



Istituto per la Vigilanza sulle Assicurazioni Private e di Interesse Collettivo

*(only the Italian version is authentic)*

## **REGULATION N. 10 OF 2 JANUARY 2008**

**REGULATION LAYING DOWN PROVISIONS ON THE TAKING UP OF THE BUSINESS OF INSURANCE AND THE REGISTER OF INSURANCE UNDERTAKINGS REFERRED TO UNDER TITLE II OF LEGISLATIVE DECREE N. 209 OF 7 SEPTEMBER 2005 – CODE OF PRIVATE INSURANCE.**

**AMENDED AND SUPPLEMENTED BY ISVAP REGULATION N. 33 OF 10 MARCH 2010. THE AMENDMENTS ARE IN *ITALICS*.**

### **ISVAP**

Istituto per la vigilanza sulle assicurazioni private e di interesse collettivo (Supervisory Authority for Private Insurance Undertakings and Insurance Undertakings of Public Interest)

HAVING REGARD to law n. 576 of 12 August 1982 as subsequently amended and supplemented, on the reform of insurance supervision;

HAVING REGARD to legislative decree n. 209 of 7 September 2005 as subsequently amended and supplemented, introducing the Code of Private Insurance;

Having regard to presidential decree n. 445 of 28 December 2000, introducing a consolidated text of laws and regulations on administrative documentation;

adopts the following:

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## TITLE I

### General Provisions

#### Art. 1

(Legislative sources)

1. This Regulation has been adopted in compliance with articles 14 (1 c) and 5), 15 (4), 28 (5 and 6) and 349 (1) of legislative decree n. 209 of 7 September 2005.

#### Art. 2

(Definitions)

1. For the purposes of this Regulation:
  - a) "register of undertakings": the register of undertakings authorized by ISVAP to the pursuit of insurance and reinsurance business in the territory of the Italian Republic;
  - b) "top management": the managing director, the director general, as well as the management which carries out management supervision duties;
  - c) "business under the freedom to provide services": means the business pursued by an insurance undertaking from an establishment situated in the territory of a Member State, by accepting commitments with policyholders having their domicile or – if legal persons – their head office in another Member State, or by accepting risks from an establishment situated in the territory of a Member State other than that where the risks are situated;
  - d) "business under the right of establishment": means the business pursued by an insurance undertaking from an establishment situated in the territory of a Member State, by accepting commitments with policyholders having their domicile or – if legal persons – their head office in another Member State, or by accepting risks from an establishment situated in the territory of the same Member State where the risks are situated;
  - e) "decree": means legislative decree n. 209 of 7 September 2005, introducing the Code of Private Insurance;
  - f) "insurance undertaking": means the undertaking authorised according to the provisions laid down in Community directives on direct insurance;
  - g) "reinsurance undertaking": means an undertaking exclusively authorised to the pursuit of reinsurance, other than an insurance undertaking or a non-EU insurance undertaking, the main business of which consists in accepting risks ceded by an insurance undertaking, an insurance undertaking with head office in a third State or other reinsurance undertakings;
  - h) "ISVAP" or "Authority": means Istituto per la vigilanza sulle assicurazioni private e di interesse collettivo (Supervisory Authority for Private Insurance Undertakings and Insurance Undertakings of Public Interest);
  - i) "administrative body": means the board of directors or, for undertakings which have adopted the system referred to in article 2409 octies of the civil code, the management board or, for undertakings with head office in third States, the corresponding body of the company;
  - j) "particular mutual insurance undertakings": means the mutual insurance undertakings referred to in article 52 of the decree set up under article 2546 of the civil code;
  - k) "qualifying holdings": means the holdings amounting to a controlling interest in an insurance undertaking and the shareholdings identified by ISVAP regulation, in accordance with the principles laid down in the regulation adopted by the Minister of Economic Development;

- l) "guarantee fund": means the part of the solvency margin as established in accordance with article 46 legislative decree n. 209 of 7 September 2005;
- m) "claims representative": means the representative appointed by the undertakings pursuing insurance business in another Member State under the freedom to provide services, resident or established in its territory and possessing the powers described in article 12 bis (4) of directive 88/357/EEC;
- n) "branch": means a branch, not having a legal personality, that is part of an insurance undertaking and that directly exercises all or part of the insurance business;
- o) "home State": means the State in which the head office of the undertaking accepting the commitment or risk is situated;
- p) "Member State": a Member State of the European Union or a State belonging to the European Economic Area and, as such, treated on a par with the member State of the European Union;
- q) "Member State of provision of services": means the Member State of the commitment or the Member State in which the risk is situated, when such commitment or risk is accepted by an establishment situated in another Member State;
- r) "Member State of establishment": means the Member State where the establishment from which the undertakings pursues business is situated;
- s) "third State": a State which is not a member of the European Union or does not belong to the European Economic Area;
- t) "close links": a relationship in which two or more natural or legal persons are linked by:
  - 1) control as per article 72 of legislative decree n. 209 of 7 September 2005;
  - 2) a participation, regardless of whether it is held directly or through subsidiaries, trust companies or third parties, representing at least 10% of the capital or the voting rights, or a participation that, although not exceeding the above limit, makes it possible to exercise a significant influence over the company (even if it is not a dominant influence);
  - 3) a link where the same persons are under the control of the same subject, or are anyhow managed on a unified basis pursuant to a contract or provisions of their memoranda or articles of association, or when the administrative bodies are mainly made up of the same persons, or when there are important and durable reinsurance links;
  - 4) a technical, organisational, legal and family relation such as to have a relevant influence on the running of the company;
- u) "National insurers' bureau": means the professional organisation which is constituted in accordance with Recommendation No 5 adopted on 25 January 1949 by the Road Transport Sub-committee of the Inland Transport Committee of the United Nations Economic Commission for Europe and which groups together insurance undertakings which, in a State, are authorised to conduct the business of motor vehicle insurance against civil liability.

2. The numbering of life and non life classes referred to in this Regulation is the same as that of the classification referred to under article 2 (1 and 3) of the decree.

### Art. 3 (Scope)

1. This Regulation shall lay down rules on:

- a) the procedures for authorisation to the pursuit of insurance and reinsurance business by undertakings with head office in the territory of the Italian Republic and by

- undertakings with head office in a third State intending to carry on business in the territory of the Italian Republic under the right of establishment;
- b) the licensing of undertakings with head office in the territory of the Italian Republic to the pursuit of insurance business under the right of establishment or the freedom of services in the territory of other Member States or third States;
  - c) the setting up and functioning of the register of undertakings.

