

Your Guide to
Financial Services in Malta:
Insurance and Reinsurance

WHY MALTA FOR INSURANCE



FinanceMalta

Effective | Secure | Skilled



ACUMUM
LEGAL & ADVISORY

**PROUD MEMBER OF
FINANCEMALTA**

Why Malta?

- We are a leading European captive insurance hub with a deep insurance talent pool.
- Benefit from our unique protected cell company legislation.
- Cover risks in the European Union without additional fronting insurers.
- Be part of a strong cluster and work in proximity to leading insurers, captives, reinsurance giants and global insurance managers.
- We have a flexible range of options on offer for those seeking to base their reinsurance, CAT Bond and ILS vehicles in an EU domicile.
- Test and develop powerful InsurTech solutions.
- Find cost-effective ways to cover novel and emerging risks.
- Connect with top-tier service providers with many years of practical experience.

Our Finance Centre in Numbers

2,070+
Authorised entities in 2020

12,200+
Employees in 2020

5.5%
Real GVA growth rate in 2020

24
Credit Institutions

50
Financial Institutions

72
Insurance Companies

54
Retirement Schemes

20
Fund Administrators

518
Investment Funds

78
Notified Alternative Investment Funds

4
Recognised Incorporated Cell Companies

39
Securitisation Vehicles

Source: MFSA. All data as of June 2021 unless indicated otherwise.

Official Name
Republic of Malta

Area
316 km²

Official Languages
English, Maltese

Population
516,100 (2020)

Status
EU Member State

Currency
Euro

Quick Overview: Malta's Financial Services Centre

We counter scale with agility, and an ever-evolving appetite for product-innovation. As we embark on the exciting journey of shaping the next generation of financial services, find out what else defines Malta's financial services ecosystem.

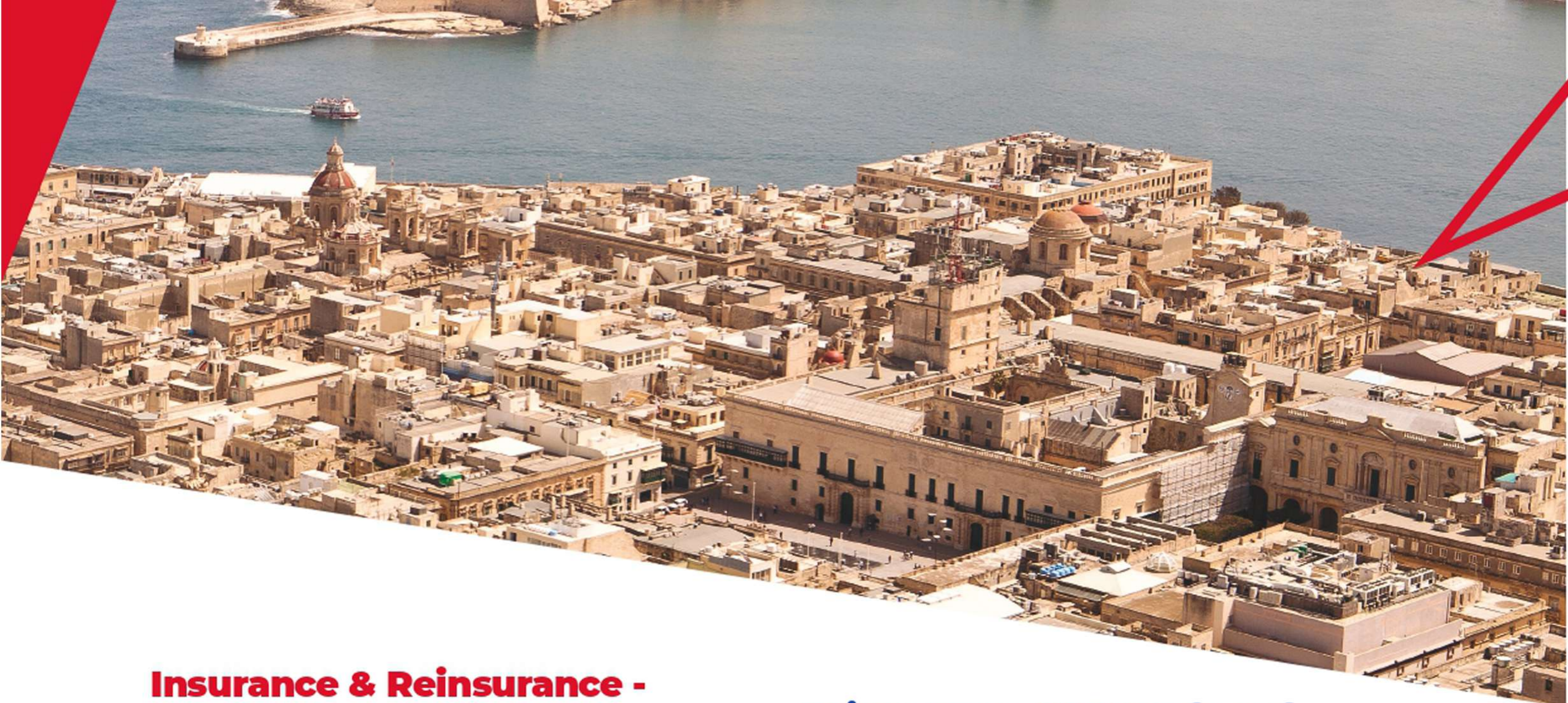
Malta may be one of the world's smallest countries, but it is also a vibrant financial hub where fintech start-ups, banks, fund managers, insurance undertakings, payment providers, pension administrators and family offices work in walking distance from each other. We made the conscious decision to support a variety of financial activities and specialist segments, including a rich mix of international, regional and local institutions.

