sub-articles (6) and (7),”;

(f) immediately after sub-article (8) thereof, as renumbered, there shall be added the following new sub-article (9):

“(9) The competent authority shall determine an application for enrolment under this article within three months of the submission of a properly completed application form together with the requisite documentation required to be submitted under this Act.”;

(g) sub-article (10) thereof, as renumbered, shall be amended as follows:

(i) paragraph (b) thereof shall be deleted and

(ii) paragraph (a) thereof shall be renumbered as the whole sub-article (10); and

(h) immediately after sub-article (11) thereof, as renumbered, there shall be added the following new sub-article (12):

“(12) The validity of the enrolment under this article shall be subject to a regular review by the competent authority.”.

Amendment of article 38 of the principal Act.

**35.** Article 38 of the principal Act shall be amended as follows:

(a) in the marginal note thereto, for the words “Maintenance of separate accounts.”, there shall be substituted the words “Protection of clients monies.”; and

(b) in sub-article (2) thereof, for the words “proper claims arising out of insurance intermediaries activities”, there shall be substituted the words “proper claims arising out of insurance distribution activities”.

Amendment of article 40 of the principal Act.

**36.** Sub-article (4) of Article 40 of the principal Act, shall be amended as follows:

(a) for the words “the competent authority may give publicity to”, there shall be substituted the words “the competent authority shall give publicity to”; and

(b) for paragraph (b) thereof, there shall be substituted the following:

“(b) the provisions of article 53A shall apply.”.

Amendment of article 41 of the principal Act.

**37.** For sub-article (1) of Article 41 of the principal Act there shall be substituted the following:

“(1) Notwithstanding any provision of this Act, the competent authority may, at any time -

(a) on grounds of unfitness and impropriety or of protection of the public interest:

(i) refuse to enrol a person in the Tied Insurance Intermediaries List;

(ii) strike the name of a person off the Tied Insurance Intermediaries List;

(b) strike the name of a person off the Tied Insurance Intermediaries List, where the tied insurance intermediary:

(i) fails to comply with the conduct of business requirements set out in Conduct of Business Rules transposing Chapters V and VI of the Insurance Distribution Directive, in relation to an insurance-based investment product; or

(ii) ceases to fulfil any of the requirements laid down in articles 35(1), 35A and 38, and where applicable, any Insurance Distribution Rules issued under the said articles; or

(iii) fails to comply with conduct of business requirements set out in Conduct of Business Rules transposing Chapter V of the Insurance Distribution Directive, in relation to any insurance product other than an insurance-based investment product,

Provided that, in each case, the competent authority shall inform the undertaking concerned in writing of the reasons for so doing.”.

Amendment of article 43 of the principal Act.

**38.** Article 43 of the principal Act shall be amended as follows:

(a) in sub-article (1) thereof, for the words “shall not include European insurance undertakings.”, there shall be substituted the words “shall not include an authorised reinsurance undertaking, a reinsurance intermediary, a European insurance undertakings and a European reinsurance undertaking.”; and

(b) in sub-article (2) thereof, for the words “as may be determined by an insurance intermediaries rule made for the purposes of this article and the said rule shall contain”, there shall be substituted the words “as may be determined by Insurance Distribution Rules made for the purposes of this article and the said Insurance Distribution Rules shall contain”.

Addition of  
New Parts of the  
principal Act.

**39.** Immediately after Part VIII of the principal Act, there shall be added the following new Parts VIIIA and VIIIB:

“PART VIIIA

REGISTRATION AND ENROLMENT OF  
ANCILLARY INSURANCE  
INTERMEDIARIES

Registration of  
ancillary  
insurance  
intermediaries.

**43A.** (1) Subject to sub-article (2), no person shall act as an ancillary insurance intermediary and carry out, or attempt to carry out in Malta ancillary insurance intermediaries activities, unless such person is appointed, registered and enrolled in accordance with the provisions of this Act.

(2) This article shall not apply to an ancillary insurance intermediary which:

(a) is exempted from enrolment under article 43E of the Act, in terms of regulations issued under this Act;

(b) is registered pursuant to the Insurance Distribution Directive, in a Member State or an EEA State, other than Malta.

Ancillary  
Insurance  
Intermediaries  
Company  
Registers.

**43B.** (1) Subject to article 43J, every authorised undertaking desirous of appointing a person to act on its behalf as an ancillary insurance intermediary shall establish and maintain a register of persons acting as ancillary insurance intermediaries, in this Act referred to as the "Ancillary Insurance Intermediaries Company Register", containing the particulars as the competent authority may, from time to time, by Insurance Distribution Rules made for the purposes of this article, determine, of all persons who are entitled under this Act to be registered therein.

