

MALTA

SUPERVISORY AUTHORITY

Malta Financial Services Authority (MFSA)

LEGISLATION

Insurance Business Act 1998, as amended plus various subsidiary legislation, rules, directives and guidance notes.

CURRENCY

€ Euro

APPLICATION

Applicants are required to submit a comprehensive "Scheme of Operations" including sections on scope and background of the project, financial projections and resources, business, underwriting, investment & risk management strategies and details of reinsurance and retrocession structures. The "Scheme of Operations" must also include particulars of outsourcing, other agreements, personnel and internal controls.

REPORTING REQUIREMENTS

Regulator requires submission of quarterly management accounts plus solvency calculation in prescribed format, annual audited accounts and audited solvency calculation.

CAPITAL AND SOLVENCY

A captive writing direct business is required to have a minimum paid up share capital of at least €2.3m (€5.5m if long tail classes are written). The minimum requirement for a pure captive reinsurer is €1.1m whilst the minimum solvency for a non-captive reinsurer is €3.2m. Subject to those minimums actual solvency requirements are currently based on a company's premium and claim levels and underwriting profile using calculations imposed in accordance with EU directives for insurance and reinsurance companies. Malta will implement Solvency II which is expected to come into effect in 2012.

FEES AND ANNUAL COSTS

Application (submission and authorisation) stage

Regulatory:

Single parent captive: €4,300
Protected cell company (PCC) €5,000
PCC cell: €2,000
Non-captive: €1,500 - €7,200

Company Secretarial:

Company incorporation fee: up to €2,250
Stamp duty: NIL

Other:

Legal costs (indicative): €10,000
Management fee (indicative): €15,000 to €40,000

Annual

Regulatory:

Single parent captive: €5,000
PCC core (no business written from core): €2,500
PCC cell (captive risks): €2,500
PCC core (business written from core), PCC cell (non-captive risks) and non-captive insurers and reinsurers: scale* based on premium
**€37,500 maximum reached at €150m premium*

Company secretarial:

Annual return fee: up to €1,400

Audit (indicative): €10,000 to €20,000

Directors fees (indicative): €5,000 to €10,000 per director

Management fee (indicative):

Pure captive direct writing: €80,000 to €120,000
Pure captive reinsurance: €40,000 to €60,000
Non-captive: €80,000 to €120,000
PCC: €80,000 to €120,000

TAXATION

Malta has a top line corporation tax rate of 35% but rebates available to shareholders can reduce this to 5%. Malta has 46 Double Taxation Treaties of which 5 are signed but not yet in force. A further 7 await signature and a further 2 are under negotiation.

The logo for Willis, featuring the word "Willis" in a white, serif font on a dark blue background.

MARKET ACCESS

Full member of the European Union. Full access to write direct and reinsurance on an admitted basis throughout the EU and EEA. Malta offers protected cell and re-domiciliation legislation and is the only full EU captive domicile to do so. Malta also allows limited mixing of life and general business in the same direct writing vehicle.

TIME ZONE

Malta is in the Central European time zone and is therefore one hour ahead of the UK and six hours ahead of the U.S. East Coast time.

WILLIS MANAGEMENT (MALTA) LIMITED

Willis is one of the leading firms of international insurance brokers specialising in the field of captive insurance companies and their management.

Captive development and feasibility studies are carried out by our teams of consultants. Our captive management service platform enables clients to entrust the management of their insurance company to our local operation, where our personnel will provide all the underwriting, accounting, compliance and company secretarial expertise they require.

Willis Management (Malta) Limited integrates Willis' global expertise with an exceptional local delivery platform and service team.

Our services include:

- Aligning captive activity to parent's strategic aims.
- Coordinating brokers, insurers, reinsurers, auditors and bankers.
- Providing clear information and advice for executive decision making.
- All aspects of routine captive management and administration including:
 - Insurance Management
 - Accountancy
 - Company Secretarial
 - Corporate Governance and Compliance
 - Banking and Investment

MAIN CONTACTS



Anne Finn, FCII, ARM
Tel: + 356 2132 2076
Mobile: +356 9951 5062
Email: finna@willis.com

Anne is Executive Director of Willis Management (Malta) Limited. During her 25 years in the insurance industry working with large corporate risks and commercial lines business, Anne has gained extensive underwriting, compliance and accounting expertise. She has spent the last 15 years working with some of the largest EU-based captives and, more recently, protected cell companies. Anne is a Fellow of the Chartered Insurance Institute, a qualified accounting technician and an Associate of Risk Management.



Nigel Goodlad, FCII
Tel: +44 20 3124 6441
Mobile: +44 7715 759451
Email: goodladn@willis.com

Nigel is Director of New Business of Willis International Captive Practice. He has nearly 20 years of experience of captives in both a management and consulting capacity. His captive experience has been gained in a variety of EU and independent captive centres. Nigel's current role is focused upon the delivery of consulting services to a variety of clients across a range of sectors and locations including advising existing captive owners in relation to their risk financing and captive strategies. Nigel is a Fellow of the Chartered Insurance Institute.