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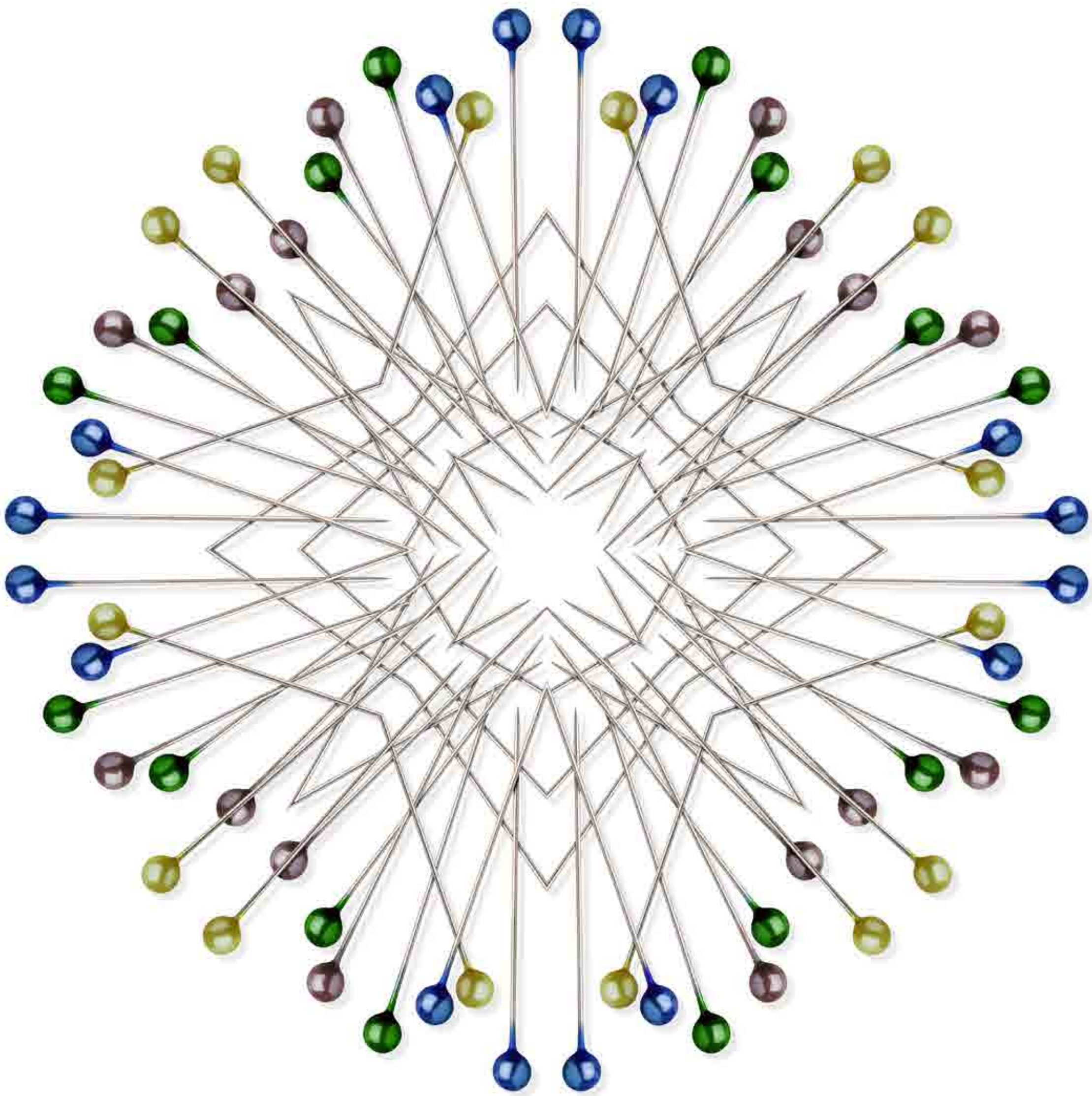

Find your way

A guide to the insurance market in Malta

Deloitte Malta, May 2017

Regulatory Risk


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An introduction to insurance business in Malta

An overview of the insurance market

Insurance business has been part of Malta's tradition from as far back as the 14th century, in view of the Malta's maritime trade with other countries around the Mediterranean. Following British settlement in Malta in 1813, insurance continued to develop under the influence of the new settlers. The British influence continued to be felt even after independence in 1964 through local agencies of major UK insurers.

In the 2000s, local agencies evolved into fully-fledged insurance undertakings offering a wide range of products and services to both retail and commercial clients. Legislation and regulations were also updated in line with European Union (EU) requirements. Following Malta's ascension to the EU in 2004, the jurisdiction managed to attract a number of insurance and reinsurance companies which mainly service the European market.