(2) Subject to the provisions of sub-article (1), every authorised undertaking shall determine its own procedures for appointing and

registering a person as an ancillary insurance intermediary in the Ancillary Insurance Intermediaries Company Register.

Qualifications for Registration.

**43C.** (1) A person shall be entitled to be registered by an authorised undertaking in the Ancillary Insurance Intermediaries Company Register of such undertaking if it is satisfied that such person -

(a) is fit and proper to carry out ancillary insurance intermediaries activities; and

(b) possesses appropriate knowledge and ability in order to complete tasks and perform duties adequately, relating to ancillary insurance intermediaries activities, as may be determined by means of Insurance Distribution Rules issued for the purposes of this article:

(2) A person shall not be entitled to carry out ancillary insurance intermediaries activities, by virtue of his registration under article 43E unless and until he is enrolled by the competent authority in the Ancillary Insurance Intermediaries List under that article.

List of persons carrying out ancillary insurance intermediaries activities.

**43D.** (1) The competent authority shall establish and maintain a list of persons carrying out ancillary insurance intermediaries activities in this Act referred to as the "Ancillary Insurance Intermediaries List", containing such particulars as the competent authority may, determine from time to time by Insurance Distribution Rules made for the purposes of this article of all persons who are, or which are, entitled under this article to be enrolled therein. The Ancillary Insurance Intermediaries List shall be updated on a regular basis.

(2) It shall be the duty of an authorised undertaking to enrol with the competent authority in the Ancillary Insurance Intermediaries List any person registered by it as an ancillary insurance intermediary in the Ancillary Insurance

Intermediaries Company Register established and maintained by it under article 43E.

(3) On obtaining from the competent authority a certificate of enrolment under article 43E, an authorised undertaking shall furnish the person, in whose name the certificate of enrolment is made out, with the certificate or an official copy thereof, issued to the authorised undertaking by the competent authority.

(4) Where a person enrolled as aforesaid carries out ancillary insurance intermediaries activities from a place of business or from any other place accessible to the public, that person shall display in a prominent position in that place in a part thereof to which the public has access, the certificate of enrolment or an official copy thereof issued by the competent authority under this article.

(5) Where the enrolled person is not an individual, the Ancillary Insurance Intermediaries List is to specify the name of the individual who is carrying out ancillary insurance intermediaries activities and who satisfies the requirements of article 43C(1).

Appointment,  
registration and  
enrolment of  
ancillary  
insurance  
intermediaries.

**43E.** (1) Subject to the provisions of this Act, every authorised undertaking desirous of appointing a person to act on its behalf as an ancillary insurance intermediary shall, under this article, appoint and register in the Ancillary Insurance Intermediaries Company Register of the authorised undertaking and enrol with the competent authority in the Ancillary Insurance Intermediaries List, any one or more persons to act on its behalf as ancillary insurance intermediary and to carry out ancillary insurance intermediaries activities in the class or classes of long term business or the group or groups of classes of general business specified in their respective appointments and, where a person is not an individual, such person must itself have an individual who satisfies the requirements of article 43C(1):

Provided that, an undertaking is prohibited from appointing and registering in its Ancillary



Insurance Intermediaries Company Register a person which is –

(a) a person registered in the Agents Register, Managers Register or Brokers Register under article 13;

(b) a person enrolled in the Agents List, Managers List or Brokers List under that article;

(c) a person enrolled in the Tied Insurance Intermediaries List under article 37;

(d) an undertaking authorised under the Insurance Business Act to carry on business of insurance:

(2) Every authorised undertaking desirous of appointing, registering and enrolling a person to act on his behalf as an ancillary insurance intermediary shall disclose the following information to the competent authority:

(a) where the ancillary insurance intermediary is a person which is not an individual:

(i) the identity of the shareholders, direct or indirect, whether natural or legal persons, who will have qualifying holdings in that ancillary insurance intermediary and the amounts of those holdings; and

(ii) the identity of persons who have close links with the ancillary insurance intermediary; and

(b) where the ancillary insurance intermediary is a person who is an individual, the identity of persons who have close links with the ancillary insurance intermediary.

(3) Where the holdings or close links referred to in sub-article (2) exist between the ancillary insurance intermediary and any other person, the competent authority shall only grant

enrolment if it considers that such holdings or close links do not prevent it from effectively exercising its supervisory functions.

(4) Where an authorised undertaking appoints and registers in its Ancillary Insurance Intermediaries Company Register a person which is not an individual, and that person carries out ancillary insurance intermediaries activities from any one or more places of business, that person shall ascertain that ancillary insurance intermediaries activities so carried out by it from each such place of business are carried out only by an individual who satisfies the requirements of article 43C(1).

