

Feedback Statement on the Amendments to the Insurance Business Act and the Insurance Distribution Act

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1.0 Introduction

On 22 February 2023, the MFSA issued a [Consultation Document on the amendments to the Insurance Business Act and the Insurance Distribution Act](#). The purpose of this Consultation Document was to highlight the changes proposed to be carried out to these Acts in relation to the exchange of confidential information. Further to the said Consultation Document, the MFSA reviewed and discussed internally the comments raised by the market, and is issuing a Feedback Statement on the comments received from the market in relation to the same.

2.0 Comments received following the issuance of the Consultation Document

The proposed amendments to be carried out to the Insurance Business Act and the Insurance Distribution Act were largely welcomed by the respondents. In fact, the feedback received mainly consists of minor drafting suggestions to the proposed amendments for clarification purposes, the majority of which were taken on board by the MFSA. The Authority also addressed the concern raised by a market participant on the term 'overseas regulatory authority', the interpretation of which implies that members of the group authorised by EU or EEA regulatory authorities are excluded. This concern has been addressed through the inclusion of reference also being made to the term 'European regulatory authority'. The term "European regulatory authority" is already defined under the Insurance Business Act and the Insurance Distribution Act as including EU or EEA regulatory authorities.

Another market participant requested clarification as to the manner in which health data would be processed, as stated in the [Processing of Data concerning Health for Insurance Purposes Regulations](#) (Subsidiary Legislation 586.10). In this respect, the MFSA would like to clarify that queries in relation to the processing of data, should be directed to the Information and Data Protection Commissioner.

3.0 Way Forward

The MFSA is seeking Parliament's approval to amend the Insurance Business Act and the Insurance Distribution Act in order to allow authorised insurance undertakings and enrolled insurance intermediaries forming part of a group of companies to communicate confidential information which is in their possession whilst ensuring compliance with the provisions of the Professional Secrecy Act and of article 257 of the Criminal Code. Once parliamentary approval is obtained, the proposed amendments to the Insurance Business Act and the Insurance Distribution Act will come into force. A Circular informing the market that the amendments to the Insurance Business Act and the Insurance Distribution Act have been published will be issued at a later stage.

4.0 Contacts

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