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| MALTA FINANCIAL SERVICES AUTHORITY |
| **Authorisation Forms** |
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| **Form AA42: Application for the Incorporation of Cells** |
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| **High Level Guidelines** |
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| 1. General

This form, Form **AA42:** **Application for the Incorporation of Cells** (‘Application’), shall be duly filled in by the persons wishing to obtain authorisation under Article 8 of the Companies Act (Cell Companies Carrying on Business of Insurance) Regulations. In this respect, the Applicant shall to the best of its knowledge, provide information, which is truthful, accurate and complete. The Applicant shall notify the MFSA immediately if the information provided changes in any respect either prior to or subsequent to authorisation. The Applicant shall note that it is a criminal offence, under Article67 of the Insurance Business Act (Chapter 403 of the Laws of Malta) (“the Act”), to furnish information or to make a statement which one knows to be inaccurate, false or misleading in any material respect, or to recklessly furnish information or to make a statement which is inaccurate, false or misleading in any material respect, pursuant to any of the provisions of this Act or of any Regulations made or of any Rules issued thereunder, or any condition, obligation, requirement, directive or order made or given as aforesaid.The Applicant is required to make reference, and where applicable comply with, the Act, the Regulations made, or Rules issued thereunder during the completion of the Application. The Applicant shall also refer to the respective National and/or European Regulatory Frameworks or other binding regulation as may be applicable.The Applicant shall not tamper with, or modify in any manner, this Application or its respective Annexes. Should it transpire that the documents were tampered with, or modified in any manner, the Authority shall consider the Application to be invalid. Any potential improvements should be communicated to the MFSA for consideration.The Authority may at its sole discretion request from the Applicant further information/ documentation.1. Proposed Authorisation

Indicate the intended type of authorisation the Applicant is proposing to obtain:

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| **Case** | **Description** |
| A | A protected cell company authorised under the Act desirous of applying for the approval of a protected cell. |
| B | An undertaking desirous of applying for authorisation as an incorporated cell in an incorporated cell company authorised under the Act. |

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| Type of Application | Select item |

1. Definitions

For the purposes of this Application, the definitions identified below should be read in conjunction with the provisions of the Act and other respective national or European regulatory frameworks or other binding regulation as may be applicable.In the event that any of the definitions contained hereunder conflict with a definition under the Act, the definitions set out in the Act or in any other such law shall prevail, unless otherwise specified herein.

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| **‘Act’** | means the Insurance BusinessAct (Chapter 403 of the Laws of Malta)  |
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| **‘Acting in Concert’** | shall for the purpose of this Application, mean a situation in which two or more persons agree, collaborate, cooperate or engage in activities on matters of corporate governance |
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| **‘Applicant’** | means any person applying to obtain authorisation under Article 8 of the Companies Act Cell (Companies Carrying on Business of Insurance) Regulations and as referred to in cases ‘A’ and ‘B’ in point 2 above |
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| **‘Authorisation’** | shall for the purpose of this Application, mean a licence as set out in Article 8 of the Companies Act (Cell Companies Carrying on Business of Insurance) Regulations  |
|  |  |
| **‘Authority’** | means the Malta Financial Services Authority established by the Malta Financial Services Authority Act (Chapter 330 of the Laws of Malta) |
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| **‘Beneficial Owner’** | shall for the purpose of this Application, have the same meaning as that assigned to it under Subsidiary Legislation 373.01 of the Laws of Malta. |
|  |  |
| **‘Close Links’** | shall have the same meaning as that assigned to it in the Act |
|  |  |
| **‘Formed’** | shall for the purpose of this Application, mean a person that has already been incorporated with the Malta Business Registry |
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| **‘Management Body’** | Shall for the purpose of this Application, mean the Board of Directors of the Protected/Incorporated Cell Company. |
|  |  |
| **‘Primary Business Address’** | shall for the purpose of this Application, mean the Applicant’s head office / operational address  |
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| **‘Qualifying Shareholder’** | shall for the purpose of this Application, mean a person that has a ‘qualifying shareholding’ as defined in the Act |
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| **‘Regulatory framework’** | means the respective National and/or European Regulatory Frameworks or other binding regulation, as may be applicable |
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| **‘Shareholder’** | shall for the purpose of this Application, mean a person entered in the register of members of a company pursuant to Article 123 of the Companies Act (Chapter 386 of the Laws of Malta) |
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1. Instructions

The Applicant is required to complete all the respective sections under all the three parts of the Application, as follows:* + Part 1 – Applicant Details
	+ Part 2 – Activity & Method of Operations
	+ Part 3 – Declaration Form

Applicants are to note that further instructions in relation to the Application may be found on the Guidelines to the Authorisation Forms ([link](https://www.mfsa.mt/wp-content/uploads/2021/05/AG01-Applications-Guidelines.pdf)). It is noted that the Application should reflect the Applicant’s structure and method of operations at time of authorisation.Following submission of the Application via the LH Portal, the Declaration Form (Part 3 of this Application) should be printed and sent, originally signed, to the Authority. In the printed Declaration Form, the Applicant is reminded to enter the Application ID, which is provided automatically through the LH Portal upon on-line submission of the Application. It is to be noted that only this Declaration Form should be sent physically to the Authority. Further instructions can be found in the Declaration Form itself.In order for the Application to be considered complete, the Applicant is required to have submitted, along with a duly filled Application, all the required documentation as identified within this Application.**Kindly note that this application is to be completed and signed by the Protected/Incorporated Cell Company. However, the details provided in this application should pertain to the cell as the Applicant.**1. Privacy Notice

The MFSA ensures that any processing of personal data is conducted in accordance with Regulation (EU) 2016/679 (General Data Protection Regulation), the Data Protection Act (Chapter 586 of the Laws of Malta) and any other relevant European Union and national law. For further details, you may refer to the MFSA Privacy Notice available on the MFSA webpage <https://www.mfsa.mt/privacy-notice/>. 1. Disclaimer

