

L.N. of 2008

**INSURANCE BUSINESS ACT
(CAP.403)**

**Insurance Business (Companies Accounts) (Amendment)
Regulations, 2008**

IN exercise of the powers conferred by articles 20 and 64 of the Insurance Business Act, the Minister of Finance, the Economy and Investment, after consultation with the Malta Financial Services Authority, has made the following regulations:-

Citation.

L.N. 103
of 2000.

Amends
regulation 2 of
the principal
regulations.

Cap.386

1. The title of these regulations is the Insurance Business (Companies Accounts) (Amendment) Regulations, 2008, and they shall be read and construed as one with the Insurance Business (Companies Accounts) Regulations, 2000, hereinafter referred to as “the principal regulations”.

2. Regulation 2 of the principal regulations shall be amended as follows:

(a) in subregulation (1) thereof, immediately after the definition “the Authority”, there shall be added the following new definition:

“generally accepted accounting principles and practice” has the same meaning as is assigned to it by article 2(4) of the Companies Act;”;

(b) in subregulation (4) thereof:

(i) in paragraph (a) thereof, for the words “paragraphs 54A to 54D”, there shall be substituted paragraphs “54 to 54D”;

(ii) in paragraph (b) thereof, after the term “receivables””, there shall be added the words “related party”,”.

Amends
regulation 8 of
the principal
regulations.

3. In regulation 8 of the principal regulations, for the words “and Directive 2003/51/EC of the European Parliament of the Council of 18 June 2003 amending Directives 78/660/EEC, 83/349EEC, 86/635/EEC and 91/674/EEC on the annual and consolidated accounts of certain types of companies, banks and other financial institutions and insurance undertakings and shall be interpreted and applied accordingly” there shall be substituted the words “Directive 2003/51/EC of the European Parliament of the Council of 18 June 2003 amending Directives 78/660/EEC, 83/349EEC, 86/635/EEC and 91/674/EEC on the annual and consolidated accounts of certain types of companies, banks and other financial institutions and insurance undertakings and Directive 2006/46/EC of the European Parliament and of the Council of 14 June 2006 amending Council Directives 78/660/EEC on the annual accounts of certain types of companies, 83/349/EEC on consolidated accounts, 86/635/EEC on the annual accounts and consolidated accounts of banks and other financial institutions and 91/674/EEC on the annual accounts and consolidated accounts of insurance undertakings and shall be interpreted and applied accordingly”.

Amends the First
Schedule to the
principal regulations.

4. Paragraph 54 of the First Schedule to the principal regulations shall be amended as follows –

(a) sub-paragraphs (k), (l), (m), (n), (o), (p), (q), (r), (s), (t), (u) and (v) thereof, shall be renumbered as sub-paragraphs (m), (n), (o), (p), (q), (r), (s), (t), (u), (v), (w) and (x) respectively;

(b) the following new sub-paragraphs (k) and (l) shall be inserted after sub-paragraph (j) thereof -

“Information about off-balance sheet arrangements

(k) The nature and business purpose of the company’s arrangements that are not included in the balance sheet and the financial impact on the company of those arrangements, provided that the risks or benefits arising from such arrangements are material and in so far as the disclosure of such risks or benefits is necessary for assessing the financial position of the company;

Related party transactions

(l) (i) Particulars may be given of transactions which the company has entered into with related parties, and shall be given if such transactions are material and have not been concluded under normal market conditions.

(ii) The particulars of transactions required to be disclosed by sub-paragraph (l)(i) shall include-

(aa) the amount of such transactions,

(bb) the nature of the related party relationship, and

(cc) other information about the transactions necessary for an understanding of the financial position of the company.

(iii) Information about individual transactions may be aggregated according to their nature, except where separate information is necessary for an understanding of the effects of related party transactions on the financial position of the company;”;

(c) in sub-paragraph (o)(ii) thereof, for the words “for the purposes of sub-paragraph (o)(i)”, there shall be substituted the words “for the purposes of sub-paragraph (q)(i)”;

(d) in sub-paragraph (u) thereof, for the words “referred to in sub-paragraph (s) and (t)”, there shall be substituted the words “referred to in sub-paragraphs (u) and (v)”

Amends the Second Schedule to the principal regulations.

5. The Second Schedule to the principal regulations shall be amended as follows:

(a) paragraph 9 of Title I thereof, shall be substituted by the following new paragraph:

“9. Paragraph (22) of the Schedule shall apply as if –

(a) immediately after sub-paragraph (5) thereof, there were added the following new sub-paragraphs:

“(5A) The nature and business purpose of any arrangements that are not included in the consolidated balance sheet and the financial impact of those arrangements, provided that the risks or benefits arising from such arrangements are material and in so far as the disclosure of such risks or benefits is necessary for assessing the financial position of the undertakings included in the consolidation taken as a whole.

(5B) The transactions, save for intra-group transactions, entered into by the parent undertaking, or by other undertakings included in the consolidation, with related parties, including the amounts of such transactions, the nature of the related party relationship as well as other information about the transactions necessary for an understanding of the financial position

of the undertakings included in the consolidation taken as a whole, if such transactions are material and have not been concluded under normal market conditions. Information about individual transactions may be aggregated according to their nature except where separate information is necessary for an understanding of the effects of the related party transactions on the financial position of the undertakings included in the consolidation taken as a whole.

(b) in paragraph (9) thereof, reference to “the Third Schedule to this Act” were a reference to the “First Schedule to the Regulations”.”;

(b) paragraph 6 of Title II thereof, shall be substituted by the following:

“6. The information required by paragraph 54(*m*), (*n*), (*o*) and (*p*) thereof need not be shown.”.