(5) Subject to sub-article (7), any person, other than a person mentioned in the proviso to sub-article (1), may seek and obtain under this article appointment and registration in the Ancillary Insurance Intermediaries Company Register of an authorised undertaking to carry out ancillary insurance intermediaries activities on behalf of such undertaking.

(6) Any person desirous of seeking appointment and registration in an Ancillary Insurance Intermediaries Company Register of an authorised undertaking, to carry out ancillary insurance intermediaries activities –

(a) relating to general business, may obtain appointment and registration in the Ancillary Insurance Intermediaries Company Register of not more than two authorised undertakings carrying on general business;

(b) relating to long term business, may obtain appointment and registration only in the Ancillary Insurance Intermediaries Company Register of one authorised undertaking carrying on long term business;

(7) Where a person desires to seek appointment and registration in the Ancillary Insurance Intermediaries Company Register for and on behalf of more than one authorised

undertaking carrying on general business, and where the appointment relates to any class, or any group of classes, of general business of the same kind, if the insurance products to be distributed in terms of such class or group of classes relate to products which are in competition, such person shall, in respect of such insurance products, seek and obtain appointment and registration to carry out ancillary insurance intermediaries activities only in the Ancillary Insurance Intermediaries Company Register of one of the undertakings concerned.

(8) No person who is an employee of an authorised undertaking shall, solely by virtue of his employment by the undertaking, require registration in the Ancillary Insurance Intermediaries Company Register of the undertaking under this article.

(9) The competent authority shall determine an application for enrolment under this article within three (3) months of the submission of a properly completed application form together with the requisite documentation required to be submitted under this Act.

(10) On granting an application for enrolment under this Act, the competent authority shall issue to the applicant concerned a certificate of enrolment evidencing enrolment of the person registered in the Ancillary Insurance Intermediaries Company Register of the applicant in the Ancillary Insurance Intermediaries List.

(11) Subject to the provisions of this Act, the competent authority may subject enrolment made under this article to such conditions as it may from time to time deem fit to impose.

(12) The validity of the enrolment under this article shall be subject to a regular review by the competent authority.

(13) An authorised undertaking shall at all times be responsible for any act or omission of its registered ancillary insurance intermediaries provided that such act or omission is an act or omission pertaining to a contract of insurance

issued by the undertaking or offered on its behalf through the services of such ancillary insurance intermediaries. For the purposes of this sub-article any reference to registered ancillary insurance intermediaries shall include a reference to past as well as present registered ancillary insurance intermediaries.

Protection of  
clients monies.

**43F.** (1) Without prejudice to sub-article (3), every ancillary insurance intermediary, shall, in respect of monies held by him or it in relation to a policy of insurance, keep such monies held by him or it separate from his or its own monies and shall, in respect of those monies maintain separate accounts in accordance with requirements determined by Insurance Distribution Rules made for the purposes of this article.

(2) No person shall have or obtain any recourse or right against monies standing to the credit of the account referred to in sub-article (1) in respect of a claim or right against a person acting as an ancillary insurance intermediary until all proper claims arising out of insurance distribution activities against those monies have been satisfied, even in the event of bankruptcy of the individual or insolvency of the company, as the case may be.

(3) Notwithstanding the provisions of sub-articles (1) and (2):

(a) monies received by the ancillary insurance intermediary from a person in relation to a contract of insurance shall be treated as having been paid to the authorised undertaking issuing or offering the contract, and on whose behalf the ancillary insurance intermediary carries on ancillary insurance intermediaries activities; and

(b) monies paid by the authorised undertaking to the ancillary insurance intermediary, and intended for the policyholder, shall not be treated as having been paid to the policyholder until such monies are actually received by the policyholder concerned.

Striking name off  
Ancillary  
Insurance  
Intermediaries  
Company  
Register.

**43G.** Subject to the provisions of article 43H and to the terms and conditions of any relevant ancillary insurance intermediaries appointment at any time and for any reason whatsoever –

(a) any authorised undertaking may strike off its Ancillary Insurance Intermediaries Company Register the name of any person registered in the said register;

(b) any person registered in the Ancillary Insurance Intermediaries Company Register of an authorised undertaking may make an application in writing to the undertaking concerned requesting it to strike his name off the said register.

Striking name off  
Ancillary  
Insurance  
Intermediaries  
Company  
Register  
or the Ancillary  
Insurance  
Intermediaries  
List.

**43H.** (1) Where an authorised undertaking elects to strike the name of a person off its Ancillary Insurance Intermediaries Company Register, such undertaking shall forthwith notify in writing the person concerned and the competent authority specifying the date on which it elects to strike the name of that person off the register.

