



MALTA

Innovation through Regulation

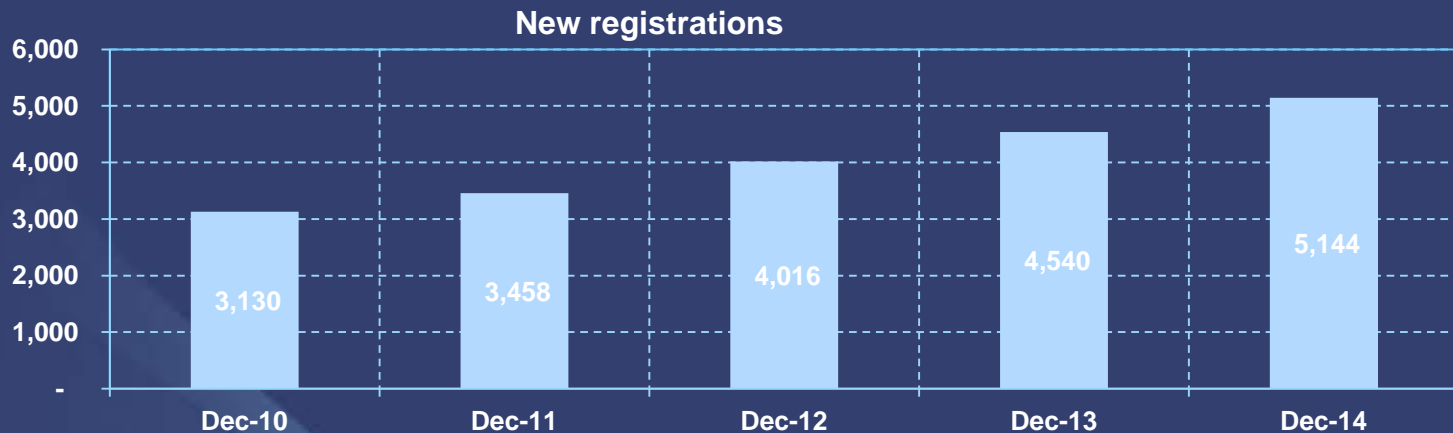
- *The Insurance Sector*



MFSA

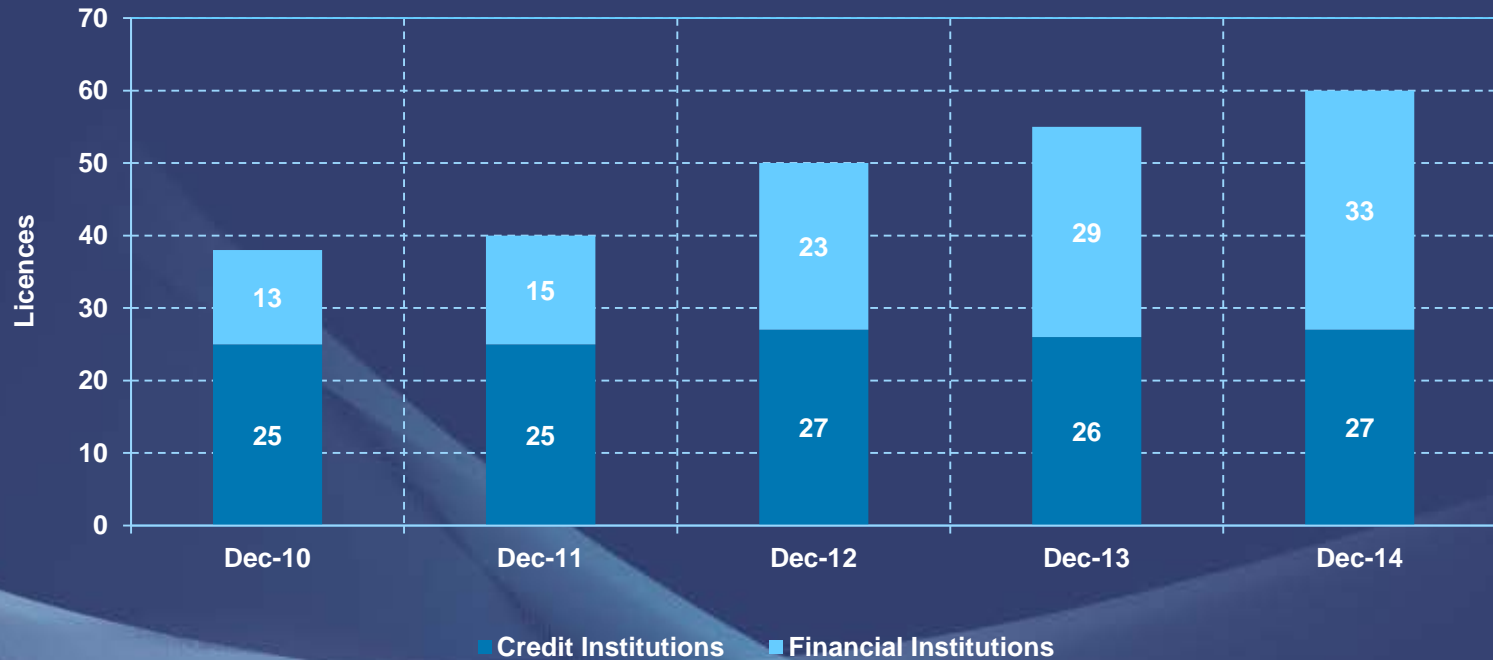
Results - 2014

Registered Companies



	Dec-10	Dec-11	Dec-12	Dec-13	Dec-14
New registrations	3,130	3,458	4,016	4,540	5,144
Companies on the register	51,650	55,150	59,098	63,605	68,676

