

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

Circular on Advertising and promotion of packaged products as Pension/Retirement Plans, addressed to Compliance Officers of insurers authorised to carry on long term insurance business under the Insurance Business Act (Cap. 403) and of Retirement Scheme Administrators administering Personal Retirement Schemes registered under the Special Funds (Regulation) Act (Cap. 450), as substituted by the Retirement Pensions Act (Cap. 514)

The MFSA would like to make reference to the advertising and promotion of certain packaged products branded as suitable for Pension/ Retirement Plans and to the Personal Retirement Scheme Rules (L.N. 468 of 2014) issued under the Income Tax Act (Cap.123), as amended by Legal Notice 241 of 2015 published in the Government Gazette of Malta No. 19,460 on the 4th August 2015.

In terms of the Personal Retirement Scheme Rules, a personal retirement scheme or a long term contract of insurance meeting the conditions of a “qualifying scheme” in terms of the said Rules and receiving contributions or payments from an individual who fulfils the requirements of rule 4(1) of the said Rules (“qualifying individual”), may apply to the Commissioner for Revenue prior to accepting contributions or payments in order to qualify for tax credit on contributions.

A long term contract of insurance which is approved by the Commissioner of Revenue in terms of the Personal Retirement Scheme Rules, may make use of the words “pension” / “retirement” when advertising and promoting packaged products as Pension /Retirement Plans. The foregoing is without prejudice to the obligations arising from Insurance Rule 14 of 2008 - Insurance Advertisement and Other Promotional Activities

A personal retirement scheme which is approved by the Commissioner of Revenue in terms of the Personal Retirement Scheme Rules is required to comply with the directives issued under the Special Fund (Regulation) Act (Cap. 450) as substituted by the Pension Rules issued under the Retirement Pensions Act (Cap. 514), relating to Advertisements and Other Promotional Activities.

As advised in the Circular that was issued in March 2008, licence holders should exercise due care when promoting products branded suitable for pension/retirement planning given the pension review that had been initiated by the Government. Moreover, as emphasised in that Circular no advantage – direct or indirect- should be taken of any national debate on the pensions reform, nor should the public be misled in any way.

The MFSA will take any necessary action with respect to any activity in this area that is deemed to be misleading.

Any queries are to be addressed to the Insurance and Pensions Supervision Unit by email on ipsu@mfsa.com.mt

Communications Unit
Malta Financial Services Authority

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