It is noted that the submission of this Application and/or its determination of ‘completeness’ shall not be construed as a granting of Authorisation by the MFSA. Furthermore, the Applicant is referred to Article 4(A) of the MFSA Act, wherein the granting of an Authorisation is a concession and a revocable privilege, and no holder thereof shall be deemed to have acquired any vested rights therein or thereunder. |

| * 1. Applicant Details
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| --- |
|  | **Applicant Person Type** |
|  | Person Type  | Select item |
|  | **Identification of Protected / Incorporated Cell Company within whom the Cell shall be structured** |
|  | Name of Protected / Incorporated Cell Company | Enter text |  | MFSA Authorisation Number | Enter text |
|  | **Applicant – General and Identification Details**  |
|  | **Identification** |
|  | Proposed Name of the Applicant | Enter text |
|  | **Protected/Incorporate Cell Company Representative** |
|  | Position | Enter text |
|  | Title | Select item |
|  | Name | Enter text |  | Surname | Enter text |
|  | Representative’s Business Email Address | Enter text |  | Representative’s Business Direct Number | Enter text |
|  | **Insurance Manger Representative** This section is to be completed only if the Protected/Incorporated Cell Company is managed |
|  | Representative Entity Name: | Enter text |
|  | Position | Select item |  | If *‘Other’*: Specify Position | Enter text |
|  | Title | Select item |
|  | Name | Enter text |  | Surname | Enter text |
|  | Representative’s Business Email Address | Enter text |  | Representative’s Business Direct Number | Enter text |

| * 1. Applicant Structure and Regulatory History
 |
| --- |
|  | **Constitutional Documentation** |
|  | **Attachment | Constitutional Document***Provide an updated draft copy of the Constitutional Document of the Protected/Incorporated Cell Company containing the necessary updated to reflect the inclusion of the Applicant.*  |
|  | **Shareholding Structure** |
|  | **Publicly Traded and Listed Shareholding**This sub-section is only applicable where the Applicant has any of its Shareholding publicly listed and traded on a trading venue locally and/or abroad.  |
|  | Is any of the Applicant's Shareholding publicly listed and traded on one or more trading venues? | Select item |
|  | If ‘*Yes*’: Indicate the Trading Venue/s where the Applicants Shareholding is publicly listed and traded. |

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| --- | --- | --- |
| Name of Trading Venue | Country of Trading Venue | LEI Code *(if Applicable)* |
| Enter text | Select country | Enter text |
|  |  |
| *(Add multiple as applicable)* |

 |
|  | If ‘*No*’: Does the Applicant intend to publicly offer and/or list and trade its Shareholding in the future? | Select item |
|  | **Qualifying Shareholders Identification** Provide details on the Applicant’s Qualifying Shareholders, within the respective section applicable to either Natural Persons or Legal Persons |
|  | **Qualifying Shareholders - Natural Persons** |
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| * 1. Qualifying Shareholder – Natural Person
 |
| Title | Select item |
| Name | Enter text | Surname | Enter text |
| Date of Birth | Enter date |
| Identification Document (‘ID’) Type | Select item | ID Number | Enter text |
| ID Expiry Date | Enter date | Country of Issuance | Select country |
| Type of Holding | Select item |
| Aggregate Percentage Holding | Enter text |
| Aggregate Percentage Control | Enter text |
| Does the person qualify as a Beneficial Owner? | Select item |
| Will the person be involved in the day-to-day running of the Applicant*(or Group, if applicable)*? | Select item |
| Explain the nature of the involvement | Enter text |
| MFSA PQ Code | Enter text |
|  |
|  |

*(Add multiple as applicable)* |
|  | **Qualifying Shareholders – Legal Persons** |
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| * 1. Qualifying Shareholder – Legal Person
 |
| Legal Person Form | Select item | If ‘*Other*’: Type of Form | Enter text |
| Registered Name | Enter text | Registered Number | Enter text |
| Type of Holding | Select item |
| Aggregate Percentage Holding | Enter text |
| Aggregate Percentage Control | Enter text |
| Will the person be involved in the day-to-day running of the Applicant*(or Group, if applicable)*? | Select item |
| Explain the nature of the involvement | Enter text |
| **Attachment | MFSA Annex – AX01 Corporate Questionnaire**Applicable to Direct and Ultimate Parent Qualifying Shareholders only |
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*(Add multiple as applicable)* |
|  | **Shareholders – Persons having an aggregate holding or control between 9% and 9.99%**Provide details on the Applicant’s Shareholder/s which have an aggregate holding or control between 9% and 9.99%, within the respective section applicable to either Natural Persons or Legal Persons. |
|  | Does the Applicant have Shareholders having an aggregate percentage holding and/or control in the Applicant amounting to between 9% and 9.99%? | Select item |
|  | **Shareholders – Natural Persons** |
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| * 1. Shareholders – Natural Person
 |
| Title | Select item |
| Name | Enter text | Surname | Enter text |
| Date of Birth | Enter date |
| Identification Document (‘ID’) Type | Select item | ID Number | Enter text |
| ID Expiry Date | Enter date | Country of Issuance | Select country |
| Type of Holding | Select item |
| Aggregate Percentage Holding | Enter text |
| Aggregate Percentage Control | Enter text |
|  |  |

