

GUIDELINES ON EXCLUSION OF UNDERTAKINGS FROM THE SCOPE OF GROUP SUPERVISION

Workshop on Solvency II consultation papers

16 May 2025

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Changes to the Solvency II Directive

- The review of Solvency II Directive amends Article 214(3) on scope of group supervision:
 - Only in exceptional circumstances a group supervisor should exclude one or more undertakings from the scope of group supervision that would lead to non-application of group supervision.
 - Such a decision shall be justified to EIOPA and the NSAs concerned and reassessed at least annually.

Mandate

- EIOPA shall develop guidelines to specify the exceptional circumstances to exclude undertakings leading to non-application of group supervision and the cases where it may be justified to exclude the ultimate parent undertaking from the scope of group supervision.

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Content of the proposed Guidelines

- Strict approach to exclusions where it would lead to non-application of group supervision: exclusions should stay very exceptional.
- Specification of circumstances under which undertakings are not eligible for exclusion.
- Specification of additional conditions depending on the basis for exclusion:
 - Undertakings situated in a third country where there are legal impediments to transfer of information
 - Undertakings of negligible interest with respect to objectives of group supervision or whose inclusion would be inappropriate or misleading
- Specification of conditions for application of group supervision at the level of an intermediate participating undertaking when excluding the ultimate parent undertaking.
- Reassessment of exclusions to include regular monitoring of IGT through existent or additional reporting.

THANK YOU!