Since EU membership, Malta has enjoyed a reputation as an attractive jurisdiction for operators wishing to set up or re-domicile their insurance and reinsurance business whilst obtaining or maintaining EU passporting rights. As an on-shore jurisdiction, it has had the advantage of providing opportunities for companies to locate their insurance business and insurance management activities within a jurisdiction that combines tax efficiency and the advantages of EU membership.

As of 2015, the insurance sector comprised of 58 insurance undertakings. These included 42 undertakings authorised to carry on general business, seven long-term businesses, two composite and seven reinsurance firms. Of these, seven undertakings were authorised to carry on affiliated business while 12 undertakings were authorised as Protected Cell Companies. In 2015, gross written premium increased by 33.6 percent, from €2.83 billion in 2014 to €3.78 billion. In general business, gross written premiums increased by 51.5 percent while in long-term business gross written premiums expanded by almost seven percent during the same period.

Advantages of setting up in Malta

There are a number of advantages to setting up an insurance business in Malta, including:

Strong legislative and regulatory frameworks
Apart from transposing all EU Directives into its laws, Malta provides innovative structures such as Protected Cell Companies (PCC) and Incorporated Cell Companies (ICC), providing various options for different insurance structures.

Ease of passporting
An MFSA licence gives companies the ability to passport business into other member states. This is of particular advantageous for organisations wishing to establish a captive insurance business in Malta and whose core business remains in another EU/EEA jurisdiction.

Option for different operational models
There is also the possibility of using either a managed or non-managed setup allowing for greater flexibility when setting up local operations. This allows for the possibility to upscale local presence as the business develops justifying increased investment and commitment to the jurisdiction.

Availability of qualified staff and supporting infrastructure
Malta boasts a skilled, local and international workforce and an adequate pool of professional services entities.

Competitiveness
Malta's cost base is low compared to equivalent EU jurisdictions.

A highly developed communications network
With multiple connections to mainland Europe and continuing investment in infrastructure (nationwide 4G and high speed broadband coverage), Malta should cover the connectivity requirements of even the most demanding organization.

Easy access to regional markets
Malta's strategic location allows companies easy access to Europe with daily flights to major European cities as well as to cities in North Africa and the Middle East.

Malta's regulatory environment

The Malta Financial Services Authority

The Malta Financial Services Authority (MFSA) is the single regulator for financial services in Malta. It was established by law in 2002, assuming the supervisory functions for all of the financial services industry in Malta. The MFSA is a fully autonomous public institution and reports to Parliament.

The MFSA is very accessible to companies seeking to discuss solutions for their business and takes an open-door approach to meeting and discussing ideas with promoters. The MFSA encourages ongoing consultation sessions throughout the licensing process to ensure the company meets all regulatory requirements and standards.

The MFSA is also the Listing Authority for the purpose of the Financial Markets Act and the Resolution Authority for the purpose of Directive 2014/59/EU and the Recovery and Resolution Regulations. The MFSA also has the responsibility to manage the Registry of Companies.

Legislation and regulation

The main piece of legislation regulating the insurance business in Malta is the Insurance Business Act Cap. 403 of the laws of Malta. Insurance business is regulated by two separate but complementary laws, the Insurance Business Act (Cap. 403 of the Laws of Malta) and the Insurance Intermediaries Act (Cap. 487 of the Laws of Malta).

These Acts transpose the Solvency II Directive into Maltese law and the Insurance Mediation Directive. These Acts determine the provisions relating to: the taking-up and pursuit of direct insurance, reinsurance and the carrying out of insurance intermediaries activities and govern all relevant operations in this sector including; insurers, reinsurers, insurance agents, insurance brokers, insurance managers and tied insurance intermediaries.

The legislation regulates both domestic and international insurance activities being carried out by companies authorised under the Insurance Business Act and insurance intermediaries enrolled under the Insurance Intermediaries Act.

In addition, licensed insurers are subject to anti money laundering regulation. The Financial Intelligence Analysis Unit is a government agency established under the Prevention of Money Laundering Act (Cap 373 of the Laws of Malta). It is the entity responsible for the collection, collation, processing, analysis and dissemination of information with a view to combating money laundering and the funding of terrorism.

In the area of data protection, the office of the Data Protection Commissioner is the responsible entity for protecting the individuals against the violation of their privacy by illegal gathering or processing of "personal data". As processor of personal data, all MFSA regulated entities are subject to the requirements under the Data Protection Act (Cap 440 of the Laws of Malta).

For employment, anti-discrimination and other legislation which might be applicable to entities operating within the financial services sector, Maltese laws follows European Union Directives and regulation which are generally transposed directly into Maltese Law.

International relations

Malta is a jurisdiction that complies with and helps develop international best practice and is actively involved with the OECD, the EU and the Commonwealth in modelling global regulatory policy.
In relation to insurance, the MFSA is a member of the European Insurance and the International Association of Insurance Supervisors (IAIS). The MFSA is a signatory of the Multilateral Memorandum of Understanding with other members of these institutions.