*(Add multiple as applicable)* |
|  | **Shareholders – Legal Persons** |
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| * 1. Shareholders – Legal Person
 |
| Legal Person Form | Select item | If ‘*Other*’: Type of Form | Enter text |
| Registered Name | Enter text |
| Registered Number | Enter text | Date of Registration | Enter date |
| Name of Registry | Enter text | Country of Registration | Select country |
| Nature of Activities | Enter text |
| Type of Holding | Select item |
| Aggregate Percentage Holding | Enter text |
| Aggregate Percentage Control | Enter text |
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*(Add multiple as applicable)* |
|  | **Other Controllers** |
|  | Does the Applicant have (i) persons who can exercise control through means other than having a qualifying shareholding; (ii) persons falling within the definition of ‘*Close Links’*; and/or (iii) persons falling within the definition of *‘Acting in Concert’*? | Select item |
|  | **Other Controllers – Natural Persons** |
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| * 1. Other Controller – Natural Person
 |
| Title | Select item |
| Name | Enter text | Surname | Enter text |
| Date of Birth | Enter date |
| Identification Document (‘ID’) Type | Select item | ID Number | Enter text |
| ID Expiry Date | Enter date | Country of Issuance | Select country |
| MFSA PQ Code | Enter text |
| Aggregate Percentage Control | Enter text |
| Indicate whether the person is (i) exercising control through means other than having a qualifying shareholding, (ii) a Close Link, or (iii) Acting in Concert | Select item |
| Provide an explanation indicating how the person is acting as an Other Controller | Enter text |
| Will the person be involved in the day-to-day running of the Applicant*(or Group, if applicable)*? | Select item |
| Explain the nature of the involvement | Enter text |
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*(Add multiple as applicable)* |
|  | **Other Controllers – Legal Persons** |
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| * 1. Other Controller – Legal Person
 |
| Legal Person Form | Select item | If ‘*Other’*: Type of Form | Enter text |
| Registered Name | Enter text |
| Registered Number | Enter text | Date of Registration | Enter date |
| Name of Registry | Enter text | Country of Registration | Select country |
| Nature of Activities | Enter text |
| Aggregate Percentage Control | Enter text |
| Indicate whether the person is (i) exercising control through means other than having a qualifying shareholding, (ii) a Close Link, or (iii) Acting in Concert | Select item |
| Provide an explanation indicating how the person is acting as an Other Controller | Enter text |
| Will the person be involved in the day-to-day running of the Applicant*(or Group, if applicable)*? | Select item |
| Explain the nature of the involvement | Enter text |
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*(Add multiple as applicable)* |
| * + 1.
 | **Regulatory History***Note - For the purposes of this Section, Authorisation as Type of Regulatory History shall mean: “any type of official recognition (such as Licensing, Registration, Recognition, etc) by a Regulatory Body”. (An indicative list of Regulatory Bodies is provided).* |
|  | **Applicant Regulatory History**This sub-section relates to Applications submitted to, and/or Authorisations held with, the MFSA and/or any other Regulatory Authority by the Applicant |
|  | Does the Applicant hold an authorisation or did the Applicant ever apply to be authorised by the MFSA or any other Regulatory Authority for any activity, perhaps under a different person type or name? | Select item |
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| * 1. Applicant – Regulatory History
 |
| Type of Regulatory History | Select item |
| Type of Activity | Select item | If ‘*Other*’:Type of Activity | Enter text |
| Name of Regulatory Body | Select item |
| If ‘*Other*’: Name of Regulatory Body | Enter text |
| *If ‘Application’, provide respective details:* |
| Status of Application | Select item |
| Application Submission Date | Enter date |
| Application Withdrawal / Refusal Date | Enter date |
| Reason for Withdrawal / Refusal | Enter text |
| *If ‘Authorisation’, provide respective details:* |
| Status of Authorisation | Select item |
| Authorisation Date | Enter date |
| Authorisation Suspension / Surrender / Revocation Date | Enter date |
| Reason for Suspension / Surrender / Revocation | Enter text |
|  |
| *(Add multiple as applicable)* |

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|  | **Associations to Other Entities which submitted Applications, and/or hold Authorisations with, the MFSA and/or any other Regulatory Authority** |
|  | Does the Applicant have any association with any other entity within its Group of companies, except for its Qualifying Shareholding, that is authorised, or has ever applied to be authorised, by the MFSA or any other Regulatory Authority for any activity? | Select item |
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| * 1. Association – Regulatory History
 |
| Association Details |
| Type of Association | Select item | If ‘*Other*’: Specify type | Enter text |
| If ‘*Other*’: Provide an explanation into the nature of association | Enter text |
| *Legal Person Identification* |
| Legal Person Form | Select item | If ‘*Other*’: Type of Form | Enter text |
| Registered Name | Enter text |
| Registered Number | Enter text | Date of Registration | Enter date |
| Name of Registry | Enter text | Country of Registration | Select country |
| *Regulatory History of the Association* |
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| * + 1. Regulatory History
 |
| Type of Regulatory History | Select item |
| Type of Activity | Select item | If ‘*Other*’: Type of Activity | Enter text |
| Name of Regulatory Body | Select item |
| If ‘*Other*’: Name of Regulatory Body | Enter text |
| *If Application, provide respective details:* |
| Status of Application | Select item |
| Application Submission Date | Enter date |
| Application Withdrawal / Refusal Date | Enter date |
| Reason for Withdrawal / Refusal | Enter text |
| *If Authorisation, provide respective details:* |
| Status of Authorisation | Select item |
| Authorisation Date | Enter date |
| Authorisation Suspension / Surrender / Revocation Date | Enter date |
| Reason for Suspension / Surrender / Revocation | Enter text |
|  |
| *(Add multiple as applicable)* |

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| *(Add multiple as applicable)* |