Credit and Financial Institutions



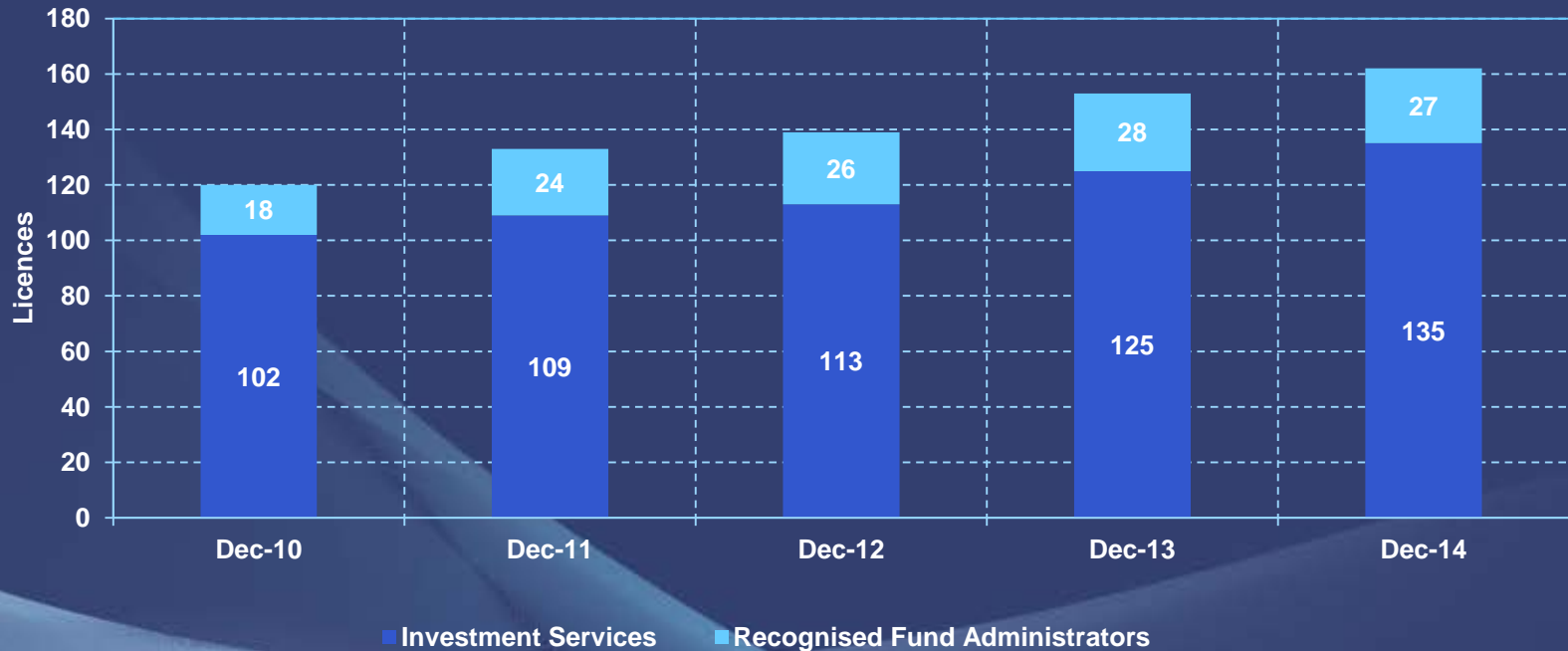
	Dec-10	Dec-11	Dec-12	Dec-13	Dec-14
Credit Institutions	25	25	27	26	27
Financial Institutions	13	15	23	29	33
<i>of which:</i>					
Payment Institutions	7	9	15	19	22
Electronic Money Institutions	0	1	4	6	7