Malta tax treatment

Introduction

As for any Maltese company, an insurance company incorporated under the laws of Malta is charged Malta tax on its profits at the standard rate of 35%. Upon a distribution of dividends by the insurance company to its shareholder/s, the said shareholder/s would be entitled to claim a refund from the Malta tax authorities of a part of the Malta tax paid by the said insurance company on the profits out of which the dividend was distributed. The method of computation of chargeable income of an insurance company carrying on general business or long-term business is subject to certain specific rules as prescribed in local tax legislation.

Insurance and related services provided by licensed insurance companies are exempt from VAT in Malta. Any input tax incurred which is attributable to exempt without credit supplies by a licensed insurance company is not recoverable. Malta does not impose an insurance premium tax. However, duty is chargeable under the Duty on Documents and Transfers Act at the relevant rates on insurance policies executed in Malta. No duty is chargeable in respect to an insurance policy relating to risks situated outside Malta.

Tax Incentives for highly qualified professionals

To attract highly qualified personnel to the financial services industry, Malta introduced an incentive scheme in 2007 targeting foreign executives having certain skills and expertise in key areas of the industry.

Individuals who have a foreign domicile but are tax resident in Malta and are employed in senior positions with a company licensed or recognised by the MFSA to conduct financial business in or from Malta, can benefit from a flat personal income tax rate of 15 per cent on income up to €5 million. Income over €5 million is exempt from tax in Malta.

Click the icon above for information relating to Malta taxation.
https://www2.deloitte.com/mt/en/pages/tax/articles/mt-tax-factsheets.html

Click the icon above for information on reduced rate of tax applicable to Qualifying Expatriates employed in Malta
https://www2.deloitte.com/content/dam/Deloitte/mt/Documents/tax/factsheets/dt_mt_tax_fs002_rrt_qx_financial_institutions_and_igaming.pdf

Setting up in Malta

MFSA general requirements

In addition to the other regulatory requirements discussed in further detail below, the MFSA generally require that:

- **Operations, management and governance are conducted from Malta**
- **Entities have a Board of Directors made up of fit and proper individuals who collectively possess the right mixture of qualifications, knowledge, and experience, in line with Solvency II requirements**
- **One or more Board members reside in Malta**
- **The Board holds meetings in Malta on a regular basis**
- **A scheme of operations is submitted in accordance with Insurance Rules**

The regulator is open to different solutions to its requirements and encourages discussion on the above during the authorisation process. Satisfying the regulator ultimately depends on striking the right balance between commercial considerations and its requirements and expectations in any given case.

Authorisation procedure

Companies willing to start operating within the insurance industry from Malta are required to apply to the MFSA for authorisation. The application process follows the same pattern for all forms of insurance related companies, albeit time frames may vary depending on the size, nature and complexity of the operation.

The process would normally kick-off with a preliminary discussion on the outline plan proposed by the prospective applicant with officials from the authorisation unit. The insurance licence application consists of a formal application form which has to be submitted together with all other documentation required by the Act.

A due diligence exercise is carried out on shareholders, directors and senior management of the company or the cell to determine whether they are fit and proper persons. A detailed business plan or scheme of operations of the insurer's proposed business also has to be submitted with the application in order for the MFSA to assess the feasibility of the proposal.

Contents of the scheme of operations

Generally, the scheme of operations should include information with respect to the following:

- **Corporate strategy and business model to be adopted**
- **Target markets and marketing plan**
- **Investment strategy**
- **Internal controls and risk management framework**
- **Financial projections and resources**
- **Investment strategy**
- **Reinsurance or retrocession**
- **Agreements with third parties**

Insurance structures

Maltese law accommodates a number of different corporate structures which can be used to underwrite EU-based risks via a Malta-based setup:

a. Self-management by engagement of employees;

b. Appointment of a local insurance manager; or

c. A hybrid setup with elements of option (a) and (b).

An additional option may be the outsourcing of specific functions (even certain key functions such as risk management) to members of the same group located outside Malta. Irrespective of the setup, the Board needs to ensure that the Maltese operation has substance and presence in Malta and that major operational decisions are taken from Malta. Ideally, a specific pre-application discussion on this aspect is held with the MFSA to ensure a balanced operational setup which satisfies both the regulator and management's requirements.

Corporate structures

Entities generally set up as a public or private limited liability company. Malta also offers the possibility to setup cell companies or of a single cell within such a structure. This may provide a number of advantages over the traditional limited liability company set up. Currently, Maltese law permits two types of cell companies:

01. **Protected Cell Companies (PCC)** is a single entity which consists of a core structure and a number of segregated parts or cells. The PCC together with its cells is deemed to be a single legal entity.

02. **Incorporated Cell Companies (ICC)** is a similar structure as described above with the difference that each one of its cells has a separate legal personality.

Click the icon above for more information relating to company.
https://www2.deloitte.com/content/dam/Deloitte/mt/Documents/tax/factsheets/dt_mt_tax_fs014_malta_company_incorporation_en.pdf

Insurance undertakings

Insurance classes

The MFSA allows for different classes of insurance and reinsurance business to be underwritten by regulated undertakings covering both long-term and general business.

