



MEMORANDUM
OF
UNDERSTANDING

**On Mutual Cooperation and Exchange of Information
in Insurance Sector**

between

Albanian Financial Supervisory Authority (FSA)

and

Italian Institute for the Supervision of Insurance (IVASS)

The Financial Supervisory Authority (Albania) and the Institute for the Supervision of Insurance (Italy), (hereinafter - Parties), recognising the increasing international development indicators in the insurance market and the need for mutual cooperation, express their willingness to cooperate on the basis of mutual trust and understanding and agree that their cooperation in the field of the supervision of the insurance market shall be based on the principles and procedures outlined in this Memorandum of Understanding.

The Parties desire to establish a formal basis for mutual cooperation and coordination, as well as to provide relevant exchange of information and experience with each other regarding supervisory, regulatory and oversight responsibilities.

The general framework of this memorandum takes into account the Insurance Core Principles – ICPs issued by the International Association of Insurance Supervisors (IAIS).

Article 1. Purpose of the Memorandum of Understanding

1. The purpose of this Memorandum of Understanding (hereinafter - “Memorandum”) is to promote cooperation with the aim to protect the interests of policyholders of insurance companies, and to promote the integrity, stability and efficiency of the insurance market. The framework for cooperation includes means of communication, mutual understanding, exchange of information, and assistance under the provisions of the domestic law in force of the Parties.
2. By means of this Memorandum is expressed the intention to consult, cooperate and exchange information regarding the supervision and oversight of entities exercising activity in the territories of competence of the signing parties in a manner that is compliant under the consent of the laws and legal requirements regulating the signing parties.
3. This Memorandum serves as a basis for cooperation between the Parties and does not affect any legal obligation under other international agreements signed with third parties. This Memorandum does not create any applicable legal obligation, does not provide any right and does not repeal any domestic legislation.
4. The implementation of this Memorandum shall be conducted in compliance with the availability of the respective Parties, in compliance with the domestic law in force and the public interest of the countries’ respective Parties.
5. Pursuant to the domestic law of the Parties, each Party shall provide to the other Party, within a reasonable time and to the extent acceptable, any information regarding the supervision and oversight of the entities exercising activity in the insurance market regulated and supervised by the other Party.
6. The implementation of the provisions of this Memorandum shall be in compliance with the domestic laws and by-laws of the countries’ respective Parties and shall not be contrary to the public interest of the country of any of the Parties.

Article 2. Definitions

For the purpose of this Memorandum:

1. **"Parties"** are the undersigned parties to this Memorandum, more specifically:
 - a) Financial Supervisory Authority (Albania);
 - b) Institute for the Supervision of Insurance (Italy).
2. **"Requesting Party"** is the Party making a request under this Memorandum.
3. **"Receiving Party"** is the Party to whom a request is made under this Memorandum.
4. **"Supervised Entity"** is the insurer, reinsurer and reinsurance group or subsidiary or controlled company that is regulated and / or supervised by the Party.
5. **"Person"** is a natural person or legal person under the domestic law of the Parties.
6. **"Domestic Law"** is any law or by-law in force which is applied for the regulation and supervision of the insurance market under the jurisdictions of the Parties' countries.
7. **"Confidential Information"** is any information regarded as confidential by the domestic Applicable Law in the jurisdictions of Signatory Authorities.
8. **"Extraordinary Situation"** is the existence of an event that could significantly impair the financial or functional condition of a Supervised Entity.

Article 3. Scope of Cooperation

1. The Parties recognize the importance of close communication with the Supervised Entities and seek to consult, where applicable, regarding the: (i) general issues of supervision, including those related to regulatory development, supervisory or other programmed developments; (ii) issues related to the operations, activities and regulation of Supervised Entities; and (iii) other areas of joint supervisory interest.
2. Cooperation will be more useful when regulatory issues can arise, specifically in the following cases:
 - a) request of a Supervised Entity for authorization, registration or exclusion from registration;
 - b) Continuous Supervisory Oversight of a Supervised Entity; or
 - c) regulatory approvals or supervisory measures taken in respect to a Supervised Entity by one of the Parties that may affect the Entity's activity in the other territory.
3. Each Party shall notify the other Party at the earliest convenience in case of:
 - a) any events of material importance that may adversely affect a Supervised Entity; and

b) regulatory or supervisory measures taken by one Party, including revocation, suspension or modification of relevant licenses or registration, which may have important material implications to the Supervised Entity.

Article 4. Request for Information

1. The request for information is made in writing and addressed to the relevant contact person identified in Annex A. In general, the request shall specify the following:

a) the exact information requested by the Requesting Party and the supervisory purpose for which the information is requested, including applicable regulations and relevant provisions relating to the supervisory activity and regulatory functions of the Requesting Party, the details of the laws, rules or regulations which are suspected of being violated;

b) a precise description of the facts on which the claim is based, including the description of the entity to which the request is made (including the identity of the persons, specific questions to be asked, etc.);

c) the term by which the information is needed and, where applicable, the relevant emergency; and

d) any information available to the Requesting Party that may assist the Receiving Party in identifying the persons or entities entrusted to the Requesting Party with the required information or places where such information may be provided.

2. In case of extraordinary situations, the Parties shall endeavour to inform each other of the extraordinary situation and communicate information to each other as required by extraordinary situation, taking into account all relevant factors, including the status of efforts to deal with emergency situation. In cases of extraordinary situations, requests for information may be made in any form, including verbally, with the condition that such communication is confirmed in writing within 10 business days of such notice.

