

**General Good Requirements for European Insurance Undertakings and Insurance Intermediaries that pursue business in the Republic of Cyprus under the regimes of Freedom of Establishment (FOE) or Freedom of Services (FOS).**

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This document is intended to give a general overview of the Cyprus legislation regarding insurance business activities to insurance undertakings and insurance intermediaries (both legal and natural persons) which are licensed for insurance business and insurance distribution business respectively in their home EU member states and, in accordance with Articles 147 and 148 of Solvency II Directive 2009/138/EC and Article 4 of the Insurance Distribution Directive (IDD), they wish to exercise their right to pursue business in Cyprus under the regimes of freedom of establishment (FOE) or freedom of services (FOS).

**Laws on Insurance and Reinsurance Services and Other Related Issues 2016-2019 (Insurance Law)**

Undertakings wishing to pursue insurance business and intermediaries wishing to pursue insurance distribution business in Cyprus under the regimes of FOE or FOS should take into special consideration the following articles, where applicable, of the Insurance Law:

Articles

30-41*	Supervisory powers
158-161**	Freedom of Establishment and Freedom of Services of insurance undertakings
170**	Insurance advertisements
171**	Insurance policies taxation
220-222**	Applicable Law
223-249**	Information before the conclusion of an insurance contract
375-376***	Freedom of Services of insurance distributors
379-381***	Freedom of Establishment of insurance distributors
394ΣT(8)***	Insurance product information document
394H***	Information exemptions and flexibility clause

- 394ΙΣΤ(3)<sup>\*\*\*</sup> Information to customers
- 394ΙΖ(6)<sup>\*\*\*</sup> Assessment of suitability and appropriateness and reporting to customers
- 394ΙΗ<sup>\*\*\*</sup> Complaints
- 395-412\* Criminal offences

The official Greek version of the law can be found at the following link:

[http://www.mof.gov.cy/mof/mof.nsf/0/c3f374236e63fe88c2257f8e003d9981?OpenDocument&ExpandSection=-1#\\_Section1](http://www.mof.gov.cy/mof/mof.nsf/0/c3f374236e63fe88c2257f8e003d9981?OpenDocument&ExpandSection=-1#_Section1)

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**Note:**

*\* These provisions are related to both insurance undertakings and insurance distributors.*

*\*\* These provisions are related to insurance undertakings only (as per relevant provisions of Directive 2009/138/EC).*

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## **Regulations on Insurance and Reinsurance Services and Other Related Issues 2016-2019, which constitute part of the Insurance Law**

Undertakings wishing to pursue insurance business and intermediaries wishing to pursue insurance distribution business Cyprus under the regimes of FOE or FOS should also take into special consideration the following insurance regulations, where applicable:

Regulations 20-23 include provisions on information provided before the conclusion of an insurance contract, additional information to persons interested to conclude a Life Class insurance contract other than a contract linked with investment units, and additional information to persons interested to conclude an insurance contract linked with investment units. Finally, regulations 27-29 are relevant to insurance advertisements.

The official Greek version of the regulations can be found at the following link:

[http://www.mof.gov.cy/mof/mof.nsf/0/c3f374236e63fe88c2257f8e003d9981?OpenDocument&ExpandSection=-1#\\_Section1](http://www.mof.gov.cy/mof/mof.nsf/0/c3f374236e63fe88c2257f8e003d9981?OpenDocument&ExpandSection=-1#_Section1)

### **Orders and Guidelines**

Undertakings wishing to pursue insurance business and intermediaries wishing to pursue insurance distribution business in Cyprus under the regimes of FOE or FOS should also take into special consideration the relevant Orders or Guidelines issued, as well as any other relevant circulars sent, by the Superintendent of Insurance.

The said information can be found at the following link:

<http://www.mof.gov.cy/mof/mof.nsf/All/58A8B4F816F0B1C0C2257E34004159FB?OpenDocument>

### **Taxation**

For information about the taxes and stamp duties payable, on Tax Management and Tax Policy, the interested insurance undertakings and insurance intermediaries should contact the Tax Department, of the Ministry of Finance of the Republic of Cyprus:

[http://www.mof.gov.cy/mof/taxdep.nsf/index\\_en/index\\_en?OpenDocument](http://www.mof.gov.cy/mof/taxdep.nsf/index_en/index_en?OpenDocument)

and the Department of Customs and Excise:

[http://www.mof.gov.cy/mof/customs/ced.nsf/DMLcontact\\_en/DMLcontact\\_en?OpenDocument](http://www.mof.gov.cy/mof/customs/ced.nsf/DMLcontact_en/DMLcontact_en?OpenDocument)

### **Motor Insurance**

Regarding Class 10 “Motor Vehicle Liability”, insurance undertakings wishing to pursue insurance business in Cyprus under the regimes of FOE or FOS, before concluding any contract in the Republic of Cyprus, must in accordance with Articles 158(4), 159(3), 161(4) and 163-165 of the Insurance Law:

(a) Appoint a Special Representative

The duties of the Special Representative are specified in Regulation 30 of the Insurance Law.

As provided in Directive 2000/26/EC, in case where a Special Representative is not being appointed, his duties can be carried out by the claims representative (Article 4 and Article 9 of Directive 2000/26/EC).

(b) Become a member of the “Motor Insurer’s Fund” as well as of the “Cyprus International Bureau” and submit a certificate of such membership to the Insurance Companies Control Service.