Classes of long term business

- 01. Life and annuity
- 02. Marriage and birth
- 03. Linked long term
- 04. Permanent health
- 05. Tontines
- 06. Capital redemption
- 07. Pension fund management
- 08. Collective insurance
- 09. Social insurance

Classes of general business

- 01. Accident
- 02. Sickness
- 03. Land vehicles
- 04. Railway rolling stock
- 05. Aircraft
- 06. Ships
- 07. Goods in transit
- 08. Fire and natural forces
- 09. Other damage to property
- 10. Vehicle liability
- 11. Raft liability
- 12. Liability for ships
- 13. General liability
- 14. Credit
- 15. Suretyship
- 16. Miscellaneous financial loss
- 17. Legal expenses
- 18. Assistance

Key features of insurance undertakings

Corporate form

Limited Liability Company

Permitted business

All classes, life and non-life business must be transacted in separate companies.

Licensing time frame

Six months

Re-domiciliation allowed

Yes

Minimum capital requirements (own funds)

- €2,500,000 for an authorised undertaking carrying on direct general business
- €3,700,000 for an authorised undertaking carrying on direct long term business

Solvency margin

Calculated in accordance with Solvency II Directive.

Technical provisions

Calculated in accordance with Solvency II Directive.

Intercompany loans

Allowed with approval from the MFSA.

Financial reporting requirement

Audited accounts under IFRS as adopted by the EU.

Regulatory fees

Authorisation application fees are one time, non-refundable regardless of whether the application is approved or not and are as follows:

- Long term business: minimum fee of €5,000 plus €500 per class
- General business: minimum fee of €3,500 plus €300 per class

Ongoing reporting obligations

Annual fee according to Schedule in the Insurance Business (Fees) regulation.

Reinsurance undertakings

Throughout the years, Malta has managed to attract a number of established players from the reinsurance sphere by offering advantages similar to those described for insurance undertakings.

Key features of a reinsurance undertakings

Corporate form

Limited Liability Company (can also be set up as Protected Cell Company or Incorporated Cell Company).

Permitted business

Long-term business and general business of reinsurance.

Licensing time frame

Six months, reduced to three months in respect to reinsurance protected cells.

Minimum capital requirements (own funds)

- €3,600,000 for an authorised undertaking restricted to reinsurance business
- €1,200,000 in the case of a captive reinsurance undertaking
- €6,200,000 for an authorised undertaking carrying on both general and long-term reinsurance business

Solvency margin

Calculated in accordance with Solvency II Directive.

Technical provisions

Calculated in accordance with Solvency II Directive.

Intercompany loans

Allowed with approval from the MFSA.

Financial reporting requirement

Audited accounts under IFRS as adopted by the EU.

Regulatory fees

Authorisation application fees are one time, non-refundable regardless of whether the application is approved or not and are as follows:

- Long term business: minimum fee of €5,000 plus €500 per class
- General business: minimum fee of €3,500 plus €300 per class

Continuation of authorization

Annual fee according to Schedule in the Insurance Business (Fees) regulation.

Reinsurance Special Purpose Vehicles (RSPVs)

The EU Reinsurance Directive (Directive 2005/68/EC) provides Member States with an authorisation and regulatory framework which enables insurance or reinsurance undertakings to transfer risks to RSPVs. Malta is aligned with the regulatory regime for the authorisation and regulation of RSPVs which was transposed in local regulation.

RSPV Regulations define an RSPV as an undertaking, other than an existing insurance undertaking or reinsurance undertaking, which assumes risks from a ceding undertaking and which fully funds its exposure to such risks through the proceeds of a debt instrument or any other financing mechanism where the repayment right of the providers of the particular debt or financing mechanism are subordinated to the reinsurance obligations of the RSPV.

RSPV Regulations provide for a six-month time frame for the processing of applications. However, the MFSA aims at processing applications as speedily as possible and is prepared to work to the time frames agreed with individual applicants, subject to the MFSA being provided with accurate and complete information at every stage of the structuring and documentation process together with a complete set of the final documents by an agreed deadline.

