

SECOND SUPPLEMENT TO THE GIBRALTAR GAZETTE

No. 5064 GIBRALTAR Thursday 29th June 2023

LEGAL NOTICE NO. 163 OF 2023

FINANCIAL SERVICES ACT 2019

FINANCIAL SERVICES (INSURANCE COMPANIES) (AMENDMENT) REGULATIONS 2023

In exercise of the powers conferred on the Minister by sections 620, 626 and 627 of the Financial Services Act 2019, the Minister has made these Regulations-

Title.

1. These Regulations may be cited as the Financial Services (Insurance Companies) (Amendment) Regulations 2023.

Commencement.

2. These Regulations come into operation on the day of publication.

Amendment of the Financial Services (Insurance Companies) Regulations 2020.

3.(1) The Financial Services (Insurance Companies) Regulations 2020 are amended as follows.

(2) In regulation 5(1)-

- (a) in paragraph (a), for “€5 million” substitute “€5,400,000”;
- (b) in paragraph (b), for “€25 million” substitute “€26,600,000”;
- (c) in paragraph (c), for “€25 million” substitute “€26,600,000”;
- (d) in paragraph (e)-
 - (i) for “€500,000” substitute “€600,000”;
 - (ii) for “€2.5 million” substitute “€2,700,000”.

(3) In regulation 14(8), for “which” substitute “with”.

(4) In regulation 116(1)(d)-

- (a) in sub paragraph (i)–
 - (i) for “€2,500,000” substitute “€2,700,000”;
 - (ii) for “€3,700,000” substitute “€4,000,000”;
 - (b) in sub-paragraph (ii), for “€3,700,000” substitute “€4,000,000”;
 - (c) in subparagraph (iii)–
 - (i) for “€3,600,000” substitute “€3,900,000”;
 - (ii) for “€1,200,000” substitute “€1,300,000”.
- (5) In regulation 191(1)–
- (a) before the definition of “college of supervisors”, insert–

““ancillary insurance services undertaking” means, in relation to any undertaking in a group, an undertaking which meets the following conditions–

 - (a) its principal activity consists of–
 - (i) owning or managing property;
 - (ii) managing data-processing services;
 - (iii) providing health and care services; or
 - (iv) any other similar activity;
 - (b) that activity is ancillary to the principal activity of one or more insurance undertakings; and
 - (c) those insurance undertakings are also members of that group;”;
 - (b) for the definition of “insurance holding company”, substitute–

““insurance holding company” means a parent undertaking which is not an insurance or reinsurance undertaking or a mixed financial holding company, the main business of which is to acquire and hold participations in subsidiary undertakings and which meets the following conditions–

 - (a) its subsidiary undertakings are either exclusively or mainly–
 - (i) insurance or reinsurance undertakings, third country insurance or reinsurance undertakings or ancillary insurance services undertakings; or

- (ii) the parent undertaking of mainly insurance or reinsurance undertakings, third country insurance or reinsurance undertakings or ancillary insurance services undertakings;
- (b) more than 50% of two or more of–
 - (i) the parent undertaking’s consolidated assets;
 - (ii) the parent undertaking’s consolidated revenues; or
 - (iii) the group SCR (as if calculated at the level of the parent undertaking),are derived from subsidiaries that are insurance or reinsurance undertakings, third country insurance or reinsurance undertakings or ancillary insurance services undertakings; and
- (c) at least one of those subsidiary undertakings is an insurance or reinsurance undertaking;”.

Transitional Provision.

4. For the purpose of calculating the Minimum Capital Requirement in accordance with regulation 116 of the Financial Services (Insurance Companies) Regulations 2020, an insurance or reinsurance undertaking is required to apply the relevant absolute floor in sub-regulation (1)(d) of that regulation, as amended by regulation 3 of these Regulations, only in any calculation performed on or after 30th June 2023.

Dated: 29th June 2023.

A J ISOLA,
Minister with responsibility for financial services.

EXPLANATORY MEMORANDUM

These regulations, which amend the Financial Services (Insurance Companies) Regulations 2020, increase the financial conditions for exclusion and the absolute floor of the minimum capital requirement for insurance and reinsurance undertakings. The amendments are being made to maintain alignment with European Union law (and the law of the United Kingdom). The Regulations also amend the definition of “insurance holding company” which applies for the purposes of group supervision, add a further defined term (“ancillary insurance services undertaking”) which is used within the definition of insurance holding company and make a minor correction to regulation 14(8).