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|  | **Significant Events & Integrity Confirmations** |
|  | Has the Applicant, cell owner or cell user ever: |
|  | Case A | been investigated, in the process of being investigated or is aware of investigations that will be initiated at some point in time by any Authority, regulatory, judicial or professional body whether in Malta or abroad?*(This includes Court Orders and excluding investigations conducted in the course of normal monitoring and surveillance procedures which had no adverse findings)* | Select item |
|  | Case B | been subject to criticism, censures, disciplinary actions, suspension, expulsion or administrative breaches by any Authority, regulatory, judiciary or professional body whether in Malta or abroad? | Select item |
|  | Case C | been subject to any other formal complaints made against it by its clients or former clients which have been resolved in favour of the complainant by a non-judicial third party? | Select item |
|  | Case D | been subject to any criminal conviction or civil penalty:* + - in respect of carrying out any authorised/ unauthorised regulated activity (if applicable);
		- in respect of any natural person in the process of application; and/or
		- in respect of any legal person in the process of application?
 | Select item |
|  | Case E | have any books and records requisitioned or seized by any court, Authority, regulatory, judicial or professional body whether in Malta or abroad? | Select item |
|  | Case F | been subject to any unsatisfied judgments or awards outstanding? | Select item |
|  | Case G | been assessed as not of going concern or subject to a declaration of a moratorium of any indebtedness, to a restructuring or reorganisation process affecting its creditors, including measures involving the possibility of a suspension of payments, suspension of enforcement measures or reduction of claims, to a dissolution, to winding-up proceedings, or to administration or other insolvency or similar proceedings? | Select item |
|  | Case H | have any out-of-court settlements reached with any other legal or natural person, having regard to the monetary terms of the settlements or/and the circumstances in which they have been reached? | Select item |
|  | If any of the above apply, provide details and evidence as necessary for each respective case |

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| Case | Select item |
| Person Involved | Select item |
| If ’*Subsidiary’:* Name of Person Involved | Enter text |
| Status of Case | Select item |
| Name of the relevant criminal court, civil or administrative authority | Enter text |
| Country of the relevant criminal court, civil or administrative authority | Select country |
| Date of the event | Enter date |
| An explanation of the circumstances surrounding the Case | Enter text |
| If ‘*Concluded’*: Case Outcome | Enter text |
| The amount involved and Respective Currency *(if applicable)* | Select item  | Enter text |
| **Attachment | Case Evidence***Provide case evidence as applicable* |
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*(Add multiple as applicable)* |
|  | **Sanctions and Restrictive Measures** |
|  | Has the Applicant, or any Natural or Legal Persons with whom it has ties, whether in Malta or abroad, been placed under a list of sanctions or restrictive measures of any nature?*Note - not applicable for Natural or Legal Persons who are required to submit a Personal Questionnaire or a Corporate Questionnaire* | Select item |
|  | If ‘Yes’: Provide the following detail for each respective case: |

|  |  |
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| Person Involved | Select item |
| If ‘*Natural Person’* or ‘*Legal Person’:* | Full Name | Enter text |
| Relationship with Applicant | Enter text |
| Sanctioning Body  | Enter text |
| Resolution Number | Enter text |
| Reason | Enter text |
| Mitigating Rationale | Enter text |
|  |  |

*(Add multiple as applicable)* |

| **PART 2**1. Business Model, Strategy and Activity
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|  | **Rationale** |
|  | Explain the Applicant’s rationale for this application and the rationale for applying for authorisation in Malta |
|  | Enter text |
|  | Explain the rationale behind the Applicant’s legal structure being used, as applicable |
|  | Enter text |
|  | **Business Model** |
|  | Indicate the kind of business to be carried out |
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| --- | --- |
| * 1. Business as captive re/insurance
 | Select item |
| * 1. Business of reinsurance solely and exclusively
 | Select item |
| * 1. Business of direct insurance solely and exclusively
 | Select item |
| * 1. Combined – business of direct insurance and reinsurance
 | Select item |
| * 1. Long term business in relation to commitments where Malta is the country of commitment
 | Select item |
| * 1. Long term business in relation to commitments where Malta is not the country of commitment
 | Select item |
| * 1. General business in relation to risks situated in Malta
 | Select item |
| * 1. General business in relation to risks situated outside Malta
 | Select item |

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|  | Provide a description of the Applicant’s proposed business model and a description of how the scope of this Application aligns with the proposed activities |
|  | Enter text |
|  | Provide a detailed description of the main factors influencing the success of the proposed business model, including any identified competitive advantages, and how the Applicant intends to control the success and/or failure of its business model and remain viable and sustainable for the foreseeable future |
|  | Enter text |
|  | In the case of captive business, provide details of the insurance arrangements (if any) covering the proposed business. If applicable, please also submit the claims history related to the classes being sought of the past 3 years.  |
|  | **Proposed Activity** |
|  | **Legal Analysis and Determination**  |
|  | Has the Applicant obtained a legal determination that the activities proposed within the business model, as identified above, fall within scope of the definition/s of the activity/ies indicated in the next section? | Select item |
|  | If *'Yes'*: **Attachment | Legal Opinion**If *'No'*: Explain the methodology by which the Applicant has arrived to this determination. |
|  | Enter text |
|  | **Proposed Financial Service Activity | Long-Term Business***This section is only applicable if the Applicant intends to carry on Long-Term Business.* |
|  | Indicate the classes of long-term business which the applicant proposes to carry on. *Select* ***I*** *for Business of Insurance,* ***R*** *for Business of Reinsurance, and* ***C*** *for Combined Business* |
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| **Long-Term Business Classes** |
| 1. Life and annuity
 | - |
| 1. Marriage and birth
 | - |
| 1. Linked long term
 | - |
| 1. Permanent health
 | - |
| 1. Tontines
 | - |
| 1. Capital redemption
 | - |
| 1. Pension fund management
 | - |
| 1. Collective insurance
 | - |
| 1. Social insurance
 | - |