(2) Where an authorised undertaking strikes the name of a person off its Ancillary Insurance Intermediaries Company Register on grounds of unfitness and impropriety or because the person concerned has acted fraudulently, or dishonestly, or in such manner as to cease to be trustworthy, the undertaking shall also notify in writing the competent authority the reasons for so doing.

(3) On receiving a notification from an authorised undertaking that such undertaking has elected to strike the name of a person off its Ancillary Insurance Intermediaries Company Register, the competent authority shall –

(a) if the striking of such name off the register is on grounds other than those specified in sub-article (2), as early as reasonably practicable, confirm in writing to the authorised undertaking that the name of such person, in so far

as it relates to that undertaking, shall be struck off the Ancillary Insurance Intermediaries List as from the date specified in the undertaking's notification;

(b) if the striking of such name off the register is on grounds specified in sub-article (2), before striking the name of such person off the Ancillary Insurance Intermediaries List, forthwith, give the person concerned notice in writing setting out the reasons for so doing and the provisions of article 17(2) and (3) shall *mutatis mutandis* apply to a notice given under this article.

(4) Without prejudice to any action which the competent authority may deem appropriate under this Act or any other law, where the competent authority strikes the name of a person off the Ancillary Insurance Intermediaries List on the grounds specified in sub-article (2), the competent authority shall give publicity to the striking of that name off the Ancillary Insurance Intermediaries List, and –

(a) if the name of that person is registered in the Ancillary Insurance Intermediaries Company Register of any other authorised undertaking, the competent authority shall also forthwith notify in writing that other undertaking and direct it to strike forthwith the name of that person off the Ancillary Insurance Intermediaries Company Register of that undertaking and give the undertaking the reasons for its direction; and

(b) the provisions of article shall apply.

(5) The competent authority shall have power to order that all expenses incurred by the publication of a notice pursuant to this article, or such part thereof as it may deem appropriate, shall be paid by the person concerned; and any sum so due shall be recoverable by the competent

authority in the same manner as an administrative penalty imposed under this Act.

(6) Where an authorised undertaking receives in writing an application from a person registered in the Ancillary Insurance Intermediaries Company Register of the undertaking requesting such undertaking to strike the name of that person off the said register, the undertaking shall without undue delay strike the name of that person off the said register and notify in writing the person concerned and the competent authority specifying the date on which it elects to strike the name of that person off the register.

(7) Where, on an application made to an authorised undertaking under sub-article (6), the undertaking refuses, or unduly prolongs the process, to strike the name of a person off its Ancillary Insurance Intermediaries Company Register, the person concerned may refer the matter to the competent authority and the competent authority shall issue in writing to the undertaking concerned those directives it deems necessary to oblige the undertaking to hasten the process to strike the name of that person off its register.

(8) On notification by the competent authority to an authorised undertaking that the name of a person registered in the Ancillary Insurance Intermediaries Company Register of the undertaking has been struck off the Ancillary Insurance Intermediaries List, the undertaking concerned shall forthwith surrender to the competent authority the certificate of enrolment relating to that person, and any official copies thereof.

Protection of the public or other interest.

**43I.** (1) Notwithstanding any provision of this Act, the competent authority may, at any time -

(a) on grounds of unfitness and impropriety or of protection of the public interest:

(i) refuse to enrol a person in the Ancillary Insurance Intermediaries List;

(ii) strike the name of a person off the Ancillary Insurance Intermediaries List;

(b) strike the name of a person off the Ancillary Insurance Intermediaries List, where:

(i) the ancillary insurance intermediary ceases to fulfil any of the requirements laid down in articles 43C(1) and 43F, and where applicable, any Insurance Distribution Rules issued under the said articles;

(ii) the ancillary insurance intermediary fails to comply with conduct of business requirements set out in Conduct of Business Rules transposing Chapter V of the Insurance Distribution Directive.

Provided that, in each case, the competent authority shall inform the undertaking concerned in writing of the reasons for so doing.

(2) In each case, the competent authority may take any other measure as it may deem necessary to safeguard the interests of insureds, policyholders, creditors or other interested persons.

**43J.** (1) Subject to sub-article (2), for the purposes of this Part of this Act, "authorised undertaking" shall not include an authorised reinsurance undertaking, a reinsurance intermediary, a European insurance undertaking and a European reinsurance undertaking.

(2) In the case of a European insurance undertaking seeking to appoint a person resident in Malta or having its registered office or head office in Malta to carry out ancillary insurance intermediaries activities, that undertaking shall

Application  
of Part  
VIII A of  
the Act.



enrol such person with the competent authority as may be determined by Insurance Distribution Rules made for the purposes of this article and the said rule shall contain the particulars, conditions and requirements for enrolment.

## PART VIIIB

### PROVISIONS APPLICABLE TO UNDERTAKINGS AUTHORISED UNDER THE INSURANCE BUSINESS ACT CARRYING OUT DISTRIBUTION ACTIVITIES

Insurance and  
Reinsurance  
Distribution  
Activities.

