

To: Prudential Working group
From: Prudential team [CoAuthorsText]
cc:
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Subject: Updated Survey Results - SII Implementation

Summary

As discussed during the Prudential Working Group on 21 November 2025, the secretariat conducted a **second-round survey** on how **Member State options** in the Solvency II review will be implemented in national jurisdictions.

Members may find in the following pages:

- A brief overview of the current situation, and the table summarizing the results from the survey (*new feedback in red*).
- The compiled feedback received on all questions in the annex at the end of the document (*new feedback in red*).

The main messages arising were:

- Implementation remains at a very early stage across Member States; most jurisdictions have no draft legislation yet.
- There is limited alignment on Member State options, increasing the risk of divergent national practices.
- Divergent approaches are emerging on audit requirements, with some jurisdictions signalling broader application than others.
- Standard formula reporting for internal model users is one of the few areas showing relative convergence.
- In several jurisdictions, the legislator is expected to leave broad discretion to supervisors, meaning that practical outcomes may depend heavily on supervisory practice and future EIOPA guidelines.

Should members have any questions or concern, please contact prudential@insuranceeurope.eu .

Annex I - Summary of results from the survey on national implementation of the Solvency II review (new feedback in red)

More extensive feedback is received, as discussions on implementation are ongoing, but all members states are **still in early implementation stages, with no draft** present.

Most of the options in the survey see member states probably applying them in diverse ways, it seems there is not a lot of alignment.

The only two options with an overall alignment are the following:

- Volatility Adjustment (Recital 45): **Sweden** is the only country that will be applying the option, **all others won't**.
- Standard formula reporting for Internal Models (art 112): **all members, but France**, will be applying the option

Country	Transposition status/timeline	Excluded undertakings subject to SII provisions (Recital 10)	Volatility Adjustment (Recital 45)	Audit Requirement (art 51a)	Stress disclosure (art 64)	test (art 112)	Standard formula reporting for Internal Models (art 112)	Calibration standards for Internal Models (art 112)	Supervisory powers to remedy liquidity vulnerabilities (art 144)
Germany	There is no draft yet on the implementation of the Amending Directive into national law.	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC

France	No discussions have yet been held on the transposition. The Trésor is expected to initiate discussions in Nov/Dec 2025 , aiming for adoption in Q2 2026 .	TBC	It seems unlikely that changes will be made to the conditions of application of the VA.	The Trésor is aware of the strong opposition from industry, but auditors and the ACPR are pushing for an extensive Solvency II audit, possibly beyond the balance sheet. Issue remains under discussion but has been flagged.	Very likely. The ACPR has been very vocal in supporting publication of individual results. The DGT is not keen on this, but the ACPR appears willing to proceed.	Probably not. This proposal was not supported by the Trésor .	TBC	TBC
Denmark	It is the stated intention of the NCA that Denmark will have a near-to-directive implementation with implementation date 30 Jan 2027 . IPD has only just started discussions on the implementation.	TBC	Expect no application of the option.	Expect no application of either option, as the NCA has stated it will go for a minimum implementation .	Probably, yes.	Yes. PIM companies are currently asked annually (via email) to report using the SF; they have not objected.	TBC	TBC

Sweden	Responses are based on an enquiry on how to implement the revised Solvency II Directive and IRRD into Swedish law. These are preliminary , with final decisions expected in late 2026 .	In Sweden, undertakings have the right to apply Solvency II provisions even if excluded from the scope of the Directive.	Yes	No. For both options	This can already be done under current Swedish law, so no change is expected.	Yes. Under the current proposal, the Swedish supervisor will have a legal mandate to request more frequent reporting. Under Swedish administrative law, decisions must state their reasons.	TBC The supervisory authority will be given a mandate to decide whether to apply the option. It is still unknown whether the mandate will be used.	No major concerns. However, how these powers will be used by the Swedish supervisor depend to some extent on EIOPA's guidelines.
Spain	Awaiting the regulator to present a draft transposition text of the Directive.	Expected that the legislator will leave the supervisor with full discretion.	TBC	Option 1 – Yes: based on previous experience, expect no entity to be excluded. Option 2 – Yes: also expected to be applied.	TBC	Expected that the legislator will leave the supervisor with full discretion.	TBC	TBC
Slovakia	The final decision has not yet been made ; the listed issues are currently under discussion between the Ministry of Finance and the National Bank of Slovakia .	No	No	Option 1 - Yes. There is a discussion ongoing. Option 1 - No	TBC	Yes	TBC	TBC There is a discussion ongoing