## **TITLE II**

### **Taking up of insurance business by undertakings with head office in the territory of the Italian Republic**

#### **Chapter I**

#### **Procedure for authorisation to the pursuit of insurance and reinsurance business**

#### **Section I**

#### **Application for authorisation**

##### **Art. 4**

(Submission of the application for authorisation)

1. An undertaking proposing to pursue insurance and reinsurance business in the territory of the Italian Republic shall submit ISVAP an application for authorisation.
2. The following documents shall be enclosed to the application:
  - a) a certified copy of the memorandum and articles of association containing the indications about the limit of the objects, in compliance with the provisions referred to under article 11 of the decree. The articles of association of the undertaking proposing to simultaneously pursue life assurance and the non-life insurance classes 1 and 2 shall show the part of the corporate capital or of the guarantee fund, as well as of the capital provisions respectively intended for life and non-life business, in compliance with the implementing provisions of article 348 (2) of the decree;
  - b) the documents attesting that the corporate capital or the guarantee fund have been paid in compliance with the provisions of the scheme of operations referred to under article 7 and anyhow, for an amount not lower than that envisaged by article 5;
  - c) the documents attesting the financial resources available for covering the costs of installation, in compliance with article 6;
  - d) a list of members of the corporate bodies, showing the system and contents of the delegations of the administrative body and top management;
  - e) the documents needed to check the good repute, professional and independence requirements of the persons charged with administration, management and control functions, in compliance with article 76 of the decree and the relevant implementing provisions;
  - f) a report on the organisational structure, including the company's chart and a description of the functions attributed to each unit and the relevant managers;
  - g) a scheme of operations containing the information indicated in article 7 and any other element useful to illustrate in detail the undertaking's operational features;
  - h) the technical report referred to under article 8;

- i) a list of the subjects who directly or indirectly participate in the undertaking's capital, with the indication of the respective units in absolute value and as a percentage; for indirect participations the subject through which the participation is held shall be specified in compliance with article 73 of the decree;
  - j) the documents referred to under article 9, relating to those providing the capital;
  - k) the documents required to verify the absence of situations of close links, according to the provisions of article 10.
3. An undertaking proposing to also pursue reinsurance business may apply for authorisation exclusively for the classes for which it is seeking authorisation to pursue insurance business.
  4. The persons charged with administration, management and control functions at insurance or reinsurance undertakings shall not be required to prove that they meet the good repute requirements referred to under (e).
  5. As to the documents referred to under paragraph 1 (e), until the entry into force of the provisions implementing article 76 of the decree the provisions of article 45 (1) shall apply.

#### Art. 5

##### (Requirements for capital or guarantee fund)

1. For the purposes of obtaining the authorisation the initial minimum amount of the corporate capital or of the guarantee fund shall be not less than:
  - a) 5 million euro, for the pursuit of one of the life assurance classes I, II, III, IV, V and VI;
  - b) 5 million euro for the pursuit of the non-life insurance classes 10, 11, 12, 13, 14 and 15;
  - c) 2.5 million euro for the pursuit of the non-life insurance classes 1, 2, 3, 4, 5, 6, 7, 8, 16 and 18;
  - d) 1.5 million euro for the pursuit of the non-life insurance classes 9 and 17;
  - e) 7.5 million euro for the simultaneous pursuit of life assurance and of the non-life insurance classes 1 and 2. Of that amount, 5 million euro are to be set aside for life business and 2.5 million euro for the non-life insurance classes 1 and 2.
2. Should the authorisation concern several insurance classes, for the determination of the minimum amount of the initial capital or of the guarantee fund account shall only be taken of the insurance class for which, in compliance with paragraph 1, the highest amount is required.

#### Art. 6

##### (Fund covering the costs of installation)

1. In addition to the corporate capital or guarantee fund referred to under article 5, the undertaking shall have adequate financial resources to cover the expenses of installing the administrative and technical, central and peripheral services, and for the organisation of agents and canvassers, as described in the scheme of operations.
2. The resources referred to under paragraph 1 shall be included among a fund specifically set up for the purposes indicated under the same paragraph, which cannot be taken into account for the available solvency margin.

3. The fund shall remain untouched during the period elapsing between the submission of the application and the granting of the authorisation. Members shall make further payments proportioned to any expenses borne by the undertaking in that period, if not covered by the income deriving from assets.
4. Once the three years from the granting of the authorisation have elapsed the fund's available cash shall be charged to the corporate capital according to the necessary procedures.

Art. 7  
(Scheme of operations)

1. The scheme of operations, approved by the administrative body, shall illustrate with reference to the first three years:
  - a) for each insurance class for which authorisation is sought, the obligations and risks that the undertaking intends to take up;
  - b) the asset items constituting the corporate capital or the guarantee fund;
  - c) the forecasts pertaining to the expenses of installing the administrative and technical, central and peripheral services, and for the organisation of agents and canvassers;
  - d) the criteria which the undertaking intends to follow for reinsuring the risks underwritten and the reinsurance plan, to which the draft reinsurance treaties and the reinsurers' letters of commitment to underwrite them shall be enclosed;
  - e) the sales network structure and the operating arrangements for distribution, in compliance with ISVAP Regulation n. 5 of 16 October 2006;
  - f) the procedures relating to the acquisition and evaluation of the risks to be underwritten;
  - g) the procedures for issuing policies and collecting premiums. In case of distribution through banks the organisational and IT aspects shall also be indicated along with the safeguards protecting data safety and confidentiality, excluding the possibility that the banking operator brings about any changes;
  - h) the central and peripheral claims settlement structure;
  - i) the procedures relating to claims settlement and amounts due;
  - j) the internal control mechanisms and risk management processes that the undertaking intends to adopt;
  - k) the arrangement and composition of the internal auditing, risk management and compliance functions;
  - l) the procedures set up in compliance with the anti-money laundering regulations envisaged by law n. 197 of 5 July 1991;
  - m) for each third party to which the undertaking intends to outsource its activities, the indication required by ISVAP Regulation implementing articles 87 and 191 (1) (c) of the decree on the adequacy of the internal control systems and risk management of insurance groups and undertakings.
2. The scheme of operations shall contain, apart from the provisions of paragraph 1, with reference to the first three years:
  - a) a forecast balance sheet;
  - b) the forecasts pertaining to the financial resources intended to cover the technical provisions and solvency margin, taking into account that the financial resources intended to cover the solvency margin must be sufficient to cover at least the guarantee fund;

- c) the premium estimates, consistently with the operational possibilities offered by the market;
- d) the forecasts pertaining to the operating expenses, other than the costs of installation, and, in particular, those pertaining to current general expenses and to the amount of commissions payable to sales networks;
- e) the estimates relating to the amount of the benefits due for life business and the amount of claims payable for non-life business, including claims settlement costs, to be entered in the provisions;
- f) detailed estimates of income and expenditure in respect of each insurance class, taking account of insurance operations, outward reinsurance operations and inward reinsurance operations, in case the undertaking is seeking authorisation also for the pursuit of the latter.

Estimates shall be shown by using the model forward budgets (balance sheet, profit and loss account, statement relating to assets representing technical provisions, statement relating to the solvency margin) and the supervisory forms (technical accounts of the insurance class) envisaged by present regulations.

- 3. The scheme of operations of an undertaking seeking authorisation to pursue the non-life insurance classes 10, 12, 14, 15, 17 and 18 shall be supplemented by the information and documents envisaged by Section II of this Chapter.
- 4. An undertaking seeking authorisation for the pursuit of both life assurance and the non-life insurance classes 1 and 2 simultaneously shall furnish the information envisaged for the scheme of operations and technical report, separated for the two lines of business.
- 5. In case the undertaking is seeking authorisation also to the pursuit of reinsurance business the scheme of operations shall illustrate the nature of the risks which the undertaking proposes to cover, the type of reinsurance agreements which the undertaking proposes to make with the ceding undertakings, the retrocession policy as well as the data mentioned under paragraph 2 referred to reinsurance business.

