

To: Economics & Finance Committee
Solvency II SG
Public Affairs Group
From: Economics & Finance department
Date: 8 November 2011
Reference: ECO-SLV-11-750

Subject: Omnibus II: ECON first set of compromise amendments

| Latest developments

Omnibus II

Following the amendments tabled by MEPs to the draft report by rapporteur Balz, the discussions on Omnibus II within the ECON Committee are ongoing.

- **A first set of draft compromise amendments has been circulated to MEPs today.** MEPs have been given until 21 November to provide comments.
- The rapporteur Balz has announced that a second set of draft compromises will be developed in conjunction with the draft implementing measures on Solvency II, and will be circulated to MEPs before the end of November.
- The vote on Omnibus II in the ECON Committee has been postponed. This could now take place possibly on 20 December.
- The trilogue discussions for a joint agreement between the EP and Council are not expected to begin until possibly after the Christmas break. This first delay will have knock-on effects on the timing for EP to vote on a text in its plenary session, which could now take place in late February or March, and by consequence in the timing for the Level 2 implementing measures to be officially published by the EC for scrutiny by EP and Council.

The CEA is in the process of finalising agreement with its members on the list of priority concerns which the CEA should lobby for or against, including a list of the areas which we believe should remain under the Delegated Acts, and those which the industry would accept changed to Regulatory Technical Standards.

Level 2 implementing measures

The EC finalised its draft consolidated text on 31 October and the result is disappointing. In the crucial areas related to the discount rate for technical provisions and contract boundaries, whilst have seem significant changes relative the Commissions consolidated draft table for March 2011, the text is still far from the proposals made by the industry. In general we have concern that the 600+ amendments proposed by the CEA in March have been largely ignored.

- The European Commission will debrief interested MEPs on this consolidated text of its Level 2 implementing measures tomorrow 9 November.

The EC cannot officially publish this final text of its Level 2 implementing measures until Omnibus II is adopted, which is not expected before February/March 2012. However, until then, and given some MEPs intention to introduce elements of the level 2 implementing measures into the report on Omnibus II, the possibilities to

change these implementing measures remains open. The CEA secretariat proposes going forward to significantly increase lobbying to the EP in order to make progress on our level 2 concerns.

| Next steps

- The vote on Omnibus II in the ECON Committee has been postponed to possibly 20 December.