Greece	No discussions have taken place yet. A draft on the implementation of the Directive, prepared by the BoG and focusing on the solo provisions, has been completed. Its review by the HAIC and the other participating parties has just begun.	TBC	TBC	TBC	TBC	TBC	TBC	TBC
Netherlands		If they are outside the scope of the directive, (art. 4), they are outside the implementation act.	The implementation act does not apply any optional power, but if the supervisor gets a new power, it may.	Option 1 – No. Option 2 – No	TBC	TBC	TBC	TBC
Belgium	No draft text is available: responses are based on current framework and on previous interaction with NBB.	Yes. No draft text yet, and no concerns	Probably no. No draft text yet, and no concerns	Option 1 – Unclear. Option 2 – Yes The NBB currently asks for extensive audit requirements, unlikely that they will backtrack on them.	TBC - The NBB has stated that if the stress test results will be published, the scenarios will have to be limited in severity. The results of the national stress tests have always been aggregated.	Very likely. Belgian companies using a (partial) internal model already must provide reporting on the standard formula with a yearly frequency since the introduction of SII.	TBC	The NBB more or less has these powers already in place
Germany	No decision yet							

**Fran
ce**

No decision yet

Survey Questions (new feedback in red)

General comments

- **Sweden:** Our responses are based on the enquiry of how to implement the revised Solvency II Directive and IRRD into Swedish law. Thus, they are our preliminary. We expect a final decision late 2026
- **France:** Please note that at this stage, no discussions were held on the topic of the transposition of the directive. Therefore, we have no clear indication on what would be the options to be selected by the Trésor.
In terms of calendar, we expect the Trésor to initiate discussions on the matter in November/December, to prepare for a adoption in Q2 2026
- **Denmark:** It is the stated intention of our NCA that Denmark will have a near to directive implementation with implementation date 30.01.2027.
But IPD have only just started discussions about the implementation
- **Germany:** We currently do not know whether Germany will apply any of the Member State options since there is no draft on the implementation of the Amending Directive into national law yet. However, we encourage that this survey should be repeated periodically to enhance the exchange on the national implementation of the review.
- **Slovakia:** The final decision has not been made and the issues listed below are currently the subject of discussion between the Ministry of Finance of the Slovak Republic and the National Bank of Slovakia.

Excluded undertakings subject to SII provisions

Recital 10:

*'Directive 2009/138/EC excludes certain undertakings from its scope, due to their size. Following the first years of application of Directive 2009/138/EC and with a view to ensuring that it does not unduly apply to undertakings of reduced size, it is appropriate to review those exclusions by increasing those thresholds, so that small undertakings that fulfil certain conditions are not subject to that Directive. As is already the case with insurance undertakings excluded from the scope of Directive 2009/138/EC, undertakings benefitting from such increased thresholds should have the option to keep or seek authorisation under that Directive in order to benefit from the single license provided therein and **it should be possible for Member States to subject insurance undertakings that are excluded from the scope of Directive 2009/138/EC to provisions that are similar or identical to the ones provided for in that Directive**'*

Will your jurisdiction apply this option?

- Yes/No
- **Belgium:**
 - Yes
- **Slovakia:**
 - No
- **Sweden:**
 - See our previous response in the Table below

If yes, how?

- **Netherlands:**
 - If they are outside the scope of the directive, (art. 4), they are outside the implementation act.
- **Belgium:**
 - I don't know since no draft text is available

Expected impact or concerns:

- **Belgium:**
 - None

Other comments:

■ **Spain:**

- We are still waiting for our regulator to present a draft transposition text of Directive 2/2025.
- Regarding the entities referred to in Article 4, Spain already has a special regime in place, which includes obligations like Solvency II in terms of Pillar II and Pillar III, but with a more simplified Pillar I. We could call it "Solvency 1.5".

■ **Sweden:**

- This already follows from the Solvency II Directive and has not been revised. In Sweden, insurance undertakings have the right to apply the provisions of the Solvency II Directive even if they are excluded from the scope of the directive.

