

INSURANCE BULLETIN

Who Should Read this Bulletin?

- Insurance Managers
- Insurance / Reinsurance Companies
- Insurance Intermediaries
- Insurance Professionals

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New legislation dealing with incorporated cell companies

On the 28th of December 2010, the the Minister of Finance, the Economy and Investment, acting on the advice of the Malta Financial Services Authority, issued 2 new legal notices relating to incorporated cell companies:

1. L.N. 558 of 2010 entitled the Companies Act (Incorporated Cell Companies Carrying on Business of Insurance) Regulations, 2010; and
2. L.N. 559 of 2010 entitled the Companies Act (SICAV Incorporated Cell Companies) Regulations, 2010

The regulations will come into force on date to be notified the Government Gazette

The regulations provide for Insurance Companies and SICAVS (Investment Companies with Variable Share Capital) in Malta to be structured as incorporated cell companies (ICCs).

Unlike a cell in a protected cell company, an incorporated cell is for all intents and purposes a limited liability company with separate legal personality. Cells in an ICC are termed 'Cell Companies'.

The assets and liabilities of the incorporated cell company are kept separate and are separately identifiable from the assets and liabilities of its incorporated cells. The assets and liabilities of each incorporated cell are separate identifiable from those of the other incorporated cells of the incorporated cell company.

Please contact our Insurance Department should you have any queries or comments. mbianchi@jmganado.com or tel: +356 2123 5406/7/8

IMPORTANT NOTICE

THIS INSURANCE BULLETIN IS NOT INTENDED TO IMPART ADVICE; READERS ARE ADVISED TO SEEK CONFIRMATION OF STATEMENTS MADE HEREIN BEFORE ACTING UPON THEM. SPECIALIST ADVICE SHOULD ALWAYS BE SOUGHT ON SPECIFIC ISSUES.

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