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|  | **Proposed Financial Service Activity | General Business***This section is only applicable if the Applicant intends to carry on General Business.* |
|  | Indicate the groups of classes of general business which the applicant proposes to carry on. *Select* ***I*** *for Business of Insurance,* ***R*** *for Business of Reinsurance, and* ***C*** *for Combined Business.* |
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| **General business and****Groups of Classes** | **Classes (I / R / C)** |
| **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** | **9** | **10** | **11** | **12** | **13** | **14** | **15** | **16** | **17** | **18** |
| 1. Accident and health *(classes 1 and 2)*
 | - | - |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1. Motor *(classes 1(d), 3, 7 and 10)*
 | - |  | - |  |  |  | - |  |  | - |  |  |  |  |  |  |  |  |
| 1. Marine and transport *(classes 1(d), 4, 6, 7 and 12)*
 | - |  |  | - |  | - | - |  |  |  |  | - |  |  |  |  |  |  |
| 1. Aviation *(classes 1(d), 5, 7 and 11)*
 | - |  |  |  | - |  | - |  |  |  | - |  |  |  |  |  |  |  |
| 1. Fire and other damage to property *(classes 8 and 9)*
 |  |  |  |  |  |  |  | - | - |  |  |  |  |  |  |  |  |  |
| 1. Liability *(classes 10, 11, 12 and 13)*
 |  |  |  |  |  |  |  |  |  | - | - | - | - |  |  |  |  |  |
| 1. Credit and suretyship (*classes 14 and 15)*
 |  |  |  |  |  |  |  |  |  |  |  |  |  | - | - |  |  |  |
| 1. General *(all classes)*
 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

 |
|  | **Financial Services Activity, Flows, Execution and Settlement***Note - This Section requires the Applicant to describe the respective Flows, Execution and Settlement for each Financial Service Activity selected in the previous Section. The Applicant may combine multiple Financial Service Activities in one iteration of the below Repeating Section if the respective Flows, Execution and Settlement of said Financial Service Activities are of the same or similar nature.* |
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| * 1. Financial Service Activity
 |
| ***Description of Financial Service Activity*** |
| List the Financial Service Activity/ies that will be described in this Repeating Section  |

|  |
| --- |
| * + - * Enter text
 |

*(Add multiple as applicable)* |
| Provide a detailed description of the financial service activity/ies mentioned above |
| Enter text |
| ***Transaction Flows***  |
| Provide an explanation regarding the manner, in which transactions will be affected in practice and how each service identified above shall be executed (from initiation till end specifying what will be done, by whom and from where). Provide details in relation to: |
| a) The flow of premium. |
| Enter text |
| b) Identification of all the parties involved. |
| Enter text |
| c) The process which will be adopted by the Applicant from initial client engagement to the issuance of the policy, specifying what will be done by whom and from where. |
| Enter text |
| d) Details of agreements or arrangements that the Applicant proposes to have in place with other parties with regards to the provision of its services. |
| Enter text |
| **Attachment | Insurance Distribution Flow Diagram**Provide a detailed insurance distribution flow diagram outlining the transaction process, the flow of premium and the parties to the transactions and all the respective details as described in this Repeating Section. |
|  |
| *(Add multiple as applicable)* |

 |
|  | **Business Strategy** |
|  | **Business Development** |
|  | Provide a detailed overview of the programme of operations and intentions of the Applicant over the first three (3) years of operation taking into consideration the nature, scale and complexity of the Applicant’s anticipated business. This should also include the sources, nature and scale of business envisaged. |
|  | Enter text |

| **PART 2**1. Governance
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|  | **Management Body** |
|  | **Management Body Structure** |
| * + - 1.
 | Please indicate whether the Applicant’s Management Body has the required skills, competence and experience to effectively carry out its function/s in relation to the Applicant’s business. |
|  | Enter text |
|  | **Committees** |
|  | **Committees Reporting to the Management Body***The responses provided in this sub-section should be in accordance with the established terms of reference of the Applicant’s Committee/s.* |
|  | Does the Applicant intend to establish a cell committee? | Select item |
|  | If ‘*No*’: Explain how the internal decision making will occur within the Applicant |
|  | Enter text |
|  | If ‘*Yes*’: Provide the respective details: |
|  |

|  |
| --- |
| * 1. Cell Committee Details
 |
|

|  |  |
| --- | --- |
| Outline the mandate, functions, and duties of the Committee | Enter text |

*Type and Mandate of Committee**Committee Chairperson*

|  |  |  |  |
| --- | --- | --- | --- |
| *Chairperson* Name | Enter text | *Chairperson* Surname | Enter text |
| Position of *Chairperson* in Applicant | Enter text | MFSA PQ Code *(if applicable)* | Enter text |
| If the Chairperson holds other position/s within the Applicant which do not require the submission of a PQ, outline the respective functions and duties | Enter text |

*Committee Members*

|  |
| --- |
| * + 1. Committee Member
 |
| Member Name | Enter text | Member Surname | Enter text |
| Nature of position | Enter text | MFSA PQ Code (if applicable)[[1]](#footnote-2) | Enter text |
|  |  |

 *(Add multiple as applicable)* |
| *Committee Structure*

|  |  |  |  |
| --- | --- | --- | --- |
| Frequency of Meetings | Select item | If ‘*Other*’: Specify Frequency of Meetings | Enter text |
| Frequency of Reporting to the Management Body | Select item | If ‘*Other*’: Specify frequency | Enter text |
| Provide a description of the admission criteria and the election mechanism for the members of the committee | Enter text |
| What is the applicable minimum number of members for the Committee? | Enter text |
| Number of members required to constitute a quorum | Enter text |

 |

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| **PART 2**1. Conduct
 |
| --- |
|  | **Marketing Strategy** |
|  | Provide a high-level description of the Applicant’s marketing strategy |
|  | Enter text |
|  | Provide an overview of how the Applicant will market its services to its proposed market, and explain how the specific market knowledge in relation to such jurisdiction/s has/have been attained. |
|  | Enter text |
|  | **Attachment | IPID or IBIP or KID**Provide a copy of the Insurance Product Information Document (‘IPID’) or Insurance-Based Investment Product ('IBIP') Information Document or Key Information Document ('KID'), as applicable |
|  | **Client Base** |
|  | Indicate the intended target market and explain the distribution channel and respective products/services for each client base |
|  | Enter text |
|  | **Source of Business** |
|  |

|  |  |  |
| --- | --- | --- |
|  |  |  |
| Source of Business | Confirmation | Expected percentage of revenue |
| Direct Marketing | Select item | Enter text % |
| Branch Offices | Select item | Enter text % |
| Insurance Agents | Select item | Enter text % |
| Insurance Brokers | Select item | Enter text % |
| Tied Insurance Intermediaries | Select item | Enter text % |
| Ancillary Insurance Intermediaries | Select item | Enter text % |
| Other | Enter text |  | Enter text % |
|  |

