

10 August 2020

Circular on the amendments of Chapter 7 in Part B of the Insurance Distribution Rules

1.0 Introduction

Chapter 7 in Part B of the Insurance Distribution Rules requires relevant persons and relevant employees, as defined in the Chapter to attend a minimum of 15 hours of continuous professional development training annually. The Chapter also indicates the type of training a relevant person and a relevant employee may attend in order to comply with continuous professional training and development requirements, as well as who may provide such training.

Following the publication of the Chapter, the MFSA has received feedback from the market that the requirement related to in-house training for person registered in the Agents Register, Managers Register or Brokers Register and their relevant employees is too restrictive. The MFSA has considered this feedback and has decided to amend Chapter 7. The purpose of this circular is to notify the market on the amendments to Chapter 7.

2.0 Amendments of the current paragraphs 7.5.15 and 7.5.16 of Chapter 7 in Part B of the Insurance Distribution Rules

The current paragraph 7.5.15 of Chapter 7 in Part B of the Insurance Distribution Rules states that a relevant person and a relevant employee may attend in-house training provided in a structured manner by an authorised insurance undertaking, an authorised reinsurance undertaking or a person registered in the Agents Register or the Brokers Register, as applicable, which address one or more subject matters indicated in Sections 6.8 to 6.10 of Chapter 6 of the Insurance Distribution Rules.

The MFSA is amending the current paragraph 7.5.15 of Chapter 7 of the Insurance Distribution Rules to include an additional criterion to the effect that a person who satisfies one of the requirements of paragraph 6.3.1 of Chapter 6 of the Insurance Distribution Rules may now conduct in-house training to persons registered in the Agents Register, Managers Register or Brokers Register and their relevant employees. Therefore, the person who can provide such training will have to fulfil the same requirement which a person registered in the Agents Register, Managers Register or Brokers Register is required to fulfil in order to provide such training.

The current paragraph 7.5.16 of Chapter 7 of the Insurance Distribution Rules is also being amended to bring it in line with the amendments carried out in paragraph 7.5.15 of Chapter 7. The amendment will commence to apply as from the 10 August 2020.

3.0 Conclusion

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