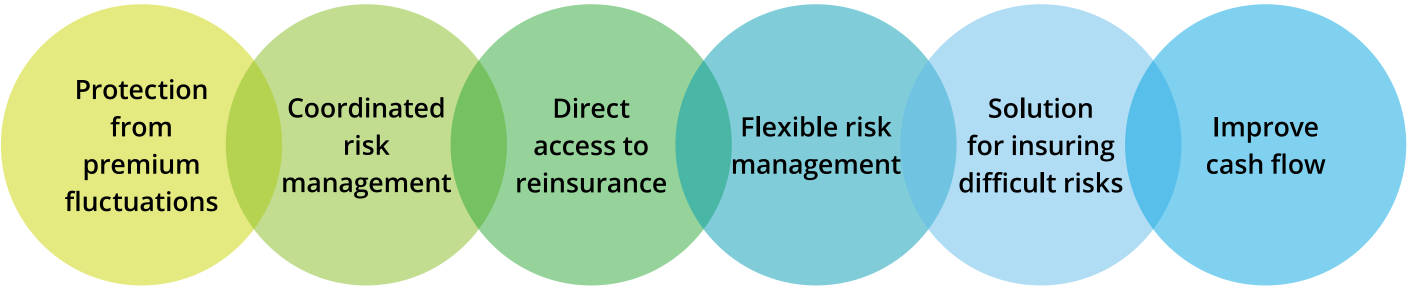
The authorisation is awarded based on a detailed scheme of operations which specifies the risk transfer arrangement or arrangements to be entered into. In addition, the application pack for authorisation is also required to include:

- A copy of the proposed contract between the reinsurance special purpose vehicle and the ceding undertaking, which shall include any triggering event and the maximum aggregate exposure limits of the reinsurance special purpose vehicle;
- A copy of the memorandum and articles of association of the RSPV;
- Details of any trustee holding the assets or shares of the RSPV;
- Details of any administrator or other functionary of a foundation holding shares in the RSPV; and,
- Details of the identity of any qualifying shareholders, and of the directors, controllers and all persons who will effectively direct or manage the RSPV, including all information needed to assess whether these persons are fit and proper as determined by insurance Rule 2 of 2007 on the criteria of fitness and properness.

The following fee structure applies for RSPVs:

Application for authorisation	Application fee (€)	Minimum application fee (€)	Annual supervisory fee (€)
To carry on business as a reinsurance special purpose vehicle	1,000 (per contract)	6,500	6,500
An authorised reinsurance special purpose vehicle to assume additional risk transfer arrangements	1,000 (per contract)		

Captive companies



Malta provides the opportunity for companies to locate their captive insurance business and insurance management activities within an efficient tax environment and a robust regulatory framework. In fact, captive establishment have been on the increase since Malta's entrance into the EU in 2004 as Malta is seen today as an advantageous jurisdiction in terms of setting up captive insurance business.

A captive is a company formed by its owners to insure or reinsure the risks of its parent company and/or subsidiaries. By using captive insurance companies and other risk transfer techniques, from small medium sized businesses to multinational organisations have reduced the cost of risk whilst getting the same level of protection and benefiting from a more efficient tax regime.

Under Maltese law, a captive insurance company is referred to as an 'Affiliated Insurance Company' (AIC). An AIC can serve both as a direct insurance company and also as a reinsurance firm. In Malta, associated companies are also permitted in the same way as captives registered or converted to a protected cell company (PPC).

Advantages of using a captive

Improve cash flow
Captives allow for more flexibility in premium payment planning whilst enjoying lower transaction and administrative costs than traditional insurance programmes.

Protection from premium fluctuations
Using a captive can help smoothen premium fluctuation as organisation can negotiate a premium that relates to their own loss experience rather than that of the market.

Flexible risk management
Where policies that are custom designed and tailored to the needs of the insured and identified sources of risk, businesses can be made more resilient and improve their agility in both near and long-term planning.

Coordinated risk management
A captive insurance can be used to manage risk at a group level while centralising the insurance programmes and improving risk awareness at a group level.

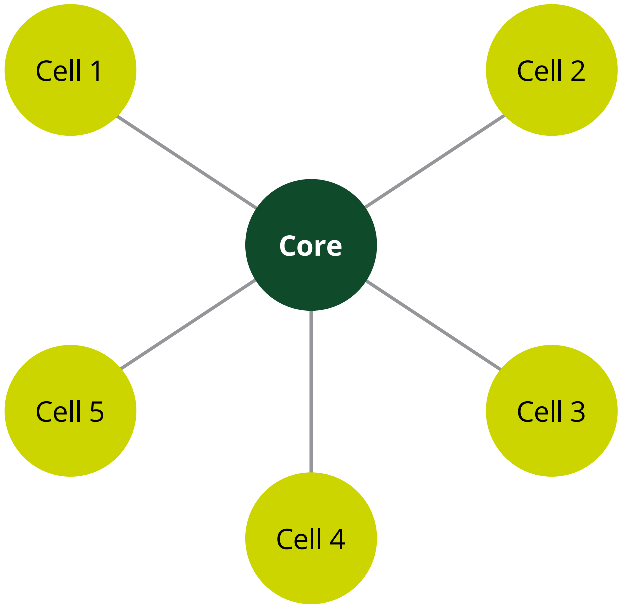
Solution for insuring difficult risks
Captives may provide cover that is difficult or uneconomical to find in the traditional insurance market.

Direct access to reinsurance
Excess loss protection can be bought on a wholesale basis rather than on a retail basis and may benefit from better conditions. The captive, therefore, can give access to an international wholesale market that may otherwise be denied to the direct insured.