*(Add multiple as applicable)* |
|  | With reference to the insurance products offered, will the Protected/Incorporated cell company on behalf of the Applicant be entering into a co-manufacturing agreement with other undertakings or intermediaries? | Select item |
|  | If ‘*Yes*’: Provide the following details: |
|  |

|  |
| --- |
| * 1. Co-manufacturing agreement
 |
| Name of Third Party | Enter text |
| Details of collaboration | Enter text |
| *Details of Authorisation Held*  |
| Details of authorisation held  | Enter text | Authorisation Date | Enter date |
| Regulatory Authority | Select item | Country of Authorisation | Select country |
| *Address* |
| Number/Name | Enter text | Street/Road | Enter text |
| City/Town/Village | Enter text | Region/State*(if applicable)* | Enter text |
| Post Code | Enter text | Country | Select country |
|  |

*(Add multiple as applicable)* |
|  | Where the source of business includes intermediaries, provide the following details: |
|  | * 1. a description of the procedure which will be used to approve intermediaries as well as the procedure used to ensure that on-going due diligence on the said intermediaries will be carried out
 |
|  | Enter text |
|  | * 1. details on the authority which the Applicant intends to assign to the intermediaries
 |
|  | Enter text |
|  | * 1. a description of the controls/monitoring arrangements to be applied by the Applicant in relation to the activity of the intermediaries
 |
|  | Enter text |
|  | * 1. details in relation to the inducements that will be granted to the intermediaries, the basis of the commission, whether there will be any targets involved and commission levels
 |
|  | Enter text |
|  | **Attachment | Binding Authority Agreement/s** |
|  | **Countries and Geographical Areas** |
|  | **Malta** |
|  | Will the Applicant be writing risks situated in Malta? | Select item |
|  | **EEA States***It is noted that any details provided in this sub-section will not exonerate the Applicant from the requirements and procedures outlined in the relevant passporting regulations, which would need to be followed if an authorisation is granted* |
|  | Does the Applicant intend to operate in another EEA state/s following authorisation? | Select item |
|  | If ‘*Yes*’: Indicate the EEA state/s within which the Applicant intends to provide its activity and the type of authorisation intended to be pursued |
|  |

|  |
| --- |
|  |
| No. | Country | Intended Type of Passporting |
|  | Select item | Select item |
|  |

*(Add multiple as applicable* |
|  | **Attachment |** *(as applicable)***MFSA Annex – AX19** (in relation to Freedom of Services); or**MFSA Annex – AX20** (in relation to Freedom of Establishment)*With respect to AX20, Applicants are required to submit an annex for each EEA state in which they intend to establish a branch.* *Furthermore, note that Applicants who decide to operate in another EEA state/s post MFSA Authorisation would be required to submit the respective Passporting Form at the time of intent to the respective Authorisation Team for approval.* |
|  | **Third Countries** |
|  | Does the Applicant intend to provide his service in a Third Country following authorisation? | Select item |
|  | If ‘*Yes*’: Indicate (i) the Third Country/ies within which the Applicant intends to provide its activity; (ii) the respective activities to be provided, (iii) whether an authorisation is currently being sought; and (iii) whether a legal determination has been carried out outlining whether these services are in accordance with the laws of the Third Country |
|  |

|  |
| --- |
|  |
| No. | Country | Activities | Does the Applicant intend to obtain authorisation to provide such services? | Has a legal determination been made as to whether these services are in accordance with the laws of the Third Country |
|  | Select item | Enter text | Select item | Select item |
|  |

*(Add multiple as applicable)* |
|  | **Online Platform** |
|  | Does the Applicant intend to make use of a website/platform/application to market, source and/or provide the activity? | Select item |
|  | If ‘*Yes*’: Indicate the purpose of the online platform | Select item |
|  | If the online platform will be used to ‘carry out an activity’: Provide a detailed outline of how the service will be offered on-line. |
|  | Enter text |
|  | **Underwriting activities** |
|  | Provide a description of the underwriting activities of the Applicant including who will be undertaking such activities, reporting lines, authority levels/limits and how such limits are monitored |
|  | Enter text |
|  | Provide an outline of the underwriting guidelines and criteria, in particular a summary of the basis of underwriting and claims authority limits |
|  | Enter text |
|  | Explain the role and objectives of the Applicant’s underwriting function and what processes will be established to achieve those objectives |
|  | Enter text |
|  | Explain the internal controls that shall be in place over the underwriting process |
|  | Enter text |
|  | Provide details of who will be responsible for the issuance of policies *(for example – head office, delegated to intermediary, etc.)* |
|  | Enter text |
|  | **Claims activities** |
|  | Indicate the reporting lines for the claims function |
|  | Enter text |
|  | Explain the internal controls that shall be in place over the claims process as well as the key reports to be prepared and the frequency of reporting |
|  | Enter text |
|  | Will the claims services be outsourced? | Select item |
|  | If *‘Yes’*, indicate: |
|  |

|  |  |
| --- | --- |
| To whom they will be outsourced | Enter text |
| The authority level/limits which will be delegated | Enter text |
| How such limits are monitored | Enter text |

  |
|  | **Disclosures and Proposed Selling Practices** |
|  | Indicate the manner in which the Applicant will ensure that all the necessary disclosures (including any particular conflict of interest) at point of sales are being communicated. |
|  | Enter text |
|  | Provide an outline of how the demands and needs test will be carried out |
|  | Enter text |
|  | If the Applicant intends to carry on long-term business, provide an outline of the policies and procedures in relation to the suitability test and appropriateness test |
|  | Enter text |