#### Art. 8 (Technical report)

- 1. The technical report setting out the criteria for drawing up the scheme of operations and for making the estimates of costs, revenues and cash flows.
- 2. The technical report shall be signed by a certified actuary.
- 3. The technical report of the undertakings seeking authorisation to pursue the non-life insurance classes 10 and 12 shall be supplemented by the information envisaged by Section II of this Chapter.

#### Art. 9 (Subjects providing the capital)

- 1. The undertaking shall send ISVAP, along with the application for authorisation referred to under article 4, the documents necessary to assess compliance with the good repute requirements of the subjects who directly or indirectly have controlling interests or qualifying holdings in the undertaking, in compliance with article 77 of the decree and the relevant implementing regulation by the Minister of Economic Development, and that there are sufficient grounds for granting the authorisation to the acquisition of the

controlling interests or qualifying holding, in compliance with article 68 of the decree and the relevant implementing provisions.

2. Until the issuing of the orders referred to under paragraph 1 the provisions of article 45 (2 and 3) shall apply.
3. For the pursuit of supervision over the subjects providing the capital ISVAP may require further data, information and documents from the undertaking and the subjects themselves.

Art. 10  
(Close links)

1. To enable ISVAP to identify situations of close links between the undertaking or other group entities and other natural or legal persons that may hinder the effective exercise of the supervisory functions, the undertaking shall enclose to the application for authorisation the documents referred to under annex B.3 of the Regulation. The undertaking shall not be required to send such documents if the latter have already been sent during the verifications referred to under article 9.
2. As to the verifications to be made for the evaluation of the situations of close links ISVAP may require further data, information and documents from the undertaking and the other subjects concerned by the same verifications.

**Section II**

**Application for authorisation to the pursuit of certain non-life insurance classes**

Art. 11  
(Scheme of operations for the authorisation to the pursuit of the insurance classes 10 and 12)

1. An undertaking seeking authorisation for the pursuit of the insurance classes 10 and 12 shall enclose to the scheme of operations:
  - a) general and special policy conditions;
  - b) the information note, drawn up in compliance with article 185 of the decree and the relevant implementing provisions;
  - c) the list of the claims representatives to be appointed in each Member State;
  - d) documentation demonstrating compliance with article 131 (1) of the decree as regards the setting up of the internet site.
2. An undertaking seeking authorisation for the insurance classes 10 and 12 shall indicate in the technical report referred to under article 8 the provisions pertaining to the claims outstanding and to be entered in the reserves, including the liquidation costs, taking account of the average frequency and cost of claims.

Art. 12  
(Scheme of operations for the authorisation to the pursuit of the insurance classes 14 and 15)

1. An undertaking seeking authorisation to the pursuit of the insurance classes 14 or 15 shall enclose to the scheme of operations:
  - a) a report on the structure and procedures regulating the technical-informative inquiries, aimed to underline the nature and features of the risks to cover, as well as to evaluate the potential policyholder and the debtors' assets/liabilities, financial and economic soundness, so as to determine the credit limits, the contract's technical features and the cost of the guarantee;
  - b) a report illustrating the procedures governing the granting of credit, the issuing of contracts as well as the management of policies, claims and recoveries and the procedures for the keeping of documents;
  - c) supporting evidence of the degree of specialisation of the staff responsible for the management of that insurance class.

#### Art. 13

(Scheme of operations for the authorisation to the pursuit of insurance class 17)

1. An undertaking seeking authorisation to pursue the insurance class 17 shall indicate in the scheme of operations the terms and procedures referred to under article 164 (2) of the decree it intends to adopt for the management of claims and the relevant advice activity.
2. In case the undertaking intends to use the option under article 164 (2) a of the decree it shall illustrate in the scheme of operations the adequate procedures ensuring the independence of the members of the staff dealing with claims handling and the relevant advice activity, avoiding that such staff performs the same activities in other insurance classes pursued by the undertaking or by other undertakings having financial, commercial or administrative links with it.
3. In case the undertaking intends to use the option under article 164 (2) b of the decree it shall enclose to the scheme of operations the outsourcing agreements, or draft agreements, pertaining to the handling of claims of that insurance class and to the relevant advice. Without prejudice to the provisions of the ISVAP Regulation implementing articles 87 and 191 (1) (c) of the decree on the adequacy of the internal control systems and risk management of insurance undertakings and groups, the agreements shall foresee that the supplier undertakes:
  - a) to send the list of staff members dealing with the handling of claims and advice;
  - b) to manage the run-off of outstanding claims, also in case the agreement is discontinued for any reason whatever.

#### Art. 14

(Scheme of operations for the authorisation to the pursuit of insurance class 18)

1. An undertaking seeking authorisation to pursue the insurance class 18 shall illustrate in the scheme of operations its organisational structure and the operating procedures that it intends to adopt for the purposes of compliance with the obligations arising from the pursuit of that insurance class, and enclose supporting evidence thereof. The internal or external structure to which the management of the claims whose benefits are paid in kind is outsourced shall be organised in such a way as to fulfil the requirements referred to under article 30 (3) of the decree and the relevant implementing provisions.
2. When seeking authorisation, an undertaking not having its own equipment and staff for the provision of assistance benefits in kind shall have to show that it has means and operators available in one or more organisational structures, who fulfil the requirements

referred to under paragraph 1, and belonging to a third company not pursuing insurance business or to another insurance company. To this end it shall enclose to the application for authorisation:

- a) in case of a structure of a third company or of another insurance undertaking authorised to pursue business in insurance class 18, a copy of the agreement through which the management of the claims of that insurance class is outsourced to said company or undertaking which is the owner of the structure;
  - b) in case of a structure of another insurance undertaking authorised to pursue insurance business in class 18 and reinsurance business, a draft of the quota share compulsory reinsurance treaty underwritten with that undertaking and a copy of the related appointment of the reinsurer to handle the claims of that insurance class. The reinsurance treaty may envisage that up to 90 per cent of the premiums and claims of that insurance class be ceded.
3. Without prejudice to the provisions of the ISVAP Regulation implementing articles 87 and 191 (1) (c) of the decree on the adequacy of the internal control systems and risk management of insurance undertakings and groups, the agreement referred to under paragraph 2 (a) underwritten with a company not pursuing insurance business shall foresee that the latter undertakes:
- a) to allow ISVAP's control also as regards its network of independent collaborators;
  - b) to inform ISVAP of any new obligation it has taken over to provide services to other subjects.

### **Section III Preliminary enquiry and final order**

#### Art. 15 (Inquiry)

1. For the granting of the authorisation ISVAP shall verify, on the basis of the documents submitted by the undertaking, that the conditions referred to under article 14 of the decree and under this Chapter are fulfilled.
2. ISVAP shall immediately inform – anyhow within the period laid down in ISVAP Regulation n. 2 of 9 May 2006 – the undertaking that the procedure has started.
3. If the application for authorisation is incomplete for lack of one or more documents or piece of information indicated under article 4, or is irregular, ISVAP shall immediately inform the undertaking, anyhow within the period laid down in ISVAP Regulation n. 2 of 9 May 2006, indicating the causes for their incompleteness or irregularity. In those cases the period of the procedure shall begin again from the date on which the application is completed or regularised.
4. For carrying out the inquiry ISVAP may require that the applicant undertaking provides information and clarification supplementing the documents envisaged by this Regulation. In those cases the period for concluding the procedure shall be suspended until the information and documents requested are received. ISVAP shall inform the undertaking of the suspension of the period.
5. For carrying out the inquiry ISVAP may require that national or foreign authorities provide information, documents, valuations or opinions, in particular whenever the authorisation procedure includes checks on the subjects supervised by these authorities. In that case the deadline for concluding the procedure shall be interrupted until the elements requested are sent.