Asset management, insurance and pensions, banking, private wealth and fintech are the dominant forces of our finance industry. Moreover, **aviation, yachting, maritime services, space finance** and **sustainable finance** are also playing important roles. This diversity helps us to thrive and promotes cross-sector partnerships and cooperation among companies operating from Malta.

Key Strengths

Located at the centre of the Mediterranean, between Europe and North Africa, Malta is an EU member state and deeply integrated in the world of finance. The country has signed up to all the global standards that have become the norm of international finance today. From Malta, financial services companies can access the EU's massive single market of over 500 million people. In addition, Malta offers an OECD and EU-approved fiscal framework and has a network of some 70 double-taxation treaties, covering most of the world's high-growth markets, facilitating trade and international business.

Moderate operating costs coupled with a well-trained population and a desire to support innovate ideas make us the ideal location for small and medium-sized organisations, regional headquarters, back-office functions and fast-growing fintech firms. As a finance centre, Malta has also become internationally recognised as a thought leader. We championed the introduction of cell company structures, which are today an important element in the captive insurance sector. We still have an active appetite for innovation, which will continue to power our growing financial services sector.



Insurance & Reinsurance - Our Sector at a Glance

Our insurance sector has gained global attention. Most major names in the industry have operations on the island. Explore our unique selling points to find out whether Malta could be the right choice for you too.

Destination of Choice

We are home to a number of insurance companies, including professional reinsurers, captive insurers, protected cell companies and insurance managers. Except for a few domestic insurers, most of these companies sell insurance to clients outside of Malta, mainly in other EU countries. Global corporations such as BMW, Peugeot, Citroën, Nissan, Liberty Global, Volkswagen, Vodafone and RWE have set up insurance companies or captives in Malta, while reinsurance providers as well as international insurance managers have established operations on the island. Our insurance sector boasts a workforce of more than 1,200 people, and the sector is backed by a large number of legal firms, as well as accounting and auditing practitioners.

Cell Company Legislation

Malta is the only full EU member state with protected cell company (PPC) legislation, which was introduced way back in 2004. With almost two decades of experience in cell company structures, we know this segment inside out. We have also further developed the cell company concept and brought different cell company structures to market, including the Incorporated Cell Company. Both structures allow firms to write risks through cells within a core company and provide businesses with a cost-effective alternative to setting up a stand-alone insurance company. The cell model is also applicable to insurance managers and brokers, and is seen as the ideal structure for start-ups, which otherwise might struggle to comply with today's strict Capital and Solvency requirements. The cell structure also offers economies of scale and significant cost burden sharing whilst it grants cells access to a common pool of knowledge and expertise within the common management system at the core of the cell company.

Reinsurance, CAT Bonds and the ILS Market

Innovative regulatory developments continued to invigorate our insurance and reinsurance sector. Malta recognised the growing importance of insurance-linked securities (ILS) and catastrophe bonds, as well as the convergence of reinsurance and capital markets. We enacted legislation allowing for the formation of reinsurance special purpose vehicles (RSPVs) and securitisation cell companies (SCCs). An SCC is a single legal entity that can establish one or more segregated cells for the purpose of entering into securitisation transactions, including insurance-linked securities transactions such as catastrophe bond issuances, longevity risk transfer transactions, collateralised reinsurance transactions and cell sidecars. The main benefit of SCCs lies in their application as programme or platform structures, for instance if repeat transactions are envisaged, offering lower costs and quicker set-up time for each transaction.