**43K.** This Part shall apply to an authorised insurance undertaking and an authorised reinsurance undertaking carrying out insurance distribution activities and reinsurance distribution activities, as applicable, unless otherwise specified under this Part.

Register of  
Insurance  
Distribution and  
exemption from  
enrolment under  
this Act.

**43L.** (1) Without prejudice to sub-article (2), an authorised insurance undertaking, an authorised reinsurance undertaking, and their employees, carrying out insurance distribution activities and reinsurance distribution activities, as applicable, shall not be required to be enrolled under this Act.

(2) Notwithstanding sub-article (1), the competent authority shall establish and maintain a register for an authorised insurance undertaking and an authorised reinsurance undertaking carrying out insurance distribution activities and reinsurance distribution activities, as applicable, which shall specify the names of the individuals within the management of the authorised insurance and reinsurance undertaking, who are responsible for the insurance distribution activities or reinsurance distribution activities of the authorised insurance and reinsurance undertaking, in this Act referred to as the "Insurance Distribution Register", containing such particulars as the competent authority may determine from time to time, by Insurance Distribution Rules made for the purposes of this article.

Professional and Organisational requirements.

**43M.** (1) An authorised insurance undertaking, an authorised reinsurance undertaking, and their employees, carrying out insurance distribution activities and reinsurance distribution activities, as applicable, are required to possess appropriate knowledge and ability in order to complete their tasks and perform their duties adequately, as may be determined by means of Insurance Distribution Rules issued under this article.

(2) Employees of an authorised insurance undertaking and of an authorised reinsurance undertaking shall comply with continuing professional training and development requirements in order to maintain an adequate level of performance corresponding to the role they perform and the relevant market, as may be determined by means of Insurance Distribution Rules and, or Conduct of Business Rules issued under this article.

Information to be provided for supervisory purposes.

**43N.** An authorised insurance undertaking and an authorised reinsurance undertaking carrying out insurance distribution activities and reinsurance distribution activities, as applicable, shall submit to the competent authority any information which is necessary for the purposes of supervision, as may be specified by means of regulations, Insurance Distribution Rules or Conduct of Business Rules, which may also specify the period within which this information is to be submitted.

Conduct of Business provisions.

**43O.** An authorised insurance undertaking and an authorised reinsurance undertaking carrying out insurance distribution activities and reinsurance distribution activities, as applicable, shall be required to comply with rules on conduct of business, including requirements relating to insurance-based investment products, as may be determined by means of Conduct of Business Rules issued for the purposes of this article.

Amendment of article 44 of the principal Act.

**40.** Article 44 of the principal Act shall be amended as follows:

(a) in sub-article (1) thereof, for the words “and any regulations made thereunder, or any insurance intermediaries rule,”, there shall be substituted the words “and any regulations, Insurance Distribution Rules and Conduct of Business Rules made thereunder,”;

(b) in paragraph (b) of sub-article (2) thereof, for the words “shall also be established by that rule.”, there shall be substituted the words “shall also be established by the said Insurance Distribution Rules.”;

(c) for subarticle (3) thereof, there shall be substituted the following:

“(3) Without prejudice to the foregoing provisions of this article –

(a) a person enrolled under Part III, shall notify the competent authority on a continuous basis, without undue delay, with any change or circumstance which may give rise to the existence of close links within the meaning of article 10; and

(b) an authorised undertaking appointing, registering and enrolling a tied insurance intermediary or an ancillary insurance intermediary under Part VIII and Part VIIIA, respectively, shall notify the competent authority on a continuous basis, without undue delay, with any change in the information provided in article 37(2) and 43E(2), respectively.”.

Amendment of article 44A of the principal Act.

**41.** Article 44A of the principal Act shall be amended as follows:

(a) for the marginal note thereto, there shall be substituted the words, “Participation in a company enrolled under article 13”;

(b) in sub-article (4) thereof, for the words “shall be required before any enrolled company may”, there shall be

substituted the words “shall be required before any company enrolled under article 13 may”; and

(c) in sub-article (9) thereof, for the words “enrolled under this Act to carry out insurance intermediaries activities”, there shall be substituted the words “enrolled under this Act to carry out insurance distribution activities or reinsurance distribution activities”.

Addition of article 44B to the principal Act.

**42.** Immediately after article 44A of the principal Act, there shall be added the following new article 44B:

“Appointment of intermediaries.

**44B.** Without prejudice to the requirements of this Act, every insurance agent enrolled under this Act shall utilise the services of intermediaries which are:

(a) enrolled under this Act; or

(b) registered under Article 3 of the Insurance Distribution Directive or falling under Article 1(3) of the Insurance Distribution Directive.”.