6. In the cases referred to under article 203 of the decree ISVAP shall first consult the competent authorities of the other Member States as regards the granting of the authorisations. In those cases the deadline for concluding the procedure shall be interrupted until the opinion of the Authorities consulted reaches ISVAP.
7. In the cases provided for in paragraphs 5 and 6 ISVAP shall inform the undertaking of the interruption and of the extension of the time limit.
8. After ninety days have elapsed and no supplementary documents have been submitted by the undertaking in compliance with paragraphs 3 and 4, the application for authorisation shall be considered lapsed. ISVAP shall inform the applicant undertaking thereof.
9. For cases not covered by this article the provisions of ISVAP Regulation n. 2 of 9 May 2006 shall apply.

#### Art. 16 (Authorisation)

1. If the enquiry is completed successfully ISVAP shall issue the authorisation within ninety days of the filing of the application, without prejudice to the cases of discontinuance and interruption referred to under article 15, and shall send the authorisation to the applicant undertaking.
2. The undertaking shall send ISVAP a certificate attesting its enrolment in the registrar of companies.
3. Having taken note that the obligation under paragraph 2 has been fulfilled, ISVAP shall register the undertaking in the register referred to under article 35, inform the undertaking thereof and publish the authorisation in its Bulletin and website.
4. The undertaking may start its activity from the moment when it is registered in the register of undertakings.

#### Art. 17 (Refusal of authorisation)

1. In case the conditions referred to under article 14 of the decree and under this Chapter are not fulfilled ISVAP shall, before formally adopting the relevant order, notify the undertaking concerned of the reasons preventing the application from being accepted, and urge it to provide any data or documents necessary to avoid that it is rejected.
2. Within the period indicated by ISVAP, which shall anyhow be not less than ten days of receipt of the notification, the undertaking concerned may submit written observations accompanied by supporting evidence, if any.
3. The notification referred to in paragraph 1 shall suspend the period for concluding the procedure, which shall start running again from the date when the observations are submitted.
4. If the period referred to under paragraph 2 has expired without any observations being submitted, or in case the conditions for rejecting the authorisation are maintained, ISVAP shall issue the order definitively rejecting the application accompanied by the relevant reasons.
5. ISVAP shall inform the applicant undertaking of the rejection of the authorisation.

## **Chapter II Extension of authorisation**

### **Art. 18**

(Application for authorisation to extend insurance business)

1. An undertaking authorised to pursue insurance and reinsurance business in one or more life or non-life insurance classes, wishing to extend its activity to other classes or risks included in the insurance classes for which it had been authorised with limitations, shall submit ISVAP an application for extension of the authorisation. To that end the undertaking shall enclose supporting evidence that:
  - a) the share capital or minimum guarantee fund required for the pursuit of the new insurance classes has been fully paid up;
  - b) it complies with the provisions on technical provisions, solo solvency margin and guarantee fund as well as on the adjusted solvency margin, if the undertaking is subject to the relevant calculation. Should the exercise of the new classes require a higher guarantee fund than that owned, the undertaking shall be required to show proof that it possesses that minimum;
  - c) it possesses the fund covering the costs of installation referred to under article 6, adjusted to the new insurance classes or risks for which extension is sought, if the pursuit of said classes or risks calls for further costs of installation.
2. In addition to the documents referred to under paragraph 1 the undertaking shall send a copy of the articles of association from which it can be inferred that the pursuit of the life or non-life insurance classes for which extension is sought, including reinsurance business, if any, has been included in the objects. Should the extension of business determine that life assurance and the non-life insurance classes 1 and 2 are simultaneously pursued the articles of association shall show the part of the corporate capital or of the guarantee fund, as well as of the capital provisions, respectively intended for life and non-life business, in compliance with the implementing provisions of article 348 (2) of the decree.
3. The application for authorisation shall be accompanied by the scheme of operations referred to under article 7, regarding the business subject to extension, and by the technical report referred to under article 8. In case of extension of business to the insurance classes 10, 12, 14, 15, 17 and 18, the scheme of operations shall be supplemented by the information and documents envisaged by Chapter I, Section II of this Title.

### **Art. 19 (Enquiry)**

1. For the granting of the authorisation to extend business ISVAP shall verify, on the basis of the documents submitted by the undertaking, that the requirements and conditions referred to under article 15 of the decree and under Title II, Chapter II of this Regulation are fulfilled.
2. The provisions of article 15 (2-9) shall apply to the extension procedure.

### **Art. 20 (Extension order)**

1. If the enquiry is completed successfully ISVAP shall issue the extension order within ninety days of the filing of the application, without prejudice to the cases of discontinuance and interruption referred to under article 19 (2).
2. ISVAP shall send the extension order to the applicant undertaking, update the register referred to under article 35, inform the undertaking thereof and publish the authorisation in its Bulletin and website.
3. An undertaking which has been authorised to extend the pursuit of insurance business to new insurance classes or risks may start the new business from the moment when the authorisation to the extension is registered in the register of undertakings.

Art. 21  
(Refusal of extension)

1. In case the conditions referred to under article 15 of the decree and under this Chapter are not fulfilled the provisions of article 17 shall apply.

**Chapter III**

**Licence to pursue insurance business outside the territory of the Italian Republic**

**Section I  
Pursuit of business in the territory of other Member States**

Art. 22  
(Pursuit of business under the right of establishment)

1. An insurance undertaking with head office in the territory of the Italian Republic that proposes to establish a branch in another Member State shall first notify ISVAP in compliance with article 16 of the decree, and indicate the State(s) in which it proposes to pursue business. To this end it shall enclose to the notification:
  - a) a report illustrating:
    - 1) the reasons for that operation;
    - 2) the objectives it proposes to achieve by setting up the branch;
  - b) a scheme of operations containing the following information:
    - 1) the risks and commitments it proposes to cover;
    - 2) the structural organisation of the branch, with the indication of the name and address of its head office, the staff it is going to employ and the setting up and management costs;
    - 3) the three-year forecasts pertaining to the costs and revenues in respect of each insurance class it intends to pursue;
    - 4) the estimate of the solvency margin;
    - 5) the sales network structure it intends to use;
    - 6) the procedures relating to claims settlement and amounts due;
  - c) the documents showing the appointment of a general representative, who must be domiciled at the same address of the branch;
  - d) a copy of the brief given to the general representative in compliance with the provisions of article 16 (3) of the decree;

- e) the documents proving that the general representative or the person actually running the branch (if other than the general representative) meets the good repute and professional qualifications requirements envisaged by article 76 of the decree and the relevant implementing provisions.
2. As to the documents referred to under paragraph 1 (e) until the entry into force of the provisions implementing article 76 of the decree the provisions of article 45 (1) (a) shall apply.
3. An undertaking proposing to pursue the insurance class 10, excluding carriers' liability, shall also enclose to the communication referred to under paragraph 1 a declaration of membership of the national bureau and the national guarantee fund of the State of the branch.
4. An undertaking proposing to pursue the insurance class 17 shall also indicate the arrangements for handling claims chosen among those envisaged by article 3 (2) of directive 87/344/EEC.
5. An undertaking proposing to pursue the insurance class 18 shall furnish details on the staff and equipment it intends to use and on the operating procedures that it intends to adopt for the pursuit of that insurance class.
6. The documents mentioned under paragraph 1, a), b), c) and d), and those mentioned under paragraphs 3, 4 and 5 shall be supplied also in the official language of the Member State in which the undertaking proposes to pursue business or in English.
7. If the undertaking intends to change any of the particulars communicated under paragraph 1, it shall first inform ISVAP for the purposes of article 17 (5) of the decree.