Volatility Adjustment

Recital 45:

*'Directive 2009/138/EC provides for a **volatility adjustment**, which seeks to mitigate the effect of exaggerations of bond spreads and is based on reference portfolios for the relevant currencies of insurance and reinsurance undertakings and, in the case of the euro, on reference portfolios for national insurance markets. The use of a uniform volatility adjustment for entire currencies or countries can lead to benefits in excess of a mitigation of exaggerated bond spreads, in particular where the sensitivity of relevant assets of those insurance and reinsurance undertakings to changes in credit spreads is lower than the sensitivity of the relevant best estimate to changes in interest rates. In order to avoid such excessive benefits from the volatility adjustment, the volatility adjustment should be subject to supervisory approval and its calculation should take into account undertaking-specific characteristics related to the spread sensitivity of assets and the interest rate sensitivity of the best estimate of technical provisions. Moreover, minimum conditions for the use of the volatility adjustment should be introduced as an additional safeguard. **Member States**, some of which already subject the use of the volatility adjustment to a supervisory approval process, **should have the option to extend the conditions for approval to include an assessment against the underlying assumptions of the volatility adjustment**. In light of the additional safeguards, insurance and reinsurance undertakings should be allowed to add up to an increased proportion of 85 % of the risk-corrected spread derived from the representative portfolios to the basic risk-free interest rate term structure.'*

Will your jurisdiction apply this option?

■ Yes/No

■ **Insurance and Pensions Denmark:**

- We expect no

■ **GDV:**

- Unknown

■ **France Assureurs:**

- It seems unlikely that changes would be made to the conditions of application of the VA, but that needs to be confirmed.

■

■ **Belgium:**

- Probably no

■ **Slovakia:**

- No

■ **Sweden:**

Yes

If yes, how?

■ **Netherlands:**

- The implementation act does not apply any optional power, but if the supervisor gets a new power, it may.

■ **Belgium:**

- I don't know since no draft text is available

Expected impact or concerns:

■ **Belgium:**

- None

Other comments:

■ **Denmark:**

- In Denmark the NCA has made a daily publication of the RFR+VA to be used for daily risk management, since this are of great value for our members the IPD are starting a dialogue with the NCA of a possible future publication of the non-company specific parts of the VA.

■ **Spain:**

- We are still waiting for our regulator to present a draft transposition text of Directive 2/2025.
- We expect that, as this is a supervisory option, the legislator will leave the supervisor with full discretion in the transposition.

■ **Sweden:**

- The Member State option follows from Article 122(5) rather than the recital 45.

Audit requirement

Article 51a:

'1. For insurance and reinsurance undertakings other than small and non-complex undertakings and captive insurance undertakings and captive reinsurance undertakings, the balance sheet disclosed as part of the solvency and financial condition report in accordance with Article 51(1) or the balance sheet disclosed as part of the single solvency and financial condition report in accordance with Article 256(2), point (b), shall be subject to an audit.

*2. By way of derogation from Article 29c, **Member States may extend the requirement laid down in paragraph 1 of this Article to undertakings classified as small and non-complex undertakings, captive insurance undertakings and captive reinsurance undertakings.***

*3. **Member States may extend the scope of the audit requirement referred to in paragraph 1 to other elements of the solvency and financial condition report.**'*

Option 1

Will your jurisdiction apply the option to extend audit requirements to SNCUs (incl groups) and/or captives?

■ **Netherlands:**

- No

■ **Belgium:**

- Unclear

■ **Slovakia:**

- Yes

■ **Sweden:**

- No

■ **Denmark:**

- We expect no since the NCA have stated that they will go for a minimum implementation. So, for the present we expect no further audit requirement.

If yes, how?

- **Belgium:**
 - I don't know since no draft text is available
- **Slovakia:**
 - There is a discussion going on

Expected impact or concerns:

- **Belgium:**
 - The NBB currently asks for extensive audit requirements. We have definitely asked to align the stricter Belgian requirements with the European framework. Our comments were noted but no feedback yet.

