

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

Note for Information

Amendments to Insurance Rule 1 of 2007 - Own Funds of Companies Carrying on Business of Insurance

The MFSA is amending Insurance Rule 1 of 2007 - Own Funds of Companies Carrying on Business of Insurance to provide for an insurance and reinsurance company to include capital contribution as one of the components making up the company's Own Funds.

Capital contribution will be permitted if it satisfies the minimum criteria set out in Title II of the Schedule to Insurance Rule 1. The Rule allows distribution of the capital contribution back to the contributor, to be made with the prior approval of the MFSA and where such capital contribution is not used to cover the required level of own funds or margin of solvency of the company concerned.

As a consequence of the above paragraph 6 of Title II of the Schedule to the Rule has been renumbered as paragraph 7 and a new paragraph 6 has been inserted.

These amendments shall come into force on the **15 November 2013**.

Communications Unit
Malta Financial Services Authority
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