#### Art. 23

(Extension of the licence to the pursuit of business under the right of establishment)

1. An insurance undertaking with head office in the territory of the Italian Republic wishing to extend the activity of its branch in another Member State to classes and risks other than those mentioned in the first licence shall send ISVAP– with regard to the classes and risks for which extension of the licence is sought – a specific communication containing the information and documents referred to under article 22.
2. If the undertaking intends to change any of the particulars communicated under paragraph 1, it shall first inform ISVAP for the purposes of article 17 (5) of the decree.

#### Art. 24

(Pursuit of business under the freedom to provide services)

1. An insurance undertaking with head office in the territory of the Italian Republic that proposes to carry on business under the freedom to provide services in another Member State shall first notify ISVAP in compliance with article 18 of the decree and enclose a scheme of operations containing the following information:
  - a) the Member States in which it intends to carry on business;
  - b) the corporate name and address of the establishments situated in the Member States from which it proposes to pursue business under the freedom to provide services if such business is not pursued directly from the undertaking's head office;
  - c) the nature of the risks and commitments which the undertaking proposes to cover;
  - d) the three-year forecasts pertaining to the costs and revenues in respect of each insurance class it intends to pursue;

- e) the sales network it intends to use.
2. An undertaking proposing to pursue the insurance class 10, excluding carriers' liability, shall indicate in the communication referred to under paragraph 1 the name and address of the claims representative and enclose a declaration of membership of the national bureau and the national guarantee fund of the State of provision of services.
  3. An undertaking proposing to pursue the insurance class 17 shall also indicate the arrangements for handling claims chosen among those envisaged by article 3 (2) of directive 87/344/EEC.
  4. An undertaking proposing to pursue the insurance class 18 shall furnish details on the staff, equipment and operating procedures it intends to use for the pursuit of that class.
  5. The documents referred to in this article shall be also supplied in the official language of the Member State in which the undertaking proposes to pursue business or in English.
  6. If the undertaking intends to change any of the particulars communicated, it shall first inform ISVAP for the purposes of article 17 (5) of the decree.

#### Art. 25

(Extension of the licence to the pursuit of business under the freedom to provide services)

1. An insurance undertaking with head office in the territory of the Italian Republic wishing to extend the activity under the freedom to provide services in another Member State to classes or risks other than those mentioned in the first licence shall send ISVAP – with regard to the classes and risks for which extension of the licence is sought – a specific communication containing the information referred to under article 24.
2. If the undertaking intends to change any of the particulars communicated under paragraph 1, it shall first inform ISVAP for the purposes of article 17 (5) of the decree.

### Section II

#### Pursuit of business in the territory of third States

#### Art. 26

(Pursuit of business under the right of establishment and the free provision of services)

1. **An insurance undertaking with head office in the territory of the Italian Republic that proposes to establish a branch or carry on business under the freedom to provide services in a third State shall first notify ISVAP and indicate the State or States in which it proposes to pursue business.**
2. **When effecting the notification the undertaking shall enclose a scheme of operations containing at least the following information:**
  - a) **the address of the branch, if the undertaking proposes to carry on business under the right of establishment;**
  - b) **the name of the person that the undertaking intends to appoint as the head of the branch;**

- c) **the structural organization of the branch, including the particulars of the number of staff and the estimates of the installation costs for the first three financial years;**
  - d) **the nature of the risks and commitments which the undertaking proposes to cover;**
  - e) **for the first three financial years: the estimates of premiums written, commissions and claims payable or benefits due;**
  - f) **the estimate of the solvency margin taking account of the new business.**
3. If the undertaking intends to change any of the particulars communicated under paragraph 1, it shall first inform ISVAP.

### **SECTION III**

#### **Licensing procedure**

##### **Art. 27**

##### **(Licensing procedure)**

1. After verifying that the conditions required by the decree and by this Regulation for the pursuit of insurance business by way of establishment or of free provision of services in another Member State are met, ISVAP shall, within the time limits and under the terms and conditions envisaged respectively in articles 17 and 19 of the decree, send the necessary information to the competent supervisory authority and shall inform the undertaking accordingly.
2. As regards the taking up of business under the right of establishment or the freedom to provide services the provisions respectively of article 17 (4) and of article 19 (3) of the decree shall apply.
3. Whenever ISVAP has reason to believe that the conditions for the taking up of business under the right of establishment in accordance with article 17 (2) of the decree or under the freedom to provide services in accordance with article 19 (2) of the decree are not met, it shall adopt an order rejecting the application by specifying the reasons for doing so and shall inform the undertaking within the time limits and under the terms and conditions envisaged in said articles.
4. If an undertaking notifies its intention to pursue insurance business under the right of establishment or the freedom to provide services in a third State, ISVAP shall disclose its opinion to the undertaking within ninety days of receipt of the notification.

### **TITLE III**

#### **Taking up of insurance and reinsurance business by undertakings with head office in the territory of a third State**

##### **Chapter I**

##### **General provisions**

##### **Art. 28**

##### **(Application for authorisation)**

1. To pursue insurance business and the relevant reinsurance in the Italian territory under the right of establishment an undertaking with head office in a third State which, in its home State, has adopted a form equivalent to that of società per azioni (company limited