New Licenses Issued – CISs

	2010	2011	2012	2013	2014
AIFs	-	-	-	-	6
PIFs	102	163	117	115	100
UCITS	5	14	9	18	11
Retail Non-UCITS	0	2	2	-	-
Private	1	0	0	2	1
Total	108	179	128	135	118



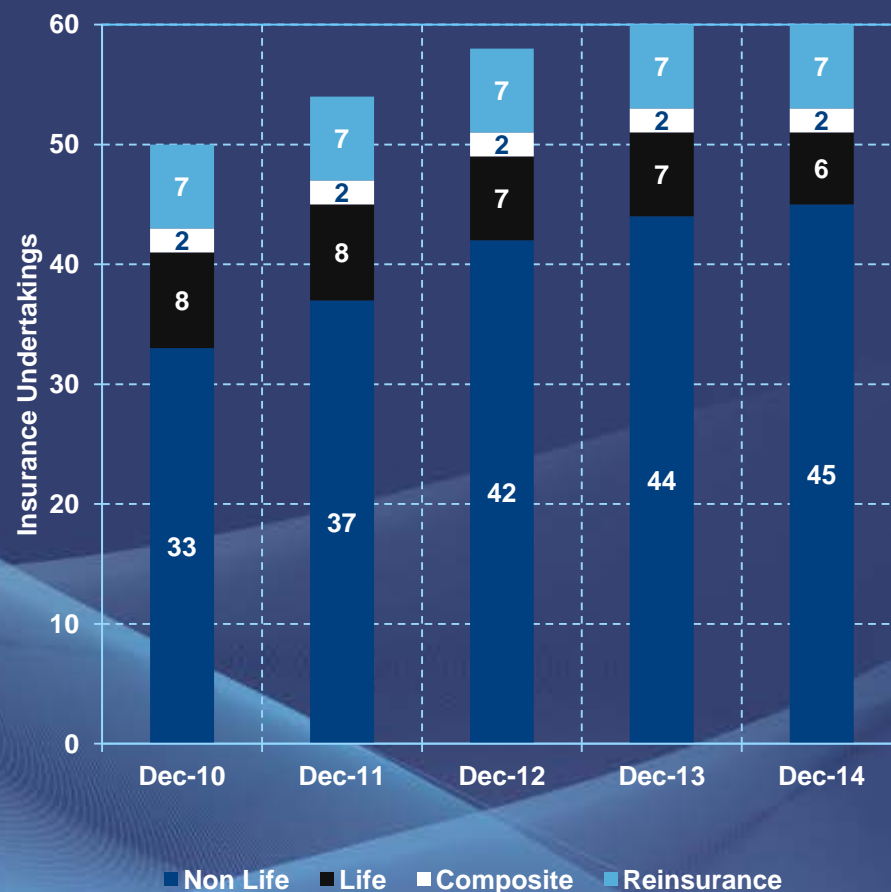
Investment Services Licences



	Dec-10	Dec-11	Dec-12	Dec-13	Dec-14
Investment Services	102	109	113	125	135
Recognised Fund Administrators	18	24	26	28	27
Total	120	133	139	153	162