Other comments:

- **Spain:**
 - Circulars 1/2017 and 1/2018 from the Spanish supervisory authority (DGSFP) already regulate the audit of the Solvency and Financial Condition Report (SFCR) through a special review report. In this regard, the scope of application of the circulars already includes all entities and groups under the supervision of the DGSFP that are required to publish the SFCR. We do not expect any changes in this regard in the transposition of this directive.
 - We are still waiting for our regulator to present a draft transposition text of Directive 2/2025; therefore, we do not know whether entities classified as SNCUs will be excluded, but based on previous experience, we do not expect any entity to be excluded.

Option 2

Will your jurisdiction apply the option to extend audit requirements to other elements of the SFCR?

- **Netherlands:**
 - No
- **Belgium:**
 - Yes, it is unlikely the NBB will backtrack on the current requirements.
- **Slovakia:**
 - No
- **Sweden:**
 - No
- **Denmark:**
 - We expect no since the NCA have stated that they will go for a minimum implementation. So for the present we expect no further audit requirement.

If yes, which elements?

- **Belgium:**
 - Currently all QRTs and the SFCR (including the narrative), except the following:
 - S.01.03 Basic Information - RFF and matching adjustment portfolios
 - S.02.02 Liabilities by currency
 - S.04.02 Information on class 10 in Part A of Annex I of Solvency II Directive, excluding carrier's liability
 - S.04.03 Basic Information – list of underwriting entities
 - S.04.04 Activity by country – location of underwriting
 - S.05.02 Premiums, claims and expenses by country
 - S.06.04 Climate change-related risks to investments
 - S.12.02 Life and Health SLT Technical Provisions - by country
 - S.14.01 Life obligations analysis

- S.14.02 Non-Life obligations analysis
- S.14.03 Cyber underwriting risk
- S.14.04 Liquidity risk for life business [Financial Stability]
- S.14.05. Liquidity risk for non-life business [Financial Stability]
- S.17.03 Non-Life Technical Provisions - By country
- S.19.01 Non-life insurance claims
- S.21.01 Loss distribution risk profile
- S.21.02 Underwriting risks non-life
- S.21.03 Non-life distribution of underwriting risks - by sum insured
- S.22.04 Information on the transitional on interest rates calculation
- S.22.05 Overall calculation of the transitional on technical provisions
- S.22.06 Best estimate subject to volatility adjustment by country and currency
- S.25.04 Solvency Capital Requirement [Financial Stability]
- S.29.02 Excess of Assets over Liabilities - explained by investments and financial liabilities
- S.29.03 Excess of Assets over Liabilities - explained by technical provisions
- S.29.04 Detailed analysis per period - Technical flows versus Technical provisions
- S.30.01 Facultative covers for non-life and life business basic data
- S.30.02 Facultative covers for non-life and life business shares data
- S.30.03 Outgoing Reinsurance Program basic data
- S.30.04 Outgoing Reinsurance Program shares data
- S.31.01 Share of reinsurers [including Finite Reinsurance and SPV's]
- S.31.02 Information on Special Purpose Vehicles
- S.38.01 Duration of technical provisions [Financial Stability]
- S.39.01 Profit and Loss [Financial Stability]
- S.40.01 Profit or Loss sharing [Financial Stability]
- S.41.01 Lapses [Financial Stability]
- S.52.01 PEPP and PEPP saver information
- E.01.01 Deposits to cedants – line-by-line reporting [ECB add-on]
- E.02.01 Pension entitlements [ECB add-on]
- E.04.01 Investment revenues and expenses (part of TP and excess of assets over liabilities) [ECB add-on]
- Standard formula reporting by (partial) internal model users
- Two additional national reporting on covering assets and interest rate risk.

Expected impact or concerns:

■ **Belgium:**

- The NBB currently asks for extensive audit requirements. We have definitely asked to align the stricter Belgian requirements with the European framework. Our comments were noted but no feedback yet.

Other comments:

■ **Spain:**

- Regarding the audit of SFCR components beyond the balance sheet, the DGSFP circulars include the review of the following aspects of the SFCR:
 - Valuation for solvency purposes (balance sheet).
 - Capital management (SCR and MCR calculations).
 - Maintenance of requirements.
- We are still waiting for our regulator to present a draft transposition text of Directive 2/2025, but based on previous experience, our understanding is that the option will be applied.