More information can be found at the web-site of the Cyprus Motor Insurer’s Fund at: <http://www.mif.org.cy/rocysite/home.html>

### **Other Cyprus Legislation**

All EU insurance undertakings and Insurance intermediaries pursuing business in Cyprus under the provisions of FOE or FOS should also be bound by all the laws in force in the Republic of Cyprus, based on the terms of its accession in the EU.

Some of these laws are:

- The Cyprus Companies Law, Chapter 113. An unofficial English translation of the Law can be found at the following link:

<http://www.fbscopyrus.com/assets/mainmenu/417/docs/cypcompany.pdf>

[http://www.mcit.gov.cy/mcit/drcor/drcor.nsf/index\\_en/index\\_en](http://www.mcit.gov.cy/mcit/drcor/drcor.nsf/index_en/index_en)

- Cyprus Consumer Protection Laws of 2001-2010. The official Greek version of the Law and its amendments can be found at the following link:

<http://www.mcit.gov.cy/mcit/mcit.nsf/All/5460CFBA1ABB6524C22571B00024BAC0?OpenDocument>

- Processing of Personal Data (Protection of the Individual) Law of 138(I)/2001, 37(I)/2003 and 105(I)/2012. The official Greek version of the Laws can be found at the following link:

[http://www.dataprotection.gov.cy/dataprotection/dataprotection.nsf/legislation\\_gr/legislation\\_gr?OpenDocument](http://www.dataprotection.gov.cy/dataprotection/dataprotection.nsf/legislation_gr/legislation_gr?OpenDocument)

- The Income Tax Laws of 2002-2015. The official Greek version of the Law and its amendments can be found at the following link:

<http://www.mof.gov.cy/mof/TaxDep.nsf/All/5BED9D49374F28DAC2257DCF003FD70A?OpenDocument>

- The Capital Gains Tax Law of 1980 until No. 2 of 2015. The official Greek version of the Law and its amendments can be found at the following link:

<http://www.mof.gov.cy/mof/TaxDep.nsf/All/0667EC347CAA68EBC2257DCF004138C4?OpenDocument>

- Value Added Tax Law of 2000: N95(I)/2000- N160(I)/2014. The official Greek version of the Laws can be found at the following link:

<http://www.mof.gov.cy/mof/TaxDep.nsf/All/D8B14F977741618BC2257E2A0033023A?OpenDocument>

- The Special Contribution (Defense of the Republic) Laws from 2002 until 2015. The official Greek version of the Law and its amendments can be found at the following link:

<http://www.mof.gov.cy/mof/taxdep.nsf/All/C69F23AF6B84FC78C2257DCF003FFE2C?OpenDocument&highlight=%CE%AD%CE%BA%CF%84%CE%B1%CE%BA%CF%84%CE%B7%20%CE%B5%CE%B9%CF%83%CF%86%CE%BF%CF%81%CE%AC%20%CE%AC%CE%BC%CF%85%CE%BD%CE%B1>

- The Central Bank of Cyprus Laws of 2002-2014. The official Greek version of the Law and its amendments can be found at the following link:

[http://www.centralbank.gov.cy/nqcontent.cfm?a\\_id=11324](http://www.centralbank.gov.cy/nqcontent.cfm?a_id=11324)

An English translation of the Central Bank of Cyprus Laws of 2002-2014 can be found at the following link:

[http://www.centralbank.gov.cy/nqcontent.cfm?a\\_id=11324&lang=en](http://www.centralbank.gov.cy/nqcontent.cfm?a_id=11324&lang=en)

- The prevention and suppression of money laundering activities Laws of 2007 until 2016. The official Greek version of the Laws can be found at the following link:

<http://www.law.gov.cy/Law/MOKAS/MOKAS.nsf/All/6628272B96DEE517C2257B6C00419220?OpenDocument>

An English translation and consolidation of the Prevention and Suppression of Money Laundering Activities Laws of 2007 until 2013 can be found at the following link:

[http://www.centralbank.gov.cy/nqcontent.cfm?a\\_id=11969&lang=en](http://www.centralbank.gov.cy/nqcontent.cfm?a_id=11969&lang=en)

- Laws which provides for the provision of investment services, the exercise of investment activities, the operation of regulated markets and Other Related Issues N144(I)/2007- 193(I)/2014

The official Greek version of the Laws can be found at the following link:

<http://www.cysec.gov.cy/CMSPages/GetFile.aspx?guid=4dc2df71-e450-40b2-9c42-9182f99de6da>

An English translation and unofficial consolidation of the Laws can be found at the following link:

<http://www.cysec.gov.cy/CMSPages/GetFile.aspx?guid=91406816-898a-4a09-88b2-f41bfab0e83c>

- The Protection of Competition Law N13(I)/2008 and its amendment of 2014

The official Greek version of the Laws can be found at the following link:

[http://www.competition.gov.cy/competition/competition.nsf/page15\\_gr/page15\\_gr?OpenDocument](http://www.competition.gov.cy/competition/competition.nsf/page15_gr/page15_gr?OpenDocument)

An English translation of the Laws can be found at the following link:

[http://www.competition.gov.cy/competition/competition.nsf/page15\\_en/page15\\_en?OpenDocument](http://www.competition.gov.cy/competition/competition.nsf/page15_en/page15_en?OpenDocument)

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