

Taking-up and pursuit of the business of insurance and reinsurance - Solvency II. Recast

2007/0143(COD) - 07/12/2017 - Follow-up document

The Commission adopted a report on the exercise of the power to adopt delegated acts conferred on the Commission pursuant to Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).

The Solvency II Directive introduced a sound and robust prudential framework for insurance firms in the EU. It is based on the risk profile of each individual insurance company in order to promote comparability, transparency and competitiveness.

In accordance with Article 301a(2) of the Solvency II Directive, delegated power is conferred on the Commission for a period of **four years from 23 May 2014**. The Commission is required to draw up a report in respect of those delegated powers at the latest six months before the end of that four-year period.

Exercise of the delegation: the report covers those delegated powers falling within the scope of Article 301a. It notes that **the Commission exercised the vast majority of empowerments in the Solvency II Directive in 2014**. The empowerments were bundled because of the complex inter-relation of different empowerments, for example on the Solvency II standard formula.

On 14 October 2014, the Commission adopted the [Solvency II Delegated Act](#), which was published in the Official Journal on 17 January 2015 after the expiry of the scrutiny period of the European Parliament and the Council. It entered into force on 18 January 2015, well ahead of 1 January 2016, when the Solvency II Directive became fully applicable.

Subsequently, the Commission adopted:

- on 30 September 2015, [a Delegated Act](#) amending the Solvency II Delegated Act of 2014 on **infrastructure projects**, which entered into force on 2 April 2016. The amendment also covered changes with respect to European Long-Term Investment Funds (ELTIF), the equity transitional and Multilateral Trading Facilities (MTFs);
- on 8 June 2017, [a Delegated Act](#) amending the Solvency II Delegated Act on **infrastructure corporates**. This amending Act was published in the Official Journal on 14 September 2017, after the expiry of the European Parliament and Council scrutiny period;
- in June 2015 and November 2015 two packages of **equivalence decisions** with respect to 8 jurisdictions, in the form of delegated acts.

Separately, the Commission also adopted correcting acts for some of the language versions of the Delegated Act.

Conclusions: the Commission considers that it has exercised its delegated powers in a **timely and correct manner** to ensure that the required Delegated Acts were in place for insurance and reinsurance undertakings and national supervisory authorities to apply the rules on the date the Solvency II Directive became fully applicable. Targeted amendments since then have ensured that the prudential framework is appropriately calibrated to allow insurers to contribute to the Capital Markets Union as long-term investors.

Going forward, the Commission considers that **all delegations of power should be retained**, amongst others as preparatory work is continuing with respect to aligning the Solvency II Delegated Act with [the Regulation](#) on simple, transparent and standardised securitisation and [the amendment](#) to the Capital Requirements Regulation. The Commission has asked the European Insurance and Occupational Pensions Authority (EIOPA) for its technical advice on the review of specific items in the Solvency II Delegated Act.