Stress test disclosure

In **Article 64**, the following paragraph is added:

*'The first, second and third paragraphs of **this Article shall not prevent the supervisory authorities from publishing the outcome of stress tests** carried out in accordance with Article 34(4) of this Directive or Article 32 of Regulation (EU) No 1094/2010 or from transmitting the outcome of stress tests to EIOPA for the purposes of the publication by EIOPA of the results of Union-wide stress tests.'*

Will your jurisdiction require disclosure of stress test results?

- Yes/No
- **Netherlands:**
 - Unclear.
- **Belgium:**
 - Unknown, this will depend on the position of others.
- **Slovakia:**
 - Not known at this stage
- **Denmark:**
 - We might have a yes here.
- **France:**
 - Very likely. The ACPR has been extremely vocal about the importance of publishing the individual results. The DGT is not necessarily very keen on the this initiative, but it seems apparent that the ACPR will be more than willing to do so.

If yes, how will this be implemented?

- **Belgium:**
 - I don't know since no draft text is available
- **Sweden:**
 - No, but the supervisory authority may decide to publish the results (see our previous response below).
 - This can be done with the current Swedish law, so there will be no change of the law due to this article.

Expected impact or concerns:

- **Belgium:**
 - The NBB has stated that if the stress test results will be published, the scenarios will have to be limited in severity. The current 'experimental' approach /high shocks for stress tests would no longer be reasonable. This is also the approach for the stress test for banks.
 - The results of the national stress tests have always been aggregated. It is expected that this will continue.
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Other comments:

- **Spain:**
 - We are still waiting for our regulator to present a draft transposition text of Directive 2/2025.

Standard formula reporting for Internal Models

In **Article 112**, paragraph 7 is replaced by the following:

*'7. After having received approval from supervisory authorities to use an internal model, insurance and reinsurance undertakings shall provide the supervisory authorities every two years with an estimate of the Solvency Capital Requirement determined in accordance with the standard formula, as set out in Subsection 2. **Supervisory authorities may, by means of a decision stating the reasons, request more frequent reporting from the insurance or reinsurance undertaking.***

Will your jurisdiction apply this option to request more frequent reporting from the (re)insurer?

- Yes/No
- **Netherlands:**
 - Unclear.
- **Belgium:**
 - Very likely yes
- **Slovakia:**
 - Yes
- **Sweden:**
 - Yes
- **France:**
 - Probably not, this proposal was not supported by the Trésor.

If yes, how?

- **Belgium:**
 - I don't know since no draft text is available
- **Slovakia:**
 - "On the basis of a reasoned decision, the National Bank of Slovakia may require insurance and reinsurance companies to submit more frequent reports on the estimation of the capital requirement for solvency." /Article 54(8) draft law/
 - **It is not the final version**, there is a discussion going on.
- **Sweden:**
 - It is included in the law
 - Under the current proposal, the Swedish supervisory authority will be given a legal mandate to request more frequent reporting. Under Swedish general administrative law, the decision must state the reasons.

Expected impact or concerns:

- **Belgium:**
 - Belgian companies using a (partial) internal model already must provide reporting on the standard formula with a yearly frequency since the introduction of SII (cf. circular NBB_2016_02), namely:
 - MCR
 - SCR
 - QRTs
 - S.25.01 - Solvency Capital Requirement
 - S.26.01 - Solvency Capital Requirement - Market risk
 - S.26.02 - Solvency Capital Requirement - Counterparty default risk
 - S.26.03 - Solvency Capital Requirement - Life underwriting risk

- S.26.04 - Solvency Capital Requirement - Health underwriting risk
- S.26.05 - Solvency Capital Requirement - Non-life underwriting risk
- S.26.06 - Solvency Capital Requirement - Operational risk
- S.27.01 - Solvency Capital Requirement - Non-life and Health NSLT catastrophe risk
- The above must be audited (cf. supra).
- **Sweden:**
 - No major concerns

Other comments:

- **Denmark:**
 - Our PIM companies are currently asked on a yearly basis in an email to report SFC using the SF, they have not objected to this.
- **Spain:**
 - We are still waiting for our regulator to present a draft transposition text of Directive 2/2025.
 - We expect that, as this is a supervisory option, the legislator will leave the supervisor with full discretion in the transposition.
- **Sweden:**
 - It is debatable whether this is a Member State option. In Sweden, Article 112(7) is interpreted as meaning that Member States are obliged to give authorities a mandate to request more frequent reporting.