Amendment of article 45 of the principal Act.

**43.** Article 45 of the principal Act shall be amended as follows:

(a) in sub-article (1) thereof:

(i) paragraphs (c), (d) and (e) shall be renumbered as (d), (f) and (g) respectively; and

(ii) immediately after paragraph (b) thereof there shall be added the following new paragraph (c):

“(c) the power to impose, revoke or vary conditions on the grant of a registration or enrolment pursuant to the provisions of articles 37(11) and 43E(11);”;

(iii) immediately after paragraph (d) thereof, as renumbered, there shall be added the following new paragraph (e):

“(e) the power to strike off the name of an ancillary insurance intermediary off the Ancillary Insurance Intermediaries List enrolled under article 43I;

(b) for paragraph (b) of sub-article (2) thereof, there shall be substituted the following:

“(b) where so required within the terms of Malta’s international commitments or the obligations arising out of the Insurance Distribution Directive, as amended from time to time, and includes any implementing measures that have been or may be issued thereunder, and in particular, the competent authority shall, notwithstanding the provisions of article 46 of this Act and article 59 of the Insurance Business Act, as applicable, cooperate and exchange information on insurance and reinsurance intermediaries, ancillary insurance intermediaries and insurance and reinsurance undertakings, with overseas regulatory authorities, for the purpose of ensuring the proper application of the Insurance Distribution Directive, pursuant to Article 13 of the said Directive; or”; and

(c) immediately after sub-article (3) thereof, there shall be added the following new sub-article (4):

“(4) The competent authority shall inform the European Commission of any general difficulties which persons enrolled under this Act encounter in establishing themselves or carrying out insurance distribution activities and reinsurance distribution activities in any third country.”.

Amendment of article 46 of the principal Act.

**44.** Article 46 of the principal Act shall be amended as follows:

(a) in sub-article (2) thereof:

(i) for the words “as well as by inspectors, auditors and experts engaged by the competent authority”, there shall be substituted the words “including former officers, employees or agents, as well as by inspectors, auditors and experts acting on behalf of the competent authority”;

(ii) for the words “or of any regulations made thereunder, or of any insurance intermediaries rule,”, there shall be substituted the words “or of any regulations,

Insurance Distribution Rules or Conduct of Business Rules made thereunder.”; and

(iv) in paragraph (d) thereof, immediately after the words “to whom the information relates to be ascertained”, there shall be added the words “without prejudice to cases covered by criminal law”; and

(b) immediately after sub-article (6) thereof, there shall be added the following new for subarticle (7):

“(7) The competent authority, when processing personal data for the purposes of the Act and any regulations, Insurance Distribution Rules and Conduct of Business Rules issued thereunder, shall do so in accordance with the Data Protection Act and any regulations made thereunder.”.

Addition of article 46A to the principal Act.

**45.** Immediately after article 46 of the principal Act, there shall be added the following new article 46A:

“Co-operation with EIOPA.

**46A.** (1) The competent authority shall cooperate with EIOPA for the purposes of the Insurance Distribution Directive, in accordance with Regulation (EU) No 1094/2010.

(2) The competent authority shall provide EIOPA with all information necessary to carry out its duties in accordance with Regulation (EU) No 1094/2010.”.

Amendment of article 47 of the principal Act.

**46.** Article 47 of the principal Act shall be amended as follows:

(a) sub-article (2) thereof shall be deleted;

(b) sub-article (1) thereof shall be renumbered as the whole article 47 and for the words “The Agents Register, Managers Register and Brokers Register and the Agents List, Managers List, Brokers List and Tied Insurance Intermediaries List shall be accessible to”, there shall be substituted the words “Any Registers or Lists which are required to be maintained by the competent authority in terms of this Act shall be accessible to”.

Amendment of article 48 of the principal Act.

**47.** Article 48 of the principal Act shall be amended as follows:

(a) in sub-article (1) thereof:

(i) paragraphs (d), (e), (f) and (g) shall be renumbered as paragraphs (e), (f), (g) and (h) respectively;

(ii) immediately following paragraph (c) thereof, there shall be added the following new paragraph (d):

“(d) a person enrolled in the Ancillary Insurance Intermediaries List under article 43E; or”;

(b) in subarticle (3) thereof, for the words “qualifications or experience for carrying on insurance intermediaries activities”, there shall be substituted the words “qualifications or experience for carrying on insurance distribution activities and reinsurance distribution activities”; and

(c) in subarticle (4) thereof, for the words, “carrying on of business of insurance or the carrying out of insurance intermediaries activities”, there shall be substituted the words, “carrying on of business of insurance or the carrying out of insurance distribution activities or reinsurance distribution activities”.