| **PART 2**1. Prudential
 |
| --- |
|  | **Initial Capital** |
|  | Issued Share Capital | Enter text |
|  | Specify the types and amounts of own funds corresponding to the initial capital |
|  | Enter text |
|  | **Attachment | Own Funds**Provide an explanation of the available funding sources for own funds and, where available, evidence of the availability of those funding sources. |
|  | *This Attachment should include:** 1. a summary of the use of private financial resources, including their availability and source;
	2. a summary of access to financial markets, including details of financial instruments issued or to be issued; and
	3. a summary of any agreements and contracts entered into in respect of own funds, including, in relation to borrowed funds or to funds expected to be borrowed, the name of the lenders and the details of the facilities granted, the use of proceeds and, where the lender is not a supervised financial institution, information on the origin of the borrowed funds or on the funds expected to be borrowed.
 |
|  | **Financial Information** |
|  | **Forecast Information** |
|  | **Attachment | Financial Projections**Provide forecast information on the Applicant on a ***base case, optimistic and pessimistic scenario basis***. |
|  | *This Attachment should include:** 1. forecast accounting plans for at least the first three complete business years, detailing the business lines for each of the different activities carried out (and where relevant for each country or relevant geographic area):
		+ forecast Statement of Financial Position;
		+ forecast Statement of Profit or Loss and Other Comprehensive Income, detailing fixed and variable costs and providing an indication of the sensitivity of the business to major indicators (volume, price, geography, exposure, etc.) and an explanation of the measures reducing the exposure to such risks; and
		+ forecast Statement of Cash Flows, if applicable.
	2. planning assumptions for the above forecasts as well as explanations of the figures, in particular the assumptions underlying the stress scenario basis; and
	3. funding profile and diversification, including any source of financing and its conditions.
	4. Submission of the assessment of the overall solvency in line with Chapter 1 para 1.5.3.34 of the insurance business rules.
 |
|  | **Other Information** |
|  | **Attachment | Other Information**Provide information on the Applicants (i) indebtedness, (ii) security interests, guarantees or indemnities, (iii) credit rating information, and (iv) scope of consolidated supervision. |
|  | *This Attachment should include:** 1. an outline of any indebtedness incurred or expected to be incurred by the Applicant prior to the commencement of its activities, including where applicable the name of the lenders, the maturities and terms of such indebtedness, the use of proceeds and, where the lender is not a supervised financial institution, information on the origin of the borrowed funds or on the funds expected to be borrowed; and
	2. an outline of any security interests, guarantees or indemnities granted or expected to be granted by the Applicant prior to the commencement of its activities.
 |
|  | **Reinsurance or Retrocession***This section details the proposed reinsurance (or retrocession) strategy and the arrangements proposed to be put in place at authorisation. It may be appropriate for this to be represented graphically, especially for more complex programmes.* |
|  | Provide details of the reinsurers (or retrocessionaires) |
|  |

|  |
| --- |
| * 1. Reinsurer (or retrocessionaire)
 |
| Name | Enter text |
| Rating (by the main rating agencies) | Enter text |
| Country of Registration | Select country |
| *Address* |
| Number/Name | Enter text | Street/Road | Enter text |
| City/Town/Village | Enter text | Region/State*(if applicable)* | Enter text |
| Post Code | Enter text | Country | Select country |
|  |  |

*(Add multiple as applicable)* |
|  | Provide details of the reinsurance strategy (whether it is proportional or non- proportional) and the type of cover |
|  | Enter text |
|  | Provide details of percentages of risks that will be retained by the Undertaking including maximum retention limits per reinsurance programme |
|  | Enter text |
|  | Where a significant proportion of the programme is to be ceded to a single reinsurance undertaking (or retrocessionaires) or group, additional information should be given as to why this is considered to be appropriate, including details of the security provided and the financial adequacy |
|  | Enter text |
|  | **Declaration** The Applicant declares that what has actually been submitted in this section of the application will be reflected in the reinsurance agreement. | Select item |

| **PART 2**1. Anti-Money Laundering & Counter Financing of Terrorism

*This section is only applicable if the Applicant intends to carry on long-term business.*  |
| --- |
|  | **AML & CFT Framework** |
|  | **Business Risk Assessment** |
|  | Indicate the top three highest inherent risks reflected in the Applicant’s Business Risk Assessment (‘BRA’) |
|  |

|  |  |
| --- | --- |
| No. | BRA risk |
|  | Enter text |
|  | Enter text |
|  | Enter text |

  |
|  | Provide an outline of the main controls envisaged by the Applicant to mitigate the inherent risks |
|  | Enter text |
|  | **Customer Acceptance Policy** |
|  | Provide an outline of the Applicant's customer acceptance policy, clearly detailing the type of customers identified by Applicant which are likely to pose higher risk of financial crime |
|  | Enter text |
|  | Provide an overview of the Applicant's AML & CFT risk appetite |
|  | Enter text |
|  | Indicate the main scenarios where servicing a potential/ existing customer is declined by the Applicant |
|  | Enter text |
|  | **Customer Risk Assessment** |
|  | Provide details on the Applicant’s Customer Risk Assessment (‘CRA’), including a description of the proposed risk assessment methodology, risk scoring thresholds, ongoing screening and how findings will be recorded |
|  | Enter text |
|  | Does the Applicant have an Enhanced Due Diligence (‘EDD’) procedure in place? | Select item |
|  | If '*Yes*': Provide an overview of the said procedures and which instances would trigger EDD.If '*No*': Provide further details as to why such procedures have not been established |
|  | Enter text |
|  | Indicate the main risks envisaged which will be reflected in the Applicant’s CRA |
|  | Enter text |
|  | Provide an outline of the procedures to be followed when an employee of the Applicant knows or suspects, or there are grounds to suspect that a person and/or transaction is connected to any financial crime activity |
|  | Enter text |
|  | Explain the type of payment screening that will be carried out by the Applicant to ensure that funds are coming from legitimate sources, if applicable |
|  | Enter text |