Licensed Insurance Companies

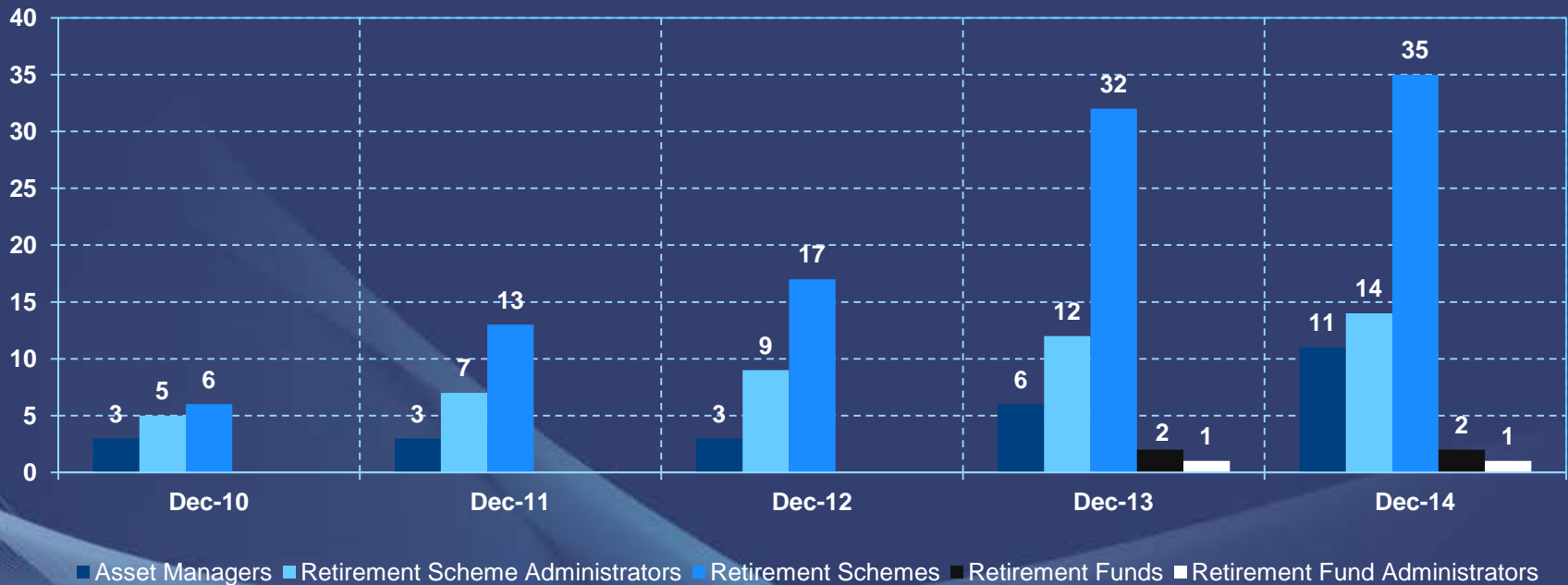
	Dec-10	Dec-11	Dec-12	Dec-13	Dec-14
Non Life	33	37	42	44	45
Life	8	8	7	7	6
Composite	2	2	2	2	2
Reinsurance	7	7	7	7	7
Total	50	54	58	60	60
<i><u>of which</u></i>					
Domestic origin Insurers	8	8	8	9	9
Affiliated Insurers	10	10	11	11	10
PCCs	4 (13 cells)	8 (16 cells)	8 (18 cells)	10 (22 cells)	11 (27 cells)
Foreign Insurers	2	1	1	1	1