Key features of a captive companies
Corporate form
Limited Liability Company
Permitted business
Direct captive: life and non-life business must be transacted in separate companies. Reinsurance captive: all classes of life and non-life business can be transacted in the same company.
Licensing time frame
Three months
Re-domiciliation allowed
Yes
Minimum capital requirements (own funds)
• €2,500,000 to €3,700,000 for an Insurance Captive carrying out General Business, depending on class of business • €3,700,000 for an Insurance Captive carrying out Long term business • €1,200,000 for a Reinsurance Captive restricted to Reinsurance • €2,500,000 to € 7,400,000 for an Insurance and Reinsurance Captive, depending on class of business
Solvency margin
Calculated in accordance with Solvency II Directive.
Technical provisions
Calculated in accordance with Solvency II Directive.
Intercompany loans
Allowed with approval from the MFSA.
Financial reporting requirement
Audited accounts under IFRS as adopted by the EU.
Exemptions applicable to captive companies
• Contributing to the Protection and Compensation Fund • Covering technical provisions by equivalent and matching capital assets to cover currency risk • Localization rules and custody of asset rules • The payment of duty on any contract of insurance relating to a risk situated in Malta and depositing a minimum guarantee fund with an external institution
Regulatory fees
Authorisation application fees are one-time fees and non-refundable irrespective of whether the application is accepted or refused. • Application for Authorisation €5,000 • Continuance of Authorisation (annual) €6,500

Protected cell companies

Malta put itself at the forefront of innovation when it enacted the Protected Cell Company (PCC) legislation. This innovative setup provides numerous advantages compared to stand-alone insurance companies or captives.



Advantages of using a PCC model

The key benefit of the PCC model is that a promoter may write insurance business through a cell without having to comply with the own funds requirements by effectively utilising the cell company's core capital as its own.

The cell company and its cells may conduct business of insurance and reinsurance as principals, captives, insurance brokers and insurance management companies in respect of general and long term business. The PCC structure offer reinsurance access for smaller insurers whilst being cost effective when compared to a stand-alone reinsurance undertaking. The structure also offers the necessary protection to cell owners as it insulated them from other Cells and the Core as a cell would have its own income and expenses. A cell also has dividend and tax independence.

Using the PCC structure, cell owners are able to:

- Insure own risks situated in the EEA;
- Sell insurance to third parties established in the EEA;
- Insure, on non-admitted basis, risks globally where allowed;
- Reinsure risks situated outside the EEA; and
- Comply with EU directive through PCC core capital.

In addition, for individual cell owners:

- There is no absolute floor minimum capital requirements;
- Minimum capital is calculated in accordance with MFSA Guidance Note on Solvency Requirements in relation to PCCs; and
- No fronting is required for risk situated in the EU/EEA.

Click on the icon above for more information on tax related issues relevant to PCC companies.
https://www2.deloitte.com/content/dam/Deloitte/mt/Documents/tax/factsheets/dt_mt_tax_fs025_pccs_in_malta.pdf

Key features of protected cell companies

Corporate form

Limited Liability Company

Permitted business

The cell company and its cells may conduct business of insurance and reinsurance as principal, captives, insurance brokers and insurance management companies in respect of general and long-term business. However, insurance PCCs can only have insurance cells, insurance management PCCs can only have management cells and insurance broker PCCs can only have broker cells.

Licensing time frame

Six months, reduced to three months in respect to the individual protected cells.

Re-domiciliation allowed

Yes, although individual cells cannot re-domicile on their own.

Minimum capital requirements (own funds applying to the PCC as a whole)

- €2,500,000 to €3,700,000 for a Cell carrying out General Business, depending on class of business
- €3,700,000 for a Cell carrying out Long Term Business
- €1,200,000 for Cell carrying out Reinsurance Business restricted to Reinsurance
- €2,500,000 to €7,400,000 for a Reinsurance Captive, depending on class of business

Solvency margin

Calculated in accordance with Solvency II Directive.

Technical provisions

Calculated in accordance with Solvency II Directive.

Intercompany loans

Allowed with approval from the MFSA.

Financial reporting requirement

Audited accounts under IFRS as adopted by the EU.

Key features of protected cell companies

Exemptions applicable to captive companies

- Contributing to the protection and compensation fund
- Covering technical provisions by equivalent and matching assets to cover currency risk
- Localization rules and custody of assets rules
- The payment of duty on any contract of insurance relating to a risk situated in Malta
- Depositing a minimum guarantee fund with an external institution

Cell management

The board of directors of the cell company has ultimate responsibility for all cells and cellular assets. The board may delegate the management and administration of a cell, or parts thereof, to a third-party insurance manager or/and a cell committee which many include representatives of the cell owner.

Power to contract

Cells contract through the PCC which acts on behalf of the cell.

Liability

Assets and liabilities are held separately within each cell. However, if the cellular assets of one cell have been exhausted, the company's core assets may be secondarily liable to satisfy any cellular liability of one of its cells.