- by shares), società cooperativa (cooperative company) or società di mutua assicurazione (mutual undertaking), shall submit ISVAP an application for authorisation to the pursuit of insurance business before applying for the enrolment of the branch in the registrar of companies.
2. The undertaking must show proof that – in its home State – it is authorised to the pursuit of the insurance class or classes correspondent to those indicated under article 2 of the decree and for which authorisation is sought.
  3. An undertaking simultaneously pursuing life assurance and non-life insurance in its home State shall limit its application to life assurance or non-life insurance or to the simultaneous pursuit of life assurance and the non-life insurance classes 1 and 2.
  4. The following documents shall be enclosed to the application for authorisation, drawn up in Italian or accompanied by a sworn translation into Italian:
    - a) a certified copy of the articles of association and of the deed attesting the resolution to set up the branch. The articles of association of the undertaking proposing to simultaneously pursue life assurance and the non-life insurance classes 1 and 2 shall show that part of the endowment fund referred to under article 29, as well as of the capital provisions respectively attributed to life and non-life business, in compliance with the implementing provisions of article 348 (2) of the decree;
    - b) the documents showing the appointment of a general representative of the branch, who must be resident at the same address of the branch;
    - c) a copy of the brief given to the general representative in compliance with the provisions of article 28 (4) of the decree;
    - d) the documents proving that the general representative or the person actually running the branch (if other than the general representative) meets the good repute and professional qualifications requirements envisaged by article 76 of the decree and the relevant implementing provisions;
    - e) a list of names of the persons charged with the management of the branch;
    - f) the documents referred to under article 10, allowing to verify that there are no close links with natural or legal persons which could hinder the actual performance of the supervisory tasks;
    - g) a certificate issued by the competent home supervisory Authority with the indication of the classes that the undertaking is authorised to pursue and the activities or risks actually exerted;
    - h) a declaration by the home supervisory Authority attesting that it has given its prior consent to the undertakings' setting up of a branch in the territory of the Italian Republic;
    - i) a certification by the home supervisory Authority that the undertaking complies with the financial adequacy requirements envisaged by national regulations, and that the undertaking or the group to which it belongs has adequate administrative and accounting structures; the commitment to establish at the place of management of the branch accounts specific to the activity which it carries on there and to keep there the records relating to the business transacted;
    - j) the commitment to set aside a solvency margin complying with the provisions of the Italian law;
    - k) the balance-sheets for the last three financial years or, in case the undertaking has not yet been in business for three years, for the financial years completed.
  5. As to the documents referred to under (d) until the entry into force of the provisions implementing article 76 of the decree the provisions of article 45 (1) a shall apply.

Art. 29

(Endowment fund and financial resources to cover the costs of installation)

1. For the purposes of issuing the authorisation to the pursuit of insurance business, the branch of an undertaking with head office in a third State shall have an endowment fund of not less than the initial minimum amount of the corporate capital or of the guarantee fund, envisaged by article 5, and financial resources to cover the costs of installation, in compliance with the provisions of article 6.
2. The endowment fund and the financial resources referred to under paragraph 1, made up exclusively of cash, shall be fully paid.
3. An amount equal to at least the minimum guarantee fund shall be invested in the territory of the Italian Republic. An amount in cash or bonds equal to at least one-half of the minimum guarantee fund shall be deposited as security with Cassa depositi e prestiti or with the Bank of Italy.

Art. 30

(Scheme of operations and technical report)

1. To be granted the authorisation the branch of an undertaking with head office in a third State shall draw up a scheme of operations and a technical report including the relevant enclosures, in compliance with the indications contained in article 7 and 8 as well as in Title II, Chapter I, Section II.

Art. 31

(Application for authorisation to extend insurance business)

1. An undertaking with head office in a third State already authorised to pursue insurance and reinsurance business in the territory of the Italian Republic in one or more life or non-life insurance classes, wishing to extend its activity to other classes or risks included in the insurance classes for which it has been authorised with limitations, shall submit ISVAP an application for extension of the authorisation. The undertaking seeking authorisation to extend its business must show proof that – in its home State – it is authorised to the pursuit of the insurance class or classes correspondent to those indicated under article 2 of the decree and for which extension is sought.
2. The undertaking shall enclose to the application referred to under paragraph 1 supporting evidence that:
  - a) it fully possesses the minimum endowment fund referred to under article 29 envisaged for the pursuit of the new insurance classes;
  - b) it complies with the provisions on technical provisions, solvency margin and guarantee fund. Should the exercise of the new classes require a higher guarantee fund than before, it shall state that it also possesses that minimum;
  - c) it possesses the fund covering the costs of installation referred to under article 6, adjusted to the new insurance classes or activities for which extension of the authorisation is sought, if the pursuit of said classes or risks calls for further costs of installation;
  - d) the articles of association envisage the pursuit of the life or non-life insurance classes for which extension of the authorisation is sought, including reinsurance business, if any. Should the extension of business determine that life assurance and the non-life insurance classes 1 and 2 are simultaneously pursued the articles of association shall

also show the part of the endowment fund referred to under article 29, as well as of the capital provisions, respectively intended for life and non-life business, in compliance with the implementing provisions of article 348 (2) of the decree.

3. The application for extension shall be accompanied by the scheme of operations and the technical report regarding the business subject to extension, in compliance with the provisions of article 30.

#### Art. 32

##### (Enquiry and authorisation order)

1. Before ISVAP grants the authorisation or extension order to an undertaking with head office in a third State it shall make an enquiry aimed to verify, on the basis of the documents submitted by the undertaking, that the conditions envisaged by article 28 of the decree and by this Chapter are met.
2. ISVAP shall also evaluate the following conditions:
  - a) that the home State respects the principle of equality of treatment and of reciprocity vis-à-vis undertakings with head office in the territory of the Italian Republic which propose to or have set up a branch in that State;
  - b) that in the home State of the undertaking proposing to set up a branch in the territory of the Italian Republic there are adequate regulations as regards the prudential controls over insurance undertakings' financial stability;
  - c) that there are agreements on the exchange of information or that there are no obstacles to the exchange of information with the home supervisory Authorities.
3. The provisions of article 15 (2-9) and of article 16 shall apply to the carrying out of the enquiry and to the issuing of the authorisation order.
4. The provisions of article 19 (2) and of article 20 shall apply to the carrying out of the enquiry and to the issuing of the extension of authorisation.

#### Art. 33

##### (Refusal of authorisation)

1. In case there are sufficient grounds for refusing the authorisation ISVAP shall, before formally adopting the relevant order, inform the undertaking concerned of the reasons preventing the application from being accepted. The provisions of article 17 shall apply.
2. In case the home State does not respect the principle of equality of treatment or of reciprocity vis-à-vis undertakings with head office in Italy which have set up or propose to set up a branch ISVAP shall inform the European Commission before the order of refusal is adopted. The procedure indicated in article 208 (3) of the decree shall apply.

## Chapter II

### **Special provisions applicable to the undertakings with head office in the Swiss Confederation**

#### Art. 34

##### (Conditions governing the taking up of business)

1. The authorisation to the pursuit of non-life insurance business by the branch of an undertaking having its head office in the Swiss Confederation shall be regulated by the

provisions of the Agreement between the European Economic Community and the Swiss Confederation on direct insurance other than life assurance initialled at Luxembourg on 10 October 1989.

2. The provisions referred to under article 28 (4) of the decree, relating to the authorised agent's power to effect the transactions necessary to lodge and bind the security, shall not apply to the undertaking referred to under paragraph 1; neither shall the provisions referred to under article 28 (5) of the decree apply, limited to the possession, within the territory of the Italian Republic, of investments of an amount equal to at least the minimum guarantee fund and the security.
3. Subject to paragraph 2, the undertakings with head office in the Swiss Confederation proposing to pursue life and non-life business in the territory of the Italian Republic shall be subject to the provisions referred to under Chapter I of Title II.