Insurance Intermediary Licences

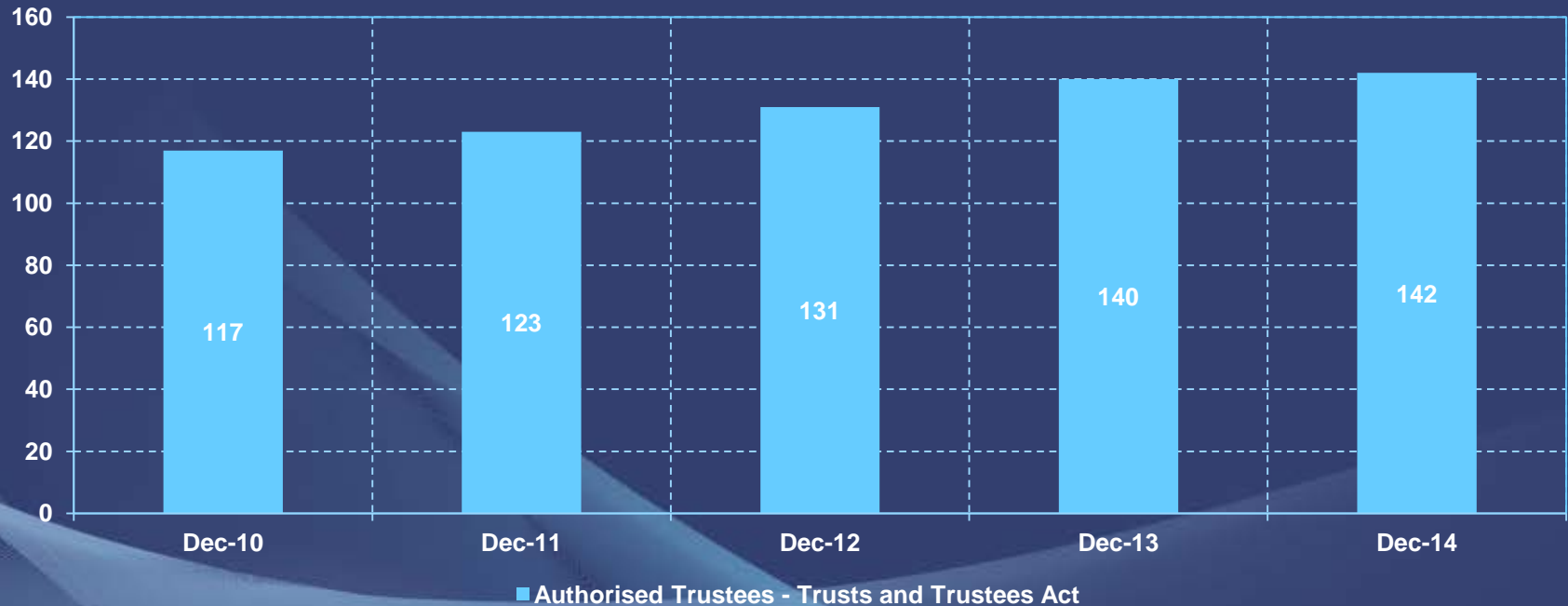
	Dec-10	Dec-11	Dec-12	Dec-13	Dec-14
Registered Insurance Brokers	66	71	78	83	86
Enrolled Insurance Brokers	28	30	29	30	30
Registered Insurance Agents	27	28	28	29	28
Enrolled Insurance Agents	18	20	20	20	20
Registered Insurance Mgrs.	22	26	26	27	23
Enrolled Insurance Managers	13	15	15	15	15
Tied Insurance Intermediaries	507	513	506	427	479

Pensions



	Dec-10	Dec-11	Dec-12	Dec-13	Dec-14
Asset Managers	3	3	3	6	11
Retirement Scheme Administrators	5	7	9	12	14
Retirement Schemes	6	13	17	32	35
Retirement Funds	-	-	-	2	2
Retirement Fund Administrators	-	-	-	1	1

Trust and Trustees Authorisations



	Dec-10	Dec-11	Dec-12	Dec-13	Dec-14
Nominees	23	22	20	19	16
Trusts Registered - Trust Act, 1988	117	115	115	115	89
Authorised Trustees - Trusts and Trustees Act	117	123	131	140	142

Developments in the Insurance Sector

- Insurance PCC
- Re - Insurance SPV
- Securitization Cell Companies



MALTA

Securitisation

Securitisation Act, 2006

•The aim of the Act is to provide a legal framework for domestic and cross-border securitisations to take place in and from Malta. . It provides a comprehensive framework for the conversion of receivables or other assets into securities that can be placed and traded in capital markets. Article 2 of the Act defines Securitisation as a transaction or an arrangement whereby a securitisation vehicle, directly or indirectly:

- 1.Sale transactions: whereby the originator transfers a pool of assets to the securitisation vehicle;
- 2.Synthetic transactions: whereby the securitisation vehicle assumes the credit risk of the originator through credit derivatives;
- 3.Loan transactions: whereby the securitisation vehicle grants secured loans or other secured facilities to the originator.

