

# SECOND SUPPLEMENT TO THE GIBRALTAR GAZETTE

No. 5308 GIBRALTAR Thursday 28th May 2026

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LEGAL NOTICE NO. 110 OF 2026

## FINANCIAL SERVICES ACT 2019

### FINANCIAL SERVICES (INSURANCE PRODUCT GOVERNANCE) (AMENDMENT) REGULATIONS 2026

In exercise of the powers conferred on the Minister by section 55C, 620, 621 and 627 of the Financial Services Act 2019, the Minister has made these Regulations-

#### **Title.**

1. These Regulations may be cited as the Financial Services (Insurance Product Governance) (Amendment) Regulations 2026.

#### **Commencement.**

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

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

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

(2) In regulation 3(1), omit the definition of “large risks”.

#### **Amendment of the Financial Services (Insurance Distribution) Regulations 2020.**

4.(1) The Financial Services (Insurance Distribution) Regulations 2020 are amended as follows.

(2) In regulation 2(1)-

(a) after the definition of “insurance distributor” insert-

““large commercial customer” means a commercial customer which is-

- (a) a charity that has an annual income of £6.5 million or more;
- (b) a trustee of a trust that has a net asset value of £5 million or more; or
- (c) an enterprise that is not-

- (i) a micro-enterprise; or
  - (ii) a small business;”;
- (b) omit the definition of “large risks”;
- (c) after the definition of remuneration, insert–
  - ““specialist risks contract” means a contract of insurance covering risks within the following Classes in paragraph 22 of Schedule 2 to the Act–
  - (a) Classes 4, 5, 6, 7, 11 or 12; or
  - (b) Classes 14 or 15 where the policyholder is engaged professionally in an industrial or commercial activity or in one of the liberal professions, and the risks relating to such activity;”.
- (3) In regulation 15(1), for “the insurance of large risks” substitute–
  - “an insurance product which is–
  - (a) a specialist risks contract; or
  - (b) a general insurance contract (other than a specialist risks contract) distributed to large commercial customers”.
- (4) For regulation 18(7), substitute–
  - “(7) This regulation applies without limiting any other requirements under these Regulations, including those relating to disclosure, suitability or appropriateness, inducements and the identification and management of conflicts of interest.
  - (7A) This regulation does not apply to an insurance product which is–
  - (a) a specialist risks contract which meets the conditions in sub-regulation (7B);
  - (b) a general insurance contract (other than a specialist risks contract) distributed to large commercial customers who make the arrangements preparatory to them concluding the contract of insurance (directly or through an agent), which meets the conditions in sub-regulation (7B);
  - (c) a reinsurance contract; or
  - (d) a bespoke insurance contract within the meaning of sub-regulation (7C).

(7B) The conditions referred to in sub-regulation (7A)(a) and (b) are that the insurance product is used exclusively for effecting contracts of the type set out in those provisions where there are—

- (a) no policyholders; or
- (b) no policy stakeholders (where relevant, such as leaseholders in relation to a multi-occupancy building insurance contract),

who in that context are individuals acting for purposes outside of their trade, business or profession.

(7C) In sub-regulation (7A)(d) a “bespoke insurance contract” means a non-investment insurance contract—

- (a) which is either—
  - (i) an adaptation of one of the provider’s existing insurance products beyond what the existing product covers; or
  - (ii) a new contract of insurance that has been created by the provider and not adapted from the provider’s existing insurance products; and
- (b) which meets the following requirements—
  - (i) the provider adapted or created it solely and specifically for, and in response to the request of, a customer, in order to meet that customer’s particular insurance needs, objectives, interests or characteristics, where those needs, objectives, interests or characteristics cannot currently be met by the provider’s existing insurance products (unless adapted); and
  - (ii) the provider does not market it or offer it as available to any other customers.”.

(5) In regulation 32—

(a) for sub-regulations (2) to (5), substitute—

“(2) In sub-regulation (1), “relevant individual” means an individual who is part of the distributor’s—

- (a) life insurance personnel; or
- (b) non-life insurance personnel.

