

27 February 2023

Circular on EIOPA's Supervisory Statement on the Use of Governance Arrangements in Third Countries to Perform Functions or Activities

1.0 Introduction

On 1 August 2022, the European Insurance and Occupational Pensions Authority (hereinafter referred to as 'EIOPA') issued the [Consultation](#) on the use of governance arrangements in third countries. Following the said Consultation, on 3 February 2023, EIOPA issued a [Supervisory Statement](#) on the use of governance arrangements in third countries to perform functions or activities, which set out the expectations of EIOPA for undertakings and intermediaries making use of third country branches. The Supervisory Statement requires undertaking and intermediaries to establish an appropriate level of corporate substance, proportionate to the nature, scale and complexity of their business. This Supervisory Statement applies to undertakings and intermediaries that are already conducting business and to those that are planning to launch operations.

2.0 Way Forward

The compliance officers of authorised insurance undertakings and enrolled and/or registered insurance intermediaries are expected to immediately bring this Supervisory Statement to the attention of the respective Board of Directors. Licence holders are expected to ensure that they are meeting the expectation of the Supervisory Statement.

3.0 Contacts

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