Comparative Costs of the SPV

Costs	Ireland	Luxembourg	Malta
Initial capitalization	€1 for a Ltd and €38,100 for Plc (25% be paid up)	€31,000 (SA) €12,500 (Sarl)	€1,165 for Ltd Co (20% paid up) & €46,587 for plc (25% be paid up)
Incorporation fees	€3,000 once (expense to the deal)	€7,500 once (expense to the deal)	€2000 to €3000
Minimum taxable profit	None, other than a small corporate benefit fee	Depends on regulated or unregulated	Tax neutral
CSP fees	€16,000 per year	After tax profit distribution in lieu of CSP fees	10,000 to €15,000 including directorship
Directors fees	€5,000 per person per year (two directors minimum)	€5,000 per person per year (three directors minimum)	See above
Auditing fees	€15,000 - €17,000	€15,000 per year	€5,000 to €10,000 pa
Secretarial services	Not a separate service	Not a separate service	Not a separate service



MALTA

Recognised Investment Markets

Recognised Investment Markets

Malta Stock Exchange

European Wholesale Securities Market

A new regulated market for wholesale fixed income securities, registered and domiciled in Malta in 2012

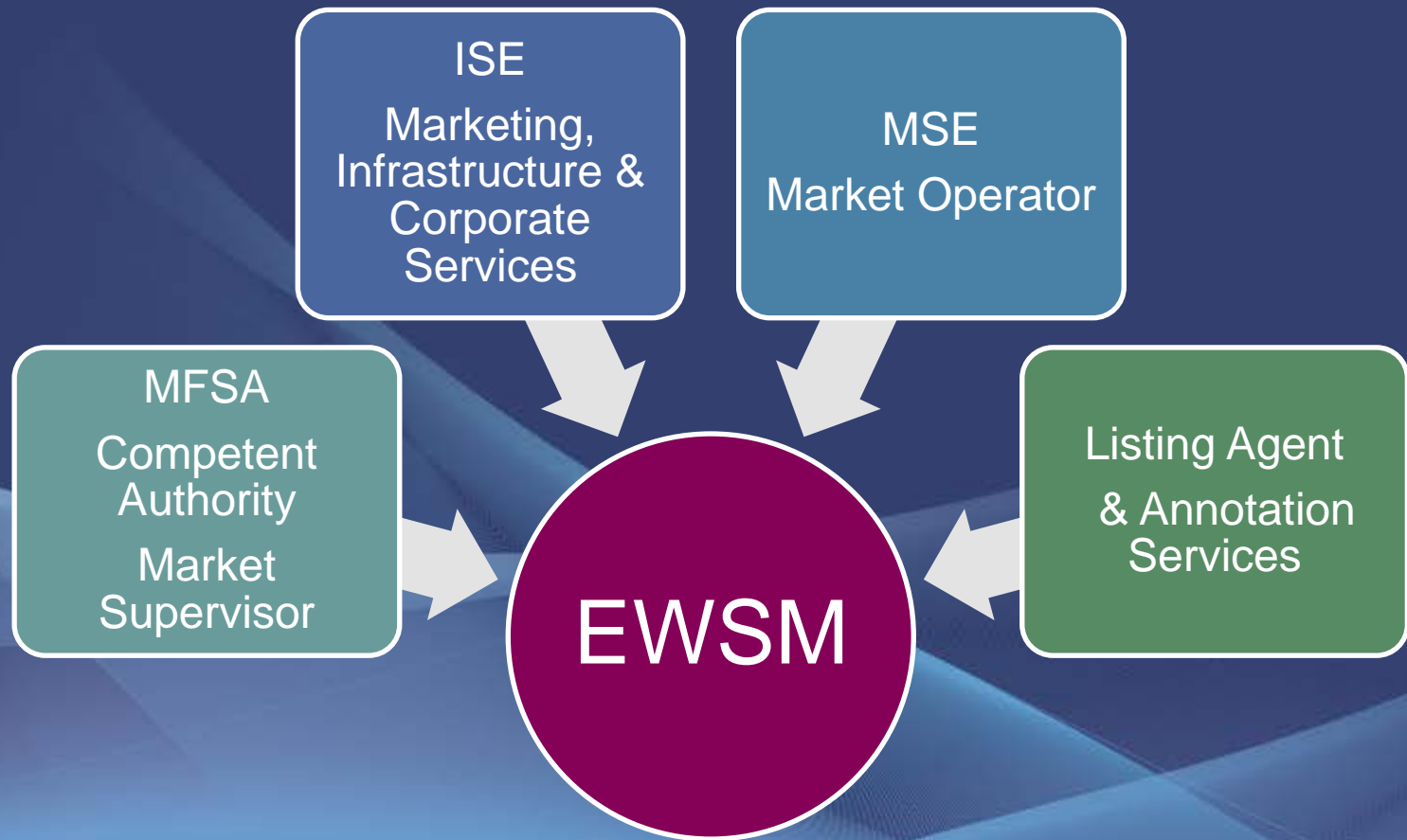
Majority Shareholder – Irish Stock Exchange (ISE)