Intercompany loans

Allowed with approval from the MFSA.

Regulatory fees

- PCC: €6,500
- Individual Cells: €2,500

Annual fees

In terms of the Schedule to the Insurance Business (Fees) Regulations regulatory fees are reduced to €3,250 in respect of cells exclusively carrying on affiliated insurance business.

Incorporated cell companies

An Incorporated Cell Company (ICC) is very similar to a protected Cell Company, with the exception that each incorporated cell within an ICC has a legal personality which is separate and distinct. Incorporated cells are established within the ICC structure, assets and liabilities are attributed either to the cell company itself, or to a particular separate cell of the company.

The ICC format allows cell owners in Malta to insure directly against their own risks situated in the EEA, sell insurance to third parties established in the EEA and reinsure risks situated outside the EEA. Cells can also insure, on a non-admitting risk basis, globally where allowed.

Key features of incorporated cell companies
Corporate form
Limited Liability Company
Permitted business
The cell company and its cells may conduct business of insurance and reinsurance, including affiliated business.
Licensing time frame
Six months, reduced to three months in respect to the individual protected cells.
Re-domiciliation allowed
Yes
Minimum capital requirements (own funds applying to the ICC as a whole)
• €2,500,000 to €3,700,000 for a Cell carrying out General Business, depending on class of business • €3,700,000 for a Cell carrying out Long Term Business • €1,200,000 for Cell carrying out Reinsurance business restricted to Reinsurance • €2,500,000 to €7,400,000 for a Reinsurance Captive, depending on class of business
Solvency margin
Calculated in accordance with Solvency II Directive.
Technical provisions
Calculated in accordance with Solvency II Directive.
Intercompany loans
Allowed with approval from the MFSA.
Financial reporting requirement
Audited accounts under IFRS as adopted by the EU.

Key features of incorporated cell companies
Exemptions
• Contributing to the Protection and Compensation Fund • Covering technical provisions by equivalent and matching assets to cover currency risk • Localization rules and custody of assets rules • The payment of duty on any contract of insurance relating to a risk situated in Malta • Depositing a minimum guarantee fund with an external institution
Cell management
Each is a separate company and the board of the company has ultimate responsibility for all cells and cellular assets. Thus, an incorporated cell of an ICC is an entirely separate legal entity which may transact and enter into agreements with third parties in its own name. The board may therefore delegate the management and administration of a cell, or parts thereof to a third-party insurance manager. This is as opposed to the position of a PCC whereby it is not considered a separate legal entity and only transacts business through the PCC.
Power to contract
Cells have the ability to enter into contracts in their own name.
Liability
Assets and liabilities are held separately within each cell. Claims by third parties can only be directed against the cell itself.
Intercompany loans
Allowed with approval from the MFSA.
Regulatory fees
Authorisation application fees are one-time fees and non-refundable irrespective of whether the application is accepted or refused. • Cell Company carrying out affiliated insurance business: – Authorization application €2,500 – Acceptance of application €2,500 – Annual continuance of authorization for cell company €2,500 • Cell Company and Individual Cell carrying out non-affiliated insurance business: – Fees in accordance with the schedule in the insurance business (Fees) regulations.

Insurance management

The growth of the insurance sector in Malta has attracted many insurance managers and service providers. These range from well-known international names to more boutique establishments. They recognize the favourable environment the jurisdiction has to offer.

Under Maltese regulation, insurance managers need to be authorised by the MFSA. They are considered to fall within the category of Insurance Intermediaries and thus are regulated by the Insurance Intermediaries Act. Insurance managers may assist with the application process for a license as well as operational management of captives, protected cell companies or cells, insurers and reinsurers.

Key features of insurance management businesses

Application legislation/regulation

Insurance Intermediaries Act

Licensing requirements

Insurance management companies are licensed and regulated by the Insurance Intermediaries Act. Depending on the contact with the insurance company, the management company requires own funds amounting to:

- If it holds no appointment: €1,164.69 which is paid-up share capital in terms of the Companies Act, 1995.
- €16,803 where acting for, or on behalf, a company whose business is restricted to affiliated insurance.
- €16,803 or 4 percent of the annual gross premiums receivable whichever is the higher – where it holds an appointment which (i) excludes or does not include authority to enter into contracts of insurance on behalf of a company and/or (ii) includes authority to collect and hold premiums on behalf of a company.
- €58,243.33 or 4 per cent of the annual gross premiums receivable, whichever is the higher – (i) where acting for, or on behalf of, a company whose business is not restricted to affiliated insurance and which appointment includes the authority to enter into contracts of insurance on behalf of the company; or (ii) where it holds an appointment from a company enrolled in the Brokers List.

An insurance manager holding an appointment is required to keep moneys held in a fiduciary capacity separate from its own monies and effect a fidelity bond. The insurance manager is also required to have in its favour a policy of professional indemnity insurance.