Amendment of article 49 of the principal Act.

**48.** In article 49 of the principal Act, for the words “and any regulations or any insurance intermediaries rule”, there shall be substituted the words “and any regulations or Insurance Distribution Rules or Conduct of Business Rules”.

Amendment of article 50 of the principal Act.

**49.** Article 50 of the principal Act shall be amended as follows:

(a) in sub-article (2) thereof:

(i) in paragraph (b) thereof, for the words “registration and enrolment under article 13 or 37;” there shall be substituted the words “registration and enrolment under article 13, 37 or 43E;”;

(ii) paragraphs (i), (j) and (k) shall be renumbered as paragraphs (k), (l), and (m) respectively;

(iii) immediately after paragraph (h) there shall be added the following new paragraphs (i) and (j):

“(i) any striking off of the name of a person from the Ancillary Insurance Intermediaries List under article 43H(3)(b);

(j) any requirement on an authorised undertaking to strike the name of a person off the Ancillary Insurance Intermediaries Company Register under article 43I;”;

(iv) in paragraph (m), as renumbered, for the words “as may be prescribed under article 3,” there shall be substituted the words “as may be prescribed under article 3.”; and

(v) the paragraph immediately following paragraph (m) thereof, as renumbered, shall be deleted; and

(b) immediately after sub-article (2) thereof there shall be added the following new sub-article (3):

“(3) The Financial Services Tribunal shall have exclusive competence to hear appeals on the matters listed in sub-article (2).”.

Amendment of  
Article 51 of the  
principal Act.

**50.** Article 51 of the principal Act shall be amended as follows:

(a) for the words “to perform a function under this Act and any regulations made thereunder”, there shall be substituted the words “to perform a function under this Act, regulations, Insurance Distribution Rules or Conduct of Business Rules made thereunder”; and

(b) for the words “purported discharge of any functions under this Act and any regulations aforesaid,” there shall be substituted the words “purported discharge of any functions under this Act and any regulations, Insurance Distribution Rules or Conduct of Business Rules aforesaid.”.



Amendment of article 52 of the principal Act.

**51.** Sub-article (1) of article 52 of the principal Act shall be amended as follows:

(a) in paragraph (a) thereof, for the words “enrolment under this Act or any regulations or any insurance intermediaries rule”, there shall be substituted the words “enrolment under this Act or any regulations, Insurance Distribution Rules or Conduct of Business Rules”;

(b) in paragraph (b) thereof, for the words “the provisions of this Act or of article 29, 30 or 31A”, there shall be substituted the words “the provisions of this Act or of articles 29 to 31A”;

(c) in paragraph (d) thereof, for the words “a party to the carrying out of insurance intermediaries activities”, there shall be substituted the words “a party to the carrying out of insurance distribution activities or reinsurance distribution activities,”;

(d) in paragraph (e) thereof, for the words “fails to comply with any insurance intermediaries rule or registration or enrolment condition;”, there shall be substituted the words “fails to comply with Insurance Distribution Rules, Conduct of Business Rules or any registration or enrolment condition;”; and

(e) in paragraph (i) thereof, for the words “conferred by this Act or any regulations or any insurance intermediaries rule”, there shall be substituted the words “conferred by this Act or any regulations, Insurance Distribution Rules or Conduct of Business Rules”.

Amendment of article 53 of the principal Act.

**52.** In article 53 of the principal Act, for the words “prescribed by regulations made under 52 –”, there shall be substituted the words “prescribed by regulations made under article 52 –”.

Addition of article 53A to the principal Act.

**53.** Immediately after article 53 of the principal Act, there shall be added the following new article 53A:

“Publication of penalties and other measures.

**53A.** (1) The competent authority shall publish on its official website, without undue delay, any administrative penalty or other measure which is imposed for breaches of the provisions of this Act and of any regulations, Insurance Distribution Rules or Conduct of Business Rules issued thereunder. Such publication shall include information on the type and nature of the breach and the identity of the natural or legal person responsible for the breach.

Provided that, in cases where an appeal has been filed by the person on whom such administrative penalty or other measure has been imposed, the competent authority shall, without undue delay, publish on its official website such information and any subsequent information on the status of the appeal and the outcome thereof. The competent authority shall also publish any decision annulling a previous decision to impose a sanction or other measure which has been published.

Provided further, that where the competent authority has made a public statement in terms of this sub-article, it shall simultaneously report that fact to EIOPA.

(2) Notwithstanding sub-article (1), the competent authority may decide to defer publication, not to publish, or to publish on an anonymous basis, any administrative penalty or other measure imposed, in any of the following circumstances:

(a) where where the publication of the identity of legal persons, or the identity or personal data of natural persons, is considered by the competent authority to be disproportionate following a case-by-case assessment conducted on the proportionality of the publication of such data;

(b) where the publication jeopardises the stability of financial markets or an ongoing investigation.

