

RTS ON FACTORS FOR IDENTIFYING UNDERTAKINGS UNDER DOMINANT OR SIGNIFICANT INFLUENCE AND UNDERTAKINGS MANAGED ON A UNIFIED BASIS

Workshop on new technical standards

27 November 2024

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Changes to the Solvency II Directive

- Solvency II review will introduce in Article 212 of the Directive four factors to be considered by supervisory authorities when identifying:
 - Undertakings under dominant or significant influence including when this influence is exercised through centralised coordination over the decisions of the undertakings
 - Undertakings managed on a unified basis
- The factors are:
 - 1) Control or ability to influence decisions;
 - 2) Strong reliance due to material financial or non-financial transactions or operations;
 - 3) Coordination of financial or investment decisions;
 - 4) Coordinated and consistent strategies, operations or processes

Mandate for technical standards

- EIOPA shall develop draft regulatory technical standards to supplement or specify the four factors.

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Consultation proposal for technical standards

- Each of the four factors stated in Article 212 is further specified in an article of the RTS by listing evidence for identifying undertakings under dominant or significant influence and undertakings managed on a unified basis.
- The existence of contractual arrangements is the first element of evidence to be considered. When those are missing or do not provide enough clarity to reach a conclusion over a relationship, supervisory authorities should consider other evidence.
- Not all supporting evidence listed in the RTS need to be fulfilled. Supervisory authorities need to consider the significance, continuity and consistency of the relevant evidence.

THANK YOU!