Insurance management company regulatory fees

- Registration fee of a person in the Managers Register: €175
- Enrolment of a person in the Managers List: €1,200
- Appointment of a person in the Managers List: €650
- Enrolment of a cell company in the Managers List: €2,000
- Creation of a new cell within a cell company enrolled in the Managers List: €1,500

Annual supervisory fee of...

- A person in the Managers Register: €200
- A person (other than a cell company) in the Managers Lister: €750 and €450 per appointment
- Enrolment of a cell company in the Managers List: €1,700
- Company Registration Fee (one off): €245 - €2,250 (depending on the company's authorized share capital).

Deloitte's global service offerings

Whether you are a life or non-life insurance company, a PCC, a reinsurer, or broker, Deloitte offers a breadth of services designed to meet all your needs.

Tax

Our tax practice can help your organisation understand national and international tax structures and align the tax function with your business objectives. Services include:

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- **Indirect Tax**
- **Global Employer Services**
- **Deloitte Legal**
- **Business Process Solutions (BPS)**

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Our team is highly trained and fully committed to provide audit and assurance services to the highest standards. Our audit services go beyond merely meeting statutory requirements—we make an impact on our clients by helping them perform better; we listen to their needs, think about the business implications, and tailor our approach in a bold and innovative manner.

Risk Advisory

Today's business climate is characterized by disruption and volatility. At Deloitte, we help businesses gain a new view of risk—seeing risk management as a vital performance level revealing untapped opportunities to create competitive advantage. Our Risk Advisory offering includes:

- **Strategic & Reputation Risk**
  - Corporate Governance
  - Strategic Risk

- Brand & Reputation Risk
- Crisis Management
- Sustainability

- **Regulatory Risk**
  - Regulatory Strategy
  - Regulatory Compliance
  - Regulatory Response

- **Financial Risk**
  - Market & Credit Risk
  - Capital Management, Liquidity & Treasury Risk
  - Accounting & Financial Reporting Risk

- **Operational Risk**
  - Internal Audit
  - Assurance
  - Conduct Risk
  - Extended Enterprise Risk Management
  - Operational Risk & Transformation
  - Technology & Data Risk

- **Cyber Risk**
  - Cyber Strategy
  - Cyber Security
  - Cyber Vigilance
  - Cyber Resilience

Consulting

As the world's largest management consulting business, Deloitte is distinct in its ability to help clients solve their most complex problems, from strategy to implementation. We are differentiated by our capability to execute the advice we provide to help clients in the markets where they operate today and where they want to be in the future. Delivering this kind of value requires the skills to integrate a broad range of talent and skills aligned to the unique needs of our clients' industry sectors, businesses, and organizations. Consulting services include:

- **Technology**
  - Analytics & Information Management
  - Application Managed Services
  - Deloitte Digital
  - SAP
  - Oracle
  - Systems Integration
  - Technology Strategy & Architecture
  - CIO & Executive Program

- **Strategy & Operations**
  - Strategy
  - Business Model Transformation
  - Service Operations
  - Supply Chain
  - Mergers & Acquisitions
  - Finance

- **Human Capital**
  - Organization Transformation & Talent
  - HR Transformation
  - Actuarial, Rewards & Analytics
  - Bersin by Deloitte

Financial Advisory

Our practitioners deliver highly specialised advisory solutions to member firm clients facing critical business events and financial transactions where significant value is at stake. With a network of trusted resources working across the globe, our Financial Advisory network has the reach, deep industry sector knowledge, extensive service capabilities and expertise to help clients capitalise on opportunities and navigate times of economic uncertainty and disruptive events. Deloitte's Financial Advisory service lines include:

- **Corporate Finance Advisory**
- **Mergers & Acquisition**
- **Transaction Services**
- **Valuation and Modeling**
- **Deloitte Forensic**
- **Restructuring Services**

Contacts

Tax

Marc Alden
Tax Leader
malden@deloitte.com.mt
+356 2343 2712

Conrad Cassar Torregiani
International Tax Leader
ctorregiani@deloitte.com.mt
+356 2343 2716

Audit & Assurance

Sarah Curmi
Audit & Assurance Leader
scurmi@deloitte.com.mt
+356 2343 2402

Ian Coppini
Audit & Assurance (FSI) Director
icoppini@deloitte.com.mt
+356 2343 2444

Risk Advisory

Steve Paris
Risk Advisory Leader
stparis@deloitte.com.mt
+356 2343 2400

Dominic Fisher
Risk Advisory Senior Manager
dofisher@deloitte.com.mt
+356 2243 2328

Stefan Lia
Risk Advisory Manager
slia@deloitte.com.mt
+356 2343 2330

Financial Advisory

Raphael Aloisio
Financial Advisory Leader
raloisio@deloitte.com.mt
+356 2343 2700

Consulting

Claudine Cassar
Consulting Leader
ccassar@deloitte.com.mt
+356 2343 2720