(3) In sub-regulation (2)–

“life insurance personnel” means individuals–

- (a) directly involved in the carrying on of the distributor’s insurance distribution activities in relation to life insurance contracts;
- (b) within the management structure responsible for the distributors’ insurance distribution activities in relation to life insurance contracts; or
- (c) responsible for the supervision of life insurance personnel acting in the capacity in paragraph (a); and

“non-life insurance personnel” means individuals–

- (a) directly involved in the carrying on of the distributor’s insurance distribution activities in relation to non-life insurance contracts;
- (b) within the management structure responsible for the distributors’ insurance distribution activities in relation to non-life insurance contracts; or
- (c) responsible for the supervision of non-life insurance personnel acting in the capacity in paragraph (a).”.

(4) Where an insurance or reinsurance distributor has life insurance personnel, it must ensure that–

- (a) it and each of those personnel complies with continuing professional training and development requirements in order to maintain an adequate level of performance corresponding to the role they perform and the relevant market; and
- (b) that each of those personnel–
  - (i) completes a minimum of 15 hours of professional training or development in each 12 month period; and
  - (ii) complies with the professional knowledge and competence requirements in Schedule 1.

(5) For the purposes of sub-regulation (4), a distributor must take account of–

- (a) roles and activities carried out by its life insurance personnel; and
- (b) the type of distribution it undertakes and the nature of the products sold.”;

(b) after sub-regulation (6), insert–

“(7) An insurance or reinsurance distributor must not prevent an individual who is part of its–

(a) life insurance personnel from obtaining a copy of the records relating to that individual which it maintains for the purposes of sub-regulations (1) and (4) to (6); or

(b) non-life insurance personnel from obtaining a copy of the records relating to that individual which it maintains for the purposes of sub-regulations (1) and (6).”.

(6) In Schedule 1, omit paragraph I.

**Amendment of the Financial Services (Insurance Product Oversight and Governance) (Technical Standards) Regulations 2024.**

5.(1) The Technical Standards set out in the Annex to the Financial Services (Insurance Product Oversight and Governance) (Technical Standards) Regulations 2024 are amended as follows.

(2) In Article 1–

(a) in paragraph (2), for “Chapters 1 to 3” substitute “Subject to paragraph (2A), Chapters 1 to 3”;

(b) after paragraph (2), insert–

“(2A) Where a provision in Chapters 1 to 3 is described as only applying to specified providers, it only applies to persons in paragraph (2)(a) or (b) which are specified providers.”;

(c) after paragraph (3), insert–

“(4) These Standards do not apply to an insurance product that falls within regulation 18(7A) of the Insurance Distribution Regulations.”.

(3) In Article 3–

(a) For paragraph (3), substitute–

“(3) Where more than one manufacturer (within the meaning of Article 2) is involved in the manufacture of an insurance product, they must execute a written agreement which specifies–

- (a) their collaboration to comply with the requirements for manufacturers in regulation 18 of the Insurance Distribution Regulations;
  - (b) the procedures through which they will agree on the identification of the target market; and
  - (c) their respective roles in the product approval process.”;
- (b) for paragraph (4), substitute–
- “(4) Paragraph (3) does not apply where more than one manufacturer is involved in the manufacture of an insurance product but those manufacturers have agreed that one of them (the “lead manufacturer”) is solely responsible for compliance with the obligations set out in that paragraph.
- (5) The option to select a lead manufacturer who is solely responsible for compliance with the obligations set out in paragraph (3) may only be exercised where–
- (a) the lead manufacturer is an insurance undertaking;
  - (b) the manufacturers concerned are able to demonstrate that the lead manufacturer has sufficiently significant involvement in the manufacture of the product to warrant its selection as the lead manufacturer;
  - (c) all the manufacturers concerned have unambiguously agreed in writing that–
    - (i) the lead manufacturer is solely responsible for compliance with the those requirements in relation to all aspects of the product including in relation to any aspects of the manufacturing carried out by any of the other manufacturers;
    - (ii) the lead manufacturer accepts any and all liability arising out of any breaches of the requirements for which it has accepted responsibility, including liability for any claims for redress which may arise (but the lead manufacturer may seek indemnities from the other manufacturers in relation to that liability); and
    - (iii) the other manufacturers will cooperate with the lead manufacturer and share all information reasonably required by the lead manufacturer, in a timely manner, to enable the lead manufacturer to fully comply with those requirements.

