

Solvency II Circular for Insurance and Reinsurance Undertakings

Following the circular published by the MFSA on 12 September 2014, this second circular provides information on other aspects of Solvency II that insurance and reinsurance undertakings should look at as part of their preparation for Solvency II.

Group Supervision under Solvency II

Reference is made to the guidance paper issued by the MFSA on 22 November 2013 on insurance groups under Solvency II.

Undertakings are reminded to consider the implications of group supervision and the group solvency calculation for the undertaking in preparation for the implementation of Solvency II which is expected to come into force on 1 January 2016.

Please also be guided by the latest consultation papers as published on the EIOPA website, as the content in the MFSA Guidance Papers were draft and may have been superseded. On 2 June 2014, EIOPA consulted on the first set of the Solvency II Guidelines. The draft proposed guidelines in relation to Group Solvency can be found in the “Consultation Paper on the proposal for Guidelines on Solvency II relating to Pillar 1” on the EIOPA website.

These guidelines can be accessed through the following link:

<https://eiopa.europa.eu/consultations/consultation-papers/2014-closed-consultations/june-2014/public-consultation-on-the-set-1-of-the-solvency-ii-guidelines/index.html>

Kindly keep in view other guidelines relating to group supervision as they become published on the EIOPA website. With the application of group supervision, undertakings need to take into consideration the group specific guidelines.

For this purpose, the Authority requires the shareholding structure of the whole group clearly showing which entities will fall within the scope of insurance group supervision. In addition, kindly indicate how the undertaking intends to apply group supervision.

For completeness, should the undertaking conclude that group supervision does not apply, kindly also provide a response explaining why this is the case.

Kindly submit your response to the Insurance and Pensions Supervision Unit on ipsu@mfsa.com.mt by **Friday 14th November 2014**.

Solvency II Implementing Measures

On 10 October 2014 the Commission has published the implementing measures for Solvency II. This will enter into force once the European Parliament and Council have both approved the text, for which a maximum period of 6 months can be taken.

The link to this document is provided here:

http://ec.europa.eu/internal_market/insurance/solvency/solvency2/index_en.htm#implementing_measures

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