3. The Requesting Party shall specify in the request if, within the purpose of the Memorandum, the request for information is made on behalf of another authority of the country of the Requesting Party (police, court, etc.). In this case art. 6 of this Memorandum applies.

Article 5. Execution of request for information

1. The Receiving Party shall confirm the receipt of the request.

2. Any request made by the Requesting Party shall be reviewed by the Receiving Party by taking reasonable steps to collect and make available the requested information. The Receiving Party shall use all appropriate means at its disposal to execute the request of the other Party.

3. The Receiving Party will assess each request on a case-by-case basis. In deciding whether and to what extent to fulfil a request, the Receiving Party may take into account:
 - a) whether the request conforms with this Memorandum;
 - b) whether compliance with the request would be so burdensome as to disrupt the proper performance of the Receiving Party's functions;
 - c) whether it would be otherwise contrary to the essential interest of the Receiving Party's jurisdiction to provide the information requested;
 - d) any other matters specified by the domestic Applicable Law of the Receiving Party's jurisdiction (in particular those relating to confidentiality and professional secrecy, data protection and privacy, and procedural fairness); and
 - e) whether complying with the request may otherwise be prejudicial to the performance by the Receiving Party of its functions.
4. Where the Receiving Party cannot entirely fulfil the request it will cooperate with and assist the Requesting Authority to the extent possible.
5. In order to avoid unnecessary delays, the Receiving Party may provide required information point by point, as soon as it is available, using the appropriate procedure as applicable.
6. Any document or other material provided in response to a request under this Memorandum, and any copies of such information shall be returned upon request.
7. The Parties, in accordance with their domestic legislation, shall make appropriate efforts to provide each other with any information they have and which may be of use to the other Party.

Article 6. Permissible Use and Confidentiality

1. The Requesting Party may use the information only for the purpose stated in the request and solely for the purpose of supervision of the covered Entities and to ensure fulfilment of the laws and by-laws of the Requesting Party.
2. Each Party, in compliance with domestic law, shall maintain confidentiality regarding the information provided under this Memorandum, any request for information made under this Memorandum and any issues arising during its term, including consultations between the Parties.
3. Where it becomes necessary for the Requesting Party to share Confidential Information provided under this Memorandum with other local, regional, state, federal or international law enforcement or regulatory officials who have authority over the Supervised Entity, the Requesting Party shall:

- a) notify the Receiving Party promptly;
 - b) obtain prior consent; and
 - c) prior to passing on the information, ensure that each recipient agrees to maintain the confidential status of the information provided and has the legal authority to do so.
4. In the case of termination of this Memorandum, the information received in the framework thereof shall continue to be treated confidentially.

Article 7. Consultation

The Parties will keep the operation of this Memorandum under continuous review and will consult in the event of:

- a) a dispute over the meaning of any term used in the Memorandum;
- b) a substantial change in the laws, regulations or practices affecting the operation of the Memorandum and making necessary to amend or extend it;
- c) a propose to withdraw from the Memorandum; and
- d) whenever necessary, with a view to improving its operation and resolving any matters.

Article 8. Technical Cooperation

1. The Parties intend to work together to identify and address, subject to availability of staff and resources, the training and technical assistance required to facilitate the development of the regulatory framework for the insurance market in Albania and Italy.

2. The Parties shall perform and facilitate the exchange of knowledge, experience and expertise between the representatives of the Parties and where applicable, between other institutions involved in insurance supervision issues.

The aforementioned cooperation can take the form of any of the following activities:

- a) expert consultancy visit by the relevant Parties;
- b) twinning projects;
- c) study and work visit to the other Party;
- d) participation in seminars, workshops and conferences in the country of each Party;
- e) exchange of documentation;
- f) any other form of cooperation that may be mutually decided upon.

Article 9. Share of expenditure

If the Receiving Party ascertains that the response to a request for information under this Memorandum requires considerable expenditure, the Requesting and Receiving Party agree to share the expenditures before the latter continues to respond to such a request for information.

Article 10. Entry into force and amendment/termination of Memorandum

1. This Memorandum is signed for an indefinite period of time and is valid as long as the Parties have reciprocal interest.
2. This Memorandum shall enter into force on the date on which it is signed by the Parties in English language.
3. The Parties shall do their utmost efforts to resolve any dispute that may arise in relation to the implementation of this Memorandum.
4. This Memorandum shall remain in force until one of the Parties notifies the other Party in writing that it wishes to revise, improve or withdraw from this Memorandum. Each Party may withdraw from this Memorandum by sending a notification in writing to the other Party. The Memorandum shall expire three months after the date of receipt of such notification by the other Party.
5. The termination of this Memorandum shall not affect the Parties' requests for information which have been made and have not been executed before the date of entry into force of the termination. At the same time, the conditions for maintaining confidential information regarding these claims will remain in force.

This memorandum is prepared in copies 2 (two), in English.

Tirana on 24/01/2018

and in Roma on 24/01/2018

**On behalf of the
Albanian Financial Supervisory Authority (FSA)**

**On behalf of the
Italian Institute for the
Supervision of Insurance
(IVASS)**

(Albania)

(Italy)

Mr. Ervin Koçi
Executive General Director

Mr. Alberto Corinti
Director