- (6) A lead manufacturer–
  - (a) must ensure that the manufacturer’s obligations are met in respect of a product for which it is the lead manufacturer, including in relation to any aspects carried out by the other manufacturers involved in the manufacture of the insurance product; and
  - (b) may be treated by the GFSC as responsible for, and liable for any breaches of, the manufacturer’s obligations in relation to the whole of that product.
- (7) Where an manufacturer has agreed to be the lead manufacturer in accordance with paragraph (4), regulation 18(1) of the Insurance Distribution Regulations only applies to that manufacturer.
- (8) Paragraphs (4) to (7) only apply to specified providers.”.

(4) In Article 10–

- (a) after paragraph (10), insert
  - “(10A) In relation to a N-II product, a distributor must determine on an ongoing basis the appropriate intervals for the regular review of its product distribution arrangements based on the potential for customer harm arising from risk factors associated with the product.”;
- (b) after paragraph (11), insert–
  - “(12) In relation to a N-II product, a distributor must make and retain a record of–
    - (a) its determination of the appropriate intervals for the regular review of its product distribution arrangements; and
    - (b) the reasons for that determination.
- (13) Paragraphs (10A) and (12) only apply to specified providers.”.

(5) For Article 23(1), substitute–

- 23.(1) For a N-II product, a specified provider must determine on an ongoing basis the appropriate intervals for regular review based on the potential for customer harm arising from risk factors associated with the product.
- (1A)For the purposes of paragraph (1), a specified provider must take into account at least the following factors, in addition to those in Article 7(2)–

- (a) the nature of the customer base, including whether there are significant numbers of customers of long tenure or vulnerable customers;
- (b) any indicators of customer harm seen in the provider's assessment of the product's value to the customer; and
- (c) any indicators of customer harm potentially emerging from the performance of the product (for example, through claims and complaints data).

(1B) In relation to a N-II product, a specified provider must make and retain a record of—

- (a) its determination of the appropriate intervals for regular review; and
- (b) the reasons for that determination.”.

(6) Omit Article 28.

**Amendment of the Financial Services (Core Principles and Consumer Duty) Regulations 2024.**

6.(1) The Financial Services (Core Principles and Consumer Duty) Regulations 2024 are amended as follows.

(2) In regulation 9—

(a) in sub-regulation (3)—

- (i) in the opening words, for “paragraph” substitute “sub-regulation”;
- (ii) for paragraph (b), substitute—

“(b) an insurance product in respect of risks located outside Gibraltar or the United Kingdom which is—

- (i) a specialist risks contract; or
- (ii) a general insurance contract (other than a specialist risks contract) distributed to large commercial customers;”;

(b) after sub-regulation (4). insert—

“(5) In paragraph (3)(b) “specialist risks contract” and “large commercial customer” have the meaning given in regulation 2(1) of the Financial Services (Insurance Distribution) Regulations 2020.”.

(3) In the Schedule, after paragraph 1(4), insert–

“(4A) Part 2 does not apply to bespoke contracts.”.

Dated: 28<sup>th</sup> May 2026

N FEETHAM KC,  
Minister with responsibility for Financial Services.

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### **EXPLANATORY MEMORANDUM**

These Regulations amend various regulations concerning product oversight and governance requirements for insurance products, in order to align with the equivalent regulatory requirements in the United Kingdom.