## **TITLE IV**

### **Register of undertakings**

#### **Chapter I**

#### **Rules governing the register of undertakings**

##### Art. 35

##### (Register of undertakings)

1. The register of undertakings shall be set up within ISVAP.
2. The register of undertakings shall be made up of five sections:
  - a) the insurance undertakings with head office in the territory of the Italian Republic shall be registered under section I;
  - b) the branches, established in the territory of the Italian Republic, of insurance undertakings with head office in a third State shall be registered under section II;
  - c) particular mutual insurance undertakings shall be registered under section III;
  - d) the reinsurance undertakings with head office in the territory of the Italian Republic shall be registered under section IV;
  - e) the branches, established in the territory of the Italian Republic, of reinsurance undertakings with head office in a third State shall be registered under section V.
3. The register of undertakings shall be available in ISVAP's internet site.

##### Art. 36

##### (Contents of the register)

1. The register of undertakings shall contain the essential information for the identification of any registered undertaking, including the particulars of the authorisation to the pursuit of insurance and reinsurance business.
2. Through subsequent orders ISVAP shall set out the terms and procedures and the timeframe for gathering information.

##### Art. 37

##### (Automatic registration in the register)

1. The insurance and reinsurance undertakings with head office in the territory of the Italian Republic, the branches of insurance undertakings with head office in a third State and the branches of reinsurance undertakings with head office in a third State, authorised at the date of entry into force of this Regulation shall be automatically recorded in the register of undertakings, in compliance with article 338 of the decree.

Art. 38

(Changes and update of the register)

1. Registered undertakings shall immediately inform ISVAP of any changes in the information contained in the register.
2. ISVAP shall update the register once it has been informed of the changes.
3. ISVAP shall delete the undertaking from the register in case of lapse of authorisation in compliance with article 240 of the decree, of withdrawal of authorisation in compliance with articles 242, 243 and 244 of the decree as well as of the extraordinary operations referred to under articles 201 and 202 of the decree.

**Chapter II**

**Lists in the appendix to the register of undertakings**

Art. 39

(Lists)

1. The following lists shall be set up in the appendix to the register of undertakings:
  - a) list I shall contain the insurance undertakings with head office in a Member State licensed to carry on business in the territory of the Italian Republic under the right of establishment;
  - b) list II shall contain the insurance undertakings with head office in a Member State licensed to carry on business in the territory of the Italian Republic under the freedom to provide services;
  - c) list III shall contain the reinsurance undertakings with head office in a Member State licensed to carry on business in the territory of the Italian Republic under the right of establishment.

Art. 40

(Contents of the lists)

1. List I referred to under article 39 (1) (a) shall contain – for each insurance undertaking licensed to carry on business in the territory of the Italian Republic under the right of establishment – the essential information for the identification of the undertaking and of the insurance classes in respect of which it is licensed to transact business.
2. List II referred to under article 39 (1) (b) shall contain – for each insurance undertaking licensed to carry on business in the territory of the Italian Republic under the freedom to provide services – the essential information for the identification of the undertaking and of the insurance classes in respect of which it is licensed to transact business.
3. List III referred to under article 39 (1) (c) shall contain – for each reinsurance undertaking licensed to carry on business in the territory of the Italian Republic under the right of

establishment – the essential information for the identification of the undertaking and of the insurance classes in respect of which it is licensed to transact business.

4. Through subsequent orders ISVAP shall set out the terms and procedures and the timeframe for gathering information.

**Art. 41**  
(Registration in the lists)

1. ISVAP shall register the undertakings with head office in a Member State in the lists referred to under article 39 at the conclusion of the licensing procedures envisaged for the taking up of insurance business within the territory of the Italian Republic under the right of establishment or the freedom of services.

**Art. 42**  
(Automatic registration in the lists)

1. Insurance undertakings with head office in other Member States which, at the date of entry into force of this Regulation, are already licensed to carry on business in the territory of the Italian Republic by way of establishment or of free provision of services, shall be automatically recorded – in compliance with article 338 (6 and 7) of the decree – respectively under the lists I and II referred to under article 39.
2. Reinsurance undertakings with head office in other Member States which, at the date of entry into force of this Regulation, are already licensed to carry on business in the territory of the Italian Republic by way of establishment, shall be automatically recorded under list III referred to under article 39.

**Art. 43**  
(Changes and updates of the lists)

1. On the basis of the notifications received from the competent supervisory authorities of the other Member States ISVAP shall update the data contained in the lists referred to in article 39.

**TITLE V**  
**Final provisions**

**Art. 44**  
**(Repeals)**

1. The following circulars and orders are repealed at the date of entry into force of this Regulation:
  - a) ISVAP circulars:
    - n. 113 of 20 March 1989;
    - n. 177 of 20 May 1992, limited to paragraphs 4.1 and 4.2;
    - n. 170 of 21 February 1992;
  - b) ISVAP orders:
    - n. 97 of 13 December 1995;
    - n. 98 of 13 December 1995.

2. Any other provision incompatible with the rules of this Regulation shall not be applicable.

**Art. 45**  
(Transitional provisions)

1. Until the issuing of the Regulation referred to under article 76 of the decree:
  - a) the undertaking's directors and senior managers shall have to fulfill the good repute and professional qualifications requirements envisaged by articles 2 and 3 of ministerial decree n. 186 of 24 April 1987, and not be in one of the adverse situations referred to under article 3 (4) of ministerial decree n. 186 of 24 April 1987.
  - b) the persons charged with control functions within the undertaking shall have to fulfill the good repute and professional qualifications requirements envisaged by articles 2 and 3 of ministerial decree n. 186 of 24 April 1987 and by articles 1 and 2 of ministerial decree n. 162 of 30 March 2000, and not be in one of the adverse situations referred to under article 3 (4) of ministerial decree n. 186 of 24 April 1987 and by article 1 (5 and 6) of ministerial decree n. 162 of 30 March 2000.

To this end undertakings shall enclose to the application referred to under article 4 the documents envisaged by Annex A to this Regulation.

2. Until the issuing of the Regulation referred to under article 77 of the decree, the subjects who directly or indirectly have controlling interests in the undertaking or a participation higher than five percent of the undertaking's share capital represented by voting rights shall have to fulfil the good repute requirements envisaged by article 2 of ministerial decree n. 186 of 24 April 1987. If they are legal persons the good repute requirements must be met by the undertakings' administrators, statutory auditors and directors general. To this end undertakings shall enclose to the application referred to under article 4 the documents envisaged by Annex B.1 to this Regulation.
3. Until the issuing of the Regulation referred to under article 68 of the decree, the subjects who directly or indirectly have controlling interests in the undertaking or a participation higher than five percent of the undertaking's share capital represented by voting rights shall have to prove that they are able to ensure a sound and prudent management of the undertaking, as envisaged by ministerial decree n. 186 of 24 April 1987. To this end undertakings shall enclose to the application referred to under article 4 the documents envisaged by Annex B.2 to this Regulation.
4. As to the verifications to be made for compliance with this article ISVAP may request further data, information and documents from the undertaking and the other subjects concerned.
5. <sup>1</sup>

**Art. 46**  
(Publication)

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<sup>1</sup> Paragraph amended by article 140 (1, a) of ISVAP Regulation n. 33 of 10 March 2010. Paragraph 5 laid down: *"Until the entry into force of the regulations implementing directive 2005/68/EEC on reinsurance and of the relevant implementing provisions the provisions of this Regulation shall apply, mutatis mutandis, to the undertakings proposing to pursue reinsurance business exclusively and having their head office in the territory of the Italian Republic as well as to branches of reinsurance undertakings with head office in a third State"*.

