|  |  |
| --- | --- |
| MALTA FINANCIAL SERVICES AUTHORITY |  |
| **Fourth Schedule – Scheme of Operations**  |  |
|  |  |
| **This Scheme of Operations is required to be submitted pursuant to Article 11(1)(e) of the Insurance Business Act** |
|  |
| This scheme of operations is to be completed by a third country insurance undertaking or third country reinsurance undertaking, seeking to establish a branch in Malta. **Completion of the application**This document is to be completed in a comprehensive manner as much as possible and submitted together with the application form, the checklist fully ticked, relative fees and the declaration contained in the Fourth Schedule of the Insurance Business Rules in order for the application pack to be considered as complete and for the review of the application to commence. In the instance where application documents are submitted in a piecemeal fashion or are incomplete, the processing of an application will not start and will be delayed until receipt of all the relevant documents and fees concerned. The time taken to determine an application is significantly affected by the quality of the application submitted. In this regard, applicants are advised to provide comprehensive information as much as possible regarding the regulated activities the applicant intends to carry out and how it will be carrying out those activities. The applicant's description of its business is an integral basis of the processing of the application. All of the questions should be answered. If the applicant believes that a question does not apply, the response should be left blank. Any supporting documents submitted as part of the application pack which are not in English should be officially translated into English before being submitted to the MFSA.**Transparency**It is important that applicants are transparent with the MFSA at all stages of the application process. It is essential that all pertinent matters are brought to the attention of the MFSA to enable the competent authority to form a complete and thorough understanding of the applicant and its proposal. Responsibility for the submission of all relevant information rests with the applicant. Timely responses from applicants are expected. Undue and unjustifiable lengthy delays in the submission of responses from applicants may require the re-submission of updated documents. The provision of false, misleading or inaccurate information or omission of provision of material information may prejudice the status of the application and also have a bearing on the fitness and properness of the person providing the information. Any person who knowingly or recklessly furnishes information or makes a statement which is inaccurate, false or misleading or leave out any material aspect is guilty of an offence under the Insurance Business Act.**Changes**If after the application has been submitted, the applicant becomes aware that the information submitted has changed or if the applicant becomes aware of any material fact that affects the information submitted, the applicant must inform the MFSA immediately. If the proposal changes significantly and materially during the application process, then the processing time may be lengthier than in normal circumstances and a fresh application may be requested incorporating the new changes. |

| **Details of the Scheme of Operations** |
| --- |
| Applicant Name | (applicant name should be same as that found in the application form)Enter text |
|  |
| **1** | **Scheme of Operations** |
| 1.1 | The nature of the risks or commitments which the branch proposes to cover | Enter text |
| 1.2 | The guiding principles as to reinsurance | Enter text |
| 1.3 | Estimates of the future branch Solvency Capital Requirement, as provided for in Section 5.5 of Chapter 5 in Part B of these Insurance Rules on the basis of a forecast balance sheet, as well as the calculation method used to derive those estimates | Enter text |
| 1.4 | Estimates of the future branch Minimum Capital Requirement, as provided for Section 5.6 of Chapter 5 in Part B of these Insurance Rules on the basis of a forecast balance sheet, as well as the calculation method used to derive those estimates | Enter text |
| 1.5 | The state of the eligible own funds and eligible basic own funds with respect to the branch Solvency Capital Requirement and branch Minimum Capital Requirement, as provided for in Sections 5.5 and 5.6 of Chapter 5 in Part B of these Insurance Rules; | Enter text |
| 1.6 | Estimates of the cost of setting up the administrative services and the organisation for securing business, the financial resources intended to meet those costs and, where the risks to be covered are classified under class 18 in the Second Schedule to the Act, the resources available for the provision of the assistance | Enter text |
| 1.7 | Information on the structure of the system of governance | Enter text |
| 1.8 | An analysis of the differences between the solvency rules of the third country in which the third country insurance undertaking or third country reinsurance undertaking has its head office and the rules of the Solvency II Directive, including an explanation on the reasons that justify such differences | Enter text |
| **2** | **Documents to be submitted** |
| 2.1 | Please also submit the following for the first three financial years:* a forecast balance sheet
* estimates of the financial resources intended to cover branch technical provisions, the branch Minimum Capital Requirement and the branch Solvency Capital Requirement;
* for general business:
* estimates of management expenses other than installation costs, in particular current general expenses and commissions;
* estimates of premiums or contributions and claims;
* for long term business, a plan setting out detailed estimates of income and expenditure in respect of direct business, reinsurance acceptances and reinsurance cessions.

In regard to long term business, the competent authority may require the systematic notification of the technical bases used for calculating scales of premiums and technical provisions, by the applicant.The scheme of operations of a branch of a third country insurance undertaking or third country reinsurance undertaking shall follow the same principles as set out in Section 1.3 of this Chapter as are required for an insurance or reinsurance undertaking seeking authorisation under the Act.Third country undertakings shall also be guided by Guidelines on the supervision of branches of third-country insurance undertakings issued by EIOPA - <https://eiopa.europa.eu/Publications/Guidelines/GLs_third_country_branches.pdf> |