(3) The competent authority shall, in terms of Article 36 of the Insurance Distribution Directive:

(a) inform EIOPA of all administrative penalties and other measures imposed, but not published in accordance with sub-article (2), including any appeal in relation thereto and the outcome thereof;

(b) annually provide EIOPA with aggregated information regarding all administrative penalties and other measures imposed in accordance with the Act and any regulations, Insurance Distribution Rules and Conduct of Business Rules issued thereunder, implementing the Insurance Distribution Directive.”.

Amendment of article 54 of the principal Act.

**54.** Article 54 of the principal Act shall be amended as follows:

(a) in sub-article (1) thereof:

(i) in indent (iii) of paragraph (a) thereof, for the words “a reference to "insurance intermediaries activities";”, there shall be substituted the words “a reference to "insurance distribution activities or reinsurance distribution activities "”;

(ii) in paragraph (b) thereof:

(aa) immediately after the words “enrolled in the Tied Insurance Intermediaries List”, there shall be added the words “or Ancillary Insurance Intermediaries List,”;

(aa) in indent (i) thereof, immediately after the words “a reference to "enrolment in the Tied Insurance Intermediaries List" ”, there shall be added the words “or "enrolment in the Ancillary Insurance Intermediaries List", as applicable”;

(bb) in indent (ii) thereof, immediately after the words "a reference to "a tied insurance intermediary"", there shall be added the words "or "an ancillary insurance intermediary" "; and

(cc) in indent (iii) thereof, immediately after the words "a reference to " tied insurance intermediaries activities" ", there shall be added the words "or "ancillary insurance intermediaries activities" "; and

(b) in subarticle (2) thereof, for the words "references to "Insurance Rules" were references to "insurance intermediaries rules".", there shall be substituted the words "references to "Insurance Rules" were references to "Insurance Distribution Rules".".

Amendment of article 55 of the principal Act.

**55.** Article 55 of the principal Act shall be amended as follows:

(a) sub-article (9) thereof shall be renumbered as sub-article (10); and

(b) immediately after sub-article (8) thereof, there shall be added the following new sub-article (9):

“(9) Any reference to an insurance intermediaries rule issued by the competent authority in virtue of article 4(4) of the Insurance Intermediaries Act, in any licence, notice, decision or other act made or taken by the competent authority under the Insurance Intermediaries Act, and any reference in any law to an insurance intermediaries rule shall be deemed to be a reference to Insurance Distribution Rules.”.

Amendment of the Schedule to the principal Act.

**56.** The Schedule to the principal Act shall be amended as follows:

(a) in the heading thereof, for the words "INSURANCE INTERMEDIARIES AND INSURANCE INTERMEDIARIES ACTIVITIES", there shall be substituted the words "INSURANCE AND REINSURANCE DISTRIBUTION ACTIVITIES";

(b) in the Second Column thereof, referring to "Dependant Insurance Intermediaries", immediately after the

item “Tied Insurance Intermediary”, there shall be added the following new item:

“Ancillary Insurance Intermediary”;

(c) in the Third Column thereof:

(i) for the heading “Insurance Intermediaries Activities”, there shall be substituted the words “Insurance Distribution Activities and Reinsurance Distribution Activities”; and

(ii) in paragraph 4 thereof, referring to the Insurance Distribution Activities of a Tied Insurance Intermediary, for the words “carry on insurance intermediaries activities for or on behalf of”, there shall be substituted the words “carry on insurance distribution activities for or on behalf of”; and

(iii) immediately after paragraph 4 thereof, there shall be added the following new paragraph 5, referring to the Insurance Distribution Activities of an Ancillary Insurance Intermediary:

“5. Activities of persons listed in the Second Column of this Schedule who, for remuneration, take up or pursue insurance distribution activities on an ancillary basis, acting under the full responsibility of an authorised undertaking for the product which concerns such undertaking, provided that all the following conditions are met:

(a) the principal professional activity of the natural or legal person is other than insurance distribution activities;

(b) the natural or legal person only carries out insurance distribution activities in relation to an insurance product that is complementary to a good or service; and

(c) the insurance product concerned does not cover long-term business of insurance or liability risks, unless that cover complements the good or service which the natural or legal person provides as its principal professional activity.”.

General  
amendment of  
the principal  
Act.

**56.** For the words "an insurance intermediaries rule", "any insurance intermediaries rule", "the insurance intermediaries rule", "such insurance intermediaries rules", "insurance intermediaries rule" and "insurance intermediaries rules", wherever they appear in the Act, there shall be substituted the words "Insurance Distribution Rules".

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