| **PART 2**1. ICT
 |
| --- |
|  | **ICT and Cyber**  |
|  | Please confirm whether the Applicant will be using the IT system of the Protected/Incorporated cell company or whether it will be utilising its own system. If not, please complete and submit the Abridged ICT Questionnaire. |
|  | If yes, please confirm whether the IT system that will be utilised is in accordance with:1. MFSA Guidance on Technology Arrangements, ICT and Security Risk Management and Outsourcing Arrangements
2. EIOPA Guidelines on information and communication technology security and governance
3. EIOPA Guidelines on outsourcing to cloud service providers
 |

| **PART 3****Declaration Form** |
| --- |
| *Following submission of the Application, this Declaration Form should be printed and sent, originally signed, to the attention of the* ***Authorisations, Insurance and Pensions Supervision Function, MFSA****. It is to be noted that only this form should be sent physically to the Authority and that should the Applicant submit the entire Application, only the version submitted via the LH Portal shall be maintained and used for the purposes of the MFSA’s authorisation processes.**This Declaration Form should be signed by the two signatories vested with legal representation of the Applicant.* |
| The undersigned, on behalf of Applicant, declare that:1. Application Submission and Authorisation Requirements
	1. the Applicant has resolved to apply for authorisation with the MFSA for the activities provided for within this Application;
	2. the Applicant has duly authorised the undersigned to complete and submit this Application to the MFSA;
	3. the Applicant is aware of the requirements under the provisions of the Act and other respective national or European Regulatory Frameworks or other binding regulation as may be applicable; and
	4. the Applicant shall at time of authorisation, should this be granted, be in adherence with the obligations stipulated under point 1 (c) above.
2. Information Provided to Authority
	1. the information given in answer to the questions within the Application is complete and accurate to the best of our knowledge, information and belief and that there are no other facts relevant to this Application of which the Authority should be aware;
	2. the Applicant has not tampered with, or modified in any manner, this Application or its respective Annexes, and understands that such tampering with, or modification in any manner of these documents will result in a refusal of this Application;
	3. there are no inconsistencies between the provisions of the Constitutional Documents, the documents submitted with this Application (where applicable) and the information given in answer to the questions within the Application;
	4. the MFSA will be notified immediately if the information given in answer to the questions within the Application changes and/or affects the completeness or accuracy the Application either prior to or subsequent to authorisation should this be granted; and
	5. this Declaration Form corresponds to the Application submitted to the Authority via the LH Portal bearing the following ID:

|  |  |
| --- | --- |
| **Application ID***This ID is provided automatically by the MFSA through the LH Portal and is not required for the on-line submission of the Application. In this respect, following submission of this Application via the LH Portal the Application ID will be available on the submission page and also within the acknowledgement email.*  | Enter text |

* 1. the following documentation as indicated in the below have been submitted together with this Application:

|  |
| --- |
| Checklist of Documentation to be Submitted with the Application |
|  | Application Fee | Select item |
|  | Binding Authority Agreement/s | Enter number of submissions |
|  | Case Evidence (if applicable) | Enter number of submissions |
|  | Constitutional Document | Select item |
|  | Financial Projections | Select item |
|  | Group Structure Diagram  | Select item |
|  | Insurance Distribution Flow Diagram | Select item |
|  | Insurance Product Information Document / Insurance-Based Investment Product / Key Information Document (IPID / IBIP / KID) | Enter number of submissions |
|  | Legal Opinion | Select item |
|  | MFSA Annex – AX01 | Enter number of submissions |
|  | MFSA Annex – AX02 | Enter number of submissions |
|  | MFSA Annex – AX03 | Enter number of submissions |
|  | MFSA Annex – AX19 (if applicable) | Select item |
|  | MFSA Annex – AX20 (if applicable) | Enter number of submissions |
|  | Organigram | Select item |
|  | Other Information (Prudential) | Enter number of submissions |
|  | Own Funds | Select item |
|  | Personal Questionnaire/s | Enter number of submissions |

1. Representatives and Disclosure
	1. the MFSA is hereby being authorised to contact the representatives provide by the Applicant under Section 1 of Part 1 of this Application;
	2. the MFSA is hereby being authorised to make such enquiries as it may consider necessary in connection with this Application; and
	3. the MFSA is hereby being authorised to contact any or all of the above-named or any other person considered by the Authority to be relevant, both at the date of application and at any time in the future unless and until I/we rescind this authority in writing.
2. Privacy Notice
	1. I/we have read and understood the [MFSA Privacy Notice](https://www.mfsa.mt/privacy-notice/)[[2]](#footnote-3) and the terms and conditions included therein.
 |
| Signature 1 | Representative from the Protected/Incorporate cell company |
| Name  | Enter text | Surname | Enter text |
| Position | Enter text |
| Date  | Enter date |
|  |
| Signature 2 | Representative from the Applicant |
| Name  | Enter text | Surname | Enter text |
| Position | Enter text |
| Date  | Enter date |

1. Refer to circular titled “Circular on the Fitness and Properness Assessment of Committee Members involved with Investment Services Authorised Persons and Collective Investment Schemes” dated 03 July 2020. [(link)](https://www.mfsa.mt/wp-content/uploads/2020/07/Circular-on-the-Fitness-and-Properness-Assessment-of-Committee-Members-involved-with-Investment-Services-Licence-Holders-and-Collective-Investment-Schemes.pdf) [↑](#footnote-ref-2)
2. For further information visit: <https://www.mfsa.mt/privacy-notice/> [↑](#footnote-ref-3)