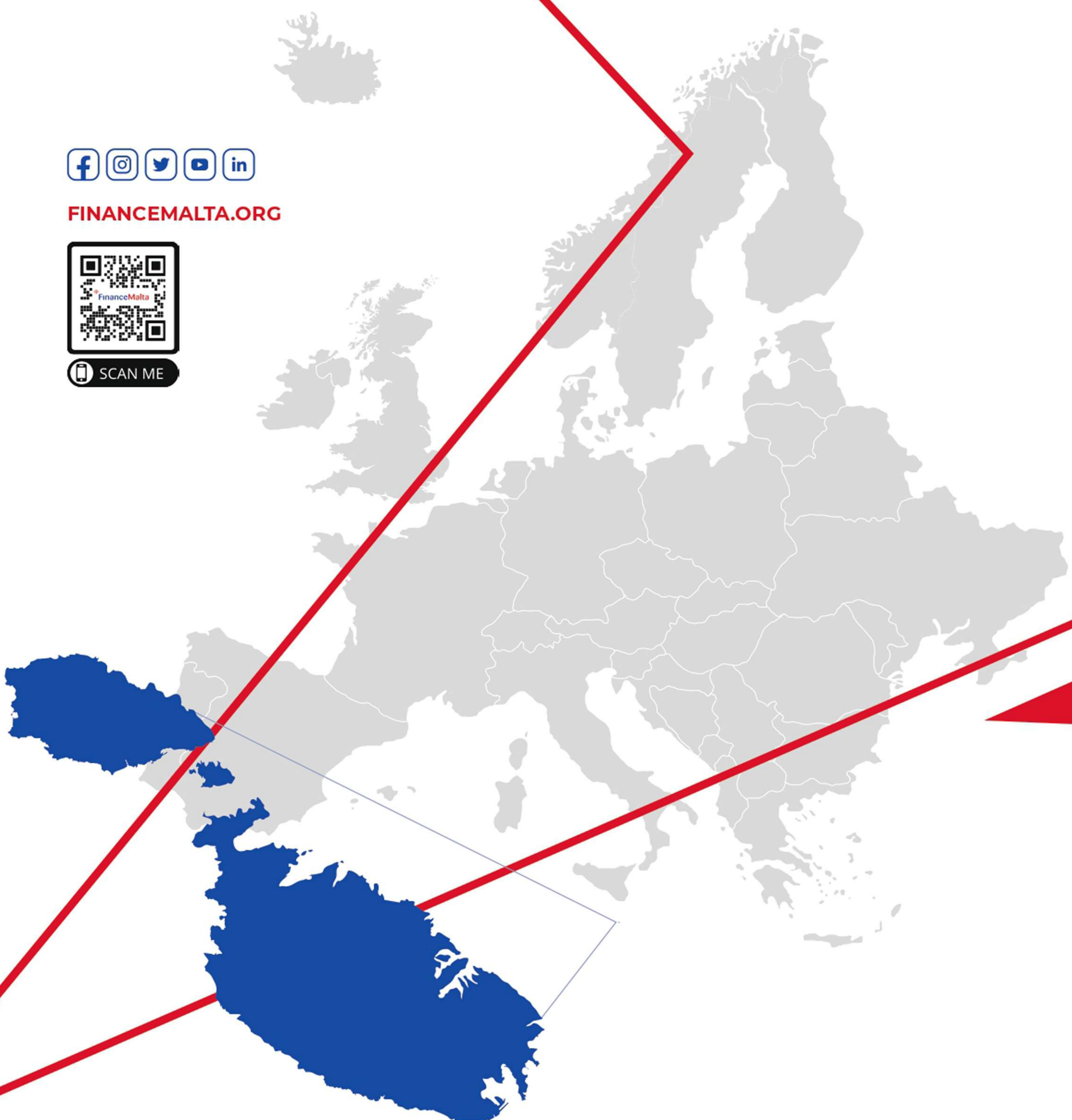
Digitally Strong EU Base

EU passporting rights and moderate operating costs add to our appeal for insurance companies. We also host a good number of licensed insurance management companies, ranging from well-known international names to more boutique establishments offering operational and managerial support to third-parties. In addition, we are developing a vibrant InsurTech cluster, whereby our unique and tested cell company legislation proves attractive to insurers and tech companies seeking to develop and implement blockchain solutions, smart contracts, artificial intelligence and machine learning.





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GET IN TOUCH

There are many things to consider when starting or moving your business to Malta, and we are sure you have got questions. We are here to help you. Contact us for a more personalised introduction to opportunities in Malta's Financial Services Centre.

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