Minority shareholder – Malta Stock Exchange (MSE)

Proposition

- **Malta as an emerging financial services location has proved to be successful in the various financial services sectors with responsive communication from the Regulator**
- **The EWSM is a new proposition as part of the expansion of the sector – the EWSM is uniquely Mediterranean, all similar Markets are to the North**
- **Wholesale debt issuers looking for competitive, guaranteed turnaround times (from both Listing Agent and Regulator),**
- **The EWSM offers potential for development of niche specialities**

EWSM Overview



Niche Markets

- Insurance Securitisation – Regulations for Reinsurance SPVs are in force. Regulations for Reinsurance SPVs to be set up as Protected Cell Companies PCCs are in preparation.
- Debt linked to life settlement policies – policies have already been developed by MFSA in this area.
- Environmentally driven finance – debt linked to infrastructure for wind and solar energy. Waste to energy finance etc.
- Intellectual Property based structures
- Finance for Transportation Projects – Aircraft Finance [Malta has developed legislation for Aircraft Registration, Maintenance etc] Shipping Finance [Malta has the third largest shipping register with around 7,000 registered shipping companies].
- Project bonds – reflecting the move from loan financing of projects to financing of projects through the capital markets.
- Traditional forms of finance



MALTA

Redomiciliation

Legislation

Applicable legislation was published under the Companies Act, Continuation of Companies Regulations, 2002 (Legal Notice 344), regulating both inward and outward continuation of companies.

Companies including trading, insurance and securities firms have been using Malta's re-domiciliation legislation since it came into force in 2002 largely because under the process is seamless and allows the companies to retain the same legal personality.

A licence application should be submitted to MFSA as earlier as possible so that the licensing process and the migration process can take place simultaneously.

Continuation of Insurance Companies

The Migration Process:

- The process for Insurance Companies is similar to that for regular companies, except it must be dove-tailed with the insurance licence application.
- The Company Registry in the exiting jurisdiction must 'consent to' or 'approve' the migration before an application may be filed at the Malta Registry of Companies. This will usually require:
 - Shareholders' resolutions to migrate;
 - Notification of creditors / or creditor approval;
 - Submission of formal application to foreign Company Registry & Regulator.
- A licence application should be submitted to MFSA as earlier as possible to allow at least 3 months * for the regulator to consider the application.

**only for captives and reinsurance business and 6 months for other applications.*

Soundness of the Proposition

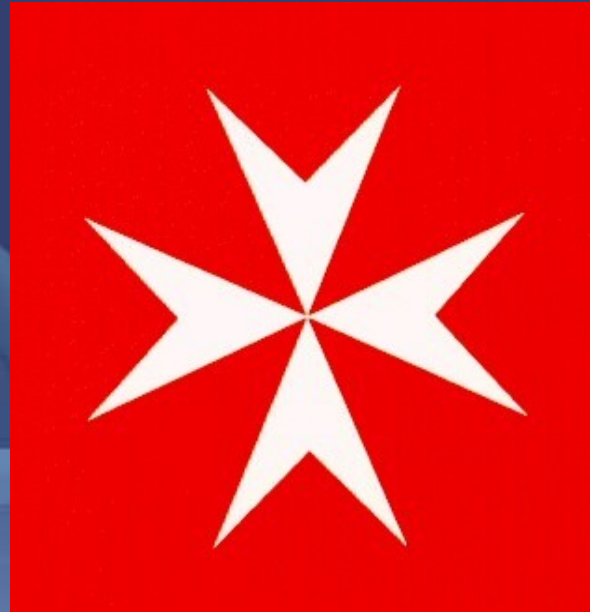
- **The World Economic Forum Competitiveness Report [2013-2014] places Malta:**
 - 1. 34th for Financial Market Development [Luxembourg 14th; Ireland 108th]**
 - 2. 17th for the Regulation of Stock Exchanges [Luxembourg 3rd ; Ireland 56th]**
 - 3. 14th for the Soundness of the Banks [Luxembourg 21th; Ireland 85th]**
out of a total of 148 countries.

CRITICAL SUCCESS FACTORS

*Innovation through Regulation
Competitive High Quality Skills*

*Steadfast Regulation
Agility in the Market*

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MALTA - the culture of getting things done

