

CONSULTATION PAPERS ON INSTRUMENTS WITH CHANGES ON THE MATCHING ADJUSTMENT

Workshop with stakeholders on Solvency II consultation papers

10 December 2025

Maxime Louardi

CP ON INSTRUMENTS WITH CHANGES ON THE MATCHING ADJUSTMENT

Scope

- Consultation paper on the revised ITS on procedures for the approval of the matching adjustment (MA)
- Consultation paper on revised Guidelines on ring-fenced funds (RFF)

Background

- The Solvency II review changes the treatment of MA portfolios in the SCR calculation and the determination of own funds, in particular with regard to diversification of risks
 - The amending Directive of the Solvency II review includes a recital which specifies that undertakings which use the MA should be allowed to calculate their SCR assuming full diversification between the assets and liabilities of the portfolio and the rest of the undertaking, unless the portfolios of assets covering a corresponding best estimate of insurance or reinsurance obligations form a ring-fenced fund
 - COM has introduced changes in multiple articles of the Delegated Regulation commensurate with this general orientation
 - Consistent changes need to be made to the ITS and the Guidelines to avoid a contradiction with the legal framework. The review also aims to simplify and shorten the Guidelines, where possible
- The ITS and the Guidelines need to be updated accordingly
- Simplification and shortening of the Guidelines

CP ON IMPLEMENTING TECHNICAL STANDARDS ON THE PROCEDURES FOR THE APPROVAL OF THE MATCHING ADJUSTMENT

Changes to the Implementing Technical Standards (ITS)

- Amendments to reflect the modified treatment of diversification with MA portfolios:
 - Article 4 – Deletion of letters (c) and (d) in paragraph 1
- Amendments to reflect the establishment of criteria for the inclusion of restructured assets in MA portfolios:
 - Article 2 – Amendment to letter (a) in paragraph 1
- Correction of editorial mistakes in the original wording:
 - Article 1 – Amendments to paragraphs 2 and 4
 - Article 3 – Amendment to letter (a) in paragraph 1
 - Article 5 – Amendment to first subparagraph and deletion of letter (f), both in paragraph 1
- Reflection of the possibility to combine the liquidity plan for the MA with the liquidity risk management plan:
 - Article 5 – Amendment to letter (b) in paragraph 1

CP ON REVISED GUIDELINES ON RING-FENCED FUNDS

Changes to the Guidelines

- Amendments to reflect the modified treatment of diversification with MA portfolios:
 - GL4 - Amended deleting paragraph 1.15
 - GL17 – Title adjustment
- Correction of the mistakes in the original wording:
 - GL12 – Correction of an error in reference
 - The correct reference is article 217(2), not article 227(2)
- Simplification and shortening:
 - Introduction – streamlined amending paragraph 1.1 and deleting paragraphs 1.5 and 1.6
 - Straightforward implication of the Solvency II legal provisions. No need to further clarify.
 - GL6, GL7, GL11, GL15 and GL16 – Deleted in full
 - The number of Guidelines is reduced by 29%



THANK YOU!

For more information visit:
<https://www.eiopa.europa.eu>