1. This Regulation shall be published in the Italian Official Journal and in ISVAP's Bulletin and website.

**Art. 47**

**(Entry into force)**

1. This Regulation shall enter into force on the day after its issue date.

the President  
(Giancarlo Giannini)

## DOCUMENTS NECESSARY TO ASSESS COMPLIANCE WITH THE REQUIREMENTS OF DIRECTORS AND MANAGERS

	DIRECTORS AND SENIOR MANAGERS GENERAL REPRESENTATIVE	SUBJECTS HAVING CONTROL FUNCTIONS <sup>2</sup>
<i>GOOD REPUTE REQUIREMENTS</i>	- dichiarazione sostitutiva di certificazione as per article 46 of presidential decree n. 445 of 28 December 2000 and subsequent modifications and integrations, attesting that none of the situations referred to under article 2 of ministerial decree n. 186 of 24 April 1997 applies	- dichiarazione sostitutiva di certificazione as per article 46 of presidential decree n. 445 of 28 December 2000 and subsequent modifications and integrations, attesting that none of the situations referred to under article 2 of ministerial decree n. 186 of 24 April 1997 and article 2 of ministerial decree n. 162 of 30 March 2000 applies
<i>REQUISITI DI PROFESSIONALITA'</i>	- <b>curriculum vitae</b> underwritten by the person concerned and declaration made in compliance with articles 46 and 47 of presidential decree n. 445 of 28 December 2000 and subsequent modifications and integrations, attesting that the professional qualification requirements laid down in article 3 of ministerial decree n. 186 of 24 April 1997 are met	- <b>curriculum vitae</b> underwritten by the person concerned and declaration made in compliance with articles 46 and 47 of presidential decree n. 445 of 28 December 2000 and subsequent modifications and integrations, attesting that the professional qualification requirements laid down in the ministerial decrees n. 186 of 24 April 1997 and n. 162 of 30 March 2000 are met.
<i>ADVERSE SITUATIONS</i>	- <i>dichiarazione sostitutiva di certificazione</i> as per article 46 of presidential decree n. 445 of 28 December 2000 and subsequent modifications and integrations, attesting that none of the situations referred to under article 3 (4) of ministerial decree n. 186 of 24 April 1997 applies	- dichiarazione sostitutiva di certificazione as per article 46 of presidential decree n. 445 of 28 December 2000 and subsequent modifications and integrations, attesting that none of the situations referred to under article 3 (4) of ministerial decree n. 186 of 24 April 1997 and article 1 (5 and 6) of ministerial decree n. 162 of 30 March 2000 applies

<sup>2</sup> These requirements regard both regular and alternate auditors.

**DOCUMENTS NECESSARY TO ASSESS THE GOOD REPUTE REQUIREMENTS OF THE SUBJECTS WHO DIRECTLY OR INDIRECTLY HOLD CONTROLLING INTERESTS IN THE UNDERTAKING OR A PARTICIPATION HIGHER THAN FIVE PERCENT**

a) For natural persons:

1. *dichiarazione sostitutiva di certificazione* as per article 46 of presidential decree n. 445 of 28 December 2000 and subsequent modifications and integrations, attesting that none of the situations referred to under article 2 of ministerial decree n. 186 of 24 April 1997 applies.

b) For legal persons:

1. list of the administrators, statutory auditors and directors general of the company exercising control or holding the participation;
2. *dichiarazione sostitutiva di certificazione* as per article 46 of presidential decree n. 445 of 28 December 2000 and subsequent modifications and integrations, attesting that none of the situations referred to under article 2 of ministerial decree n. 186 of 24 April 1997 applies to the persons referred to under number 1.

If the legal person is a bank authorised as per article 14 of the Consolidated Banking Law a copy of the minutes of the meetings of the banks' administrative body at which it has been assessed that directors and internal auditors meet the good repute requirements may be sent instead of the documents referred to under point 2.

**DOCUMENTS NECESSARY TO ASSESS THE SOUND AND PRUDENT MANAGEMENT BY THE SUBJECTS WHO DIRECTLY OR INDIRECTLY HOLD CONTROLLING INTERESTS IN THE UNDERTAKING OR A PARTICIPATION HIGHER THAN FIVE PERCENT**

a. For natural persons:

1. *curriculum vitae*;
2. information and documents regarding the economic accounting situation also with regard to subsidiaries and to any activity directly performed within the undertaking;
3. statement of independence as per article 5 (2) of ministerial decree n. 186 of 24 April 1997;
4. report about the programmes they propose to realise in compliance with article 5 (1) (d) of ministerial decree n. 186 of 24 April 1997;
5. information and documents about the source of finance of the operation;
6. undertaking to notify any situations of close links which should arise with the insurance undertaking or with the insurance holding undertaking, and to see to it that in no case whatsoever shall such links prevent the effective exercise of ISVAP's supervision.

b. For legal persons:

1. list of the company's administrators, statutory auditors, legal representatives and general directors;
2. *curricula vitae* of the persons referred to under number 1;
3. certificate of inscription in the registrar of companies or dichiarazione sostitutiva di certificazione as per article 46 of presidential decree n. 445 of 28 December 2000;
4. a certified copy of the latest updated articles of association;
5. report on the group's legal structure and economic activities illustrating the targets and programmes that the company intends to realise through its participation in the undertaking, in compliance with article 5 (1) (d) of ministerial decree n. 186 of 24 April 1997;
6. last balance sheet and the parent group's consolidated accounts, if any, along with the reports by the administrators and by the internal auditors as well as by the report by the company's auditing firm, if any;
7. a copy of the contract for the purchase of the participation;
8. information and documents about the source of finance of the operation;
9. statement of independence as per article 5 (2) of ministerial decree n. 186 of 24 April 1997.

Apart from the above documents ISVAP may ask for any specific information and require that any further and more specific commitment be undertaken in case of particular situations where the autonomy and the sound and prudent management of the insurance undertaking needs to be guaranteed.

## DOCUMENTS REGARDING CLOSE LINKS

- a) A report illustrating:
- 1 the legal structure of the group to which the applicant undertaking belongs, referred to the links referred to under article 2 (1) (s) points 1 and 3, as well as the group's economic activities;
  - 2 the shareholdings in the insurance company, with the indication of all the natural or legal persons who a directly or indirectly hold a participation representing at least 10% of the capital or the voting rights, or a participation that, although not exceeding the above-mentioned limit, makes it possible to exercise a significant influence over the company, even if it is not a dominant influence;
  - 3 the technical, organisational, financial, legal and family relations which the undertaking has with other subjects, both inside or outside the group referred to under point 1, and which may have a relevant influence on the running of the undertaking;
- B) A copy of the voting arrangements, if any, and the communications regarding any agreement, even if still under process, between the members of the insurance undertaking or of the relevant parent company, which allow the control of the majority of the voting rights or confer the power to appoint or dismiss the majority of the undertaking's directors or whose effect is the concerted exercise of the voting rights in the undertaking or in the relevant parent company.
- C) undertaking to notify any situations of close links which should arise with the insurance undertaking or with the insurance holding undertaking, and to see to it that in no case whatsoever shall such links prevent the effective exercise of ISVAP's supervision.