Calibration standards for Internal Models

In **Article 122**, the following paragraph is added:

'5. Member States may allow insurance and reinsurance undertakings to take into account the effect of credit spread movements on the volatility adjustment calculated in accordance with Article 77d in their internal model, only where:

(a) the method to take into account the effect of credit spread movements on the volatility adjustment for a currency does neither take into account the undertaking-specific adjustment of the risk-corrected spread pursuant to Article 77d(1c) nor, in the case of the euro, a possible increase of the volatility adjustment by a macro volatility adjustment pursuant to Article 77d(4);

(b) the Solvency Capital Requirement is not lower than any of the following:

(i) a notional Solvency Capital Requirement calculated as the Solvency Capital Requirement, except that the effect of credit spread movements on the volatility adjustment is taken into account in accordance with the methodology used by EIOPA for the purposes of the publication of technical information pursuant to Article 77e(1), point (c);

(ii) a notional Solvency Capital Requirement calculated in accordance with point (i) of this point, except that the representative portfolio for a currency referred to in Article 77d(2), second subparagraph, is determined on the basis of the assets in which the insurance or reinsurance undertaking is investing instead of the assets of all insurance or reinsurance undertakings with insurance or reinsurance obligations denominated in that currency.

For the purposes of the first subparagraph, point (b), the determination of the representative portfolio for a given currency shall be based on the undertaking's assets denominated in that currency and used to cover the best estimate for insurance and reinsurance obligations denominated in that currency.'

Will your jurisdiction apply this option to allow (re)insurers to reflect the effect of credit spread movements within the volatility adjustment?

■ Yes/No

■ **Netherlands:**

■ Unclear.

■ **Belgium:**

■ Unknown

■ **Slovakia:**

■ Not known at this stage.

■ **Sweden:**

■ The supervisory authority will be given a mandate to decide whether to apply the option. It is still unknown whether the mandate will be used.

If yes, how?

■ **Belgium:**

■ I don't know since no draft text is available

■

Supervisory powers to remedy liquidity vulnerabilities in exceptional circumstances

Article 144b:

1. As part of the regular supervisory review process, supervisory authorities shall monitor the liquidity position of insurance and reinsurance undertakings. Where they identify material liquidity risks, they shall inform the insurance or reinsurance undertaking concerned thereof. The insurance or reinsurance undertaking shall explain how it intends to address those liquidity risks.

2. Member States shall ensure that supervisory authorities have the necessary powers to require undertakings to reinforce their liquidity position when material liquidity risks or deficiencies are identified. Such powers shall be applied where there is sufficient evidence regarding the existence of material liquidity risks and the absence of effective remedies taken by the insurance or reinsurance undertaking.

The measures taken by a supervisory authority on the basis of this paragraph shall be reviewed by it at least every six months and be removed when the undertaking has taken effective remedies.

Where relevant, the supervisory authority shall share the evidence of vulnerabilities in terms of liquidity risks with EIOPA.

3. Member States shall ensure that, in relation to individual undertakings facing material liquidity risks that may cause an imminent threat to the protection of policy holders or to the stability of the financial system, supervisory authorities have the power to temporarily:

- (a) restrict or suspend dividend distributions to shareholders and other subordinated creditors;
- (b) restrict or suspend other payments to shareholders and other subordinated creditors;
- (c) restrict or suspend share buy-backs and repayment or redemption of own fund items;
- (d) restrict or suspend bonuses or other variable remuneration;
- (e) suspend redemption rights of life insurance policy holders ("redemption rights").

The power to suspend redemption rights shall only be exercised in exceptional circumstances which affect the undertaking, as a last resort measure and where that is in the collective interest of policy holders and beneficiaries of the undertaking. Before exercising that power, the supervisory authority shall take into account potential unintended effects on financial markets and on the rights of policy holders and beneficiaries of the undertaking, including in a cross-border context. Supervisory authorities shall make public their reasons for the application of that power.

The application of any measure referred to in the first subparagraph shall last no more than three months. Member

States shall ensure that a measure can be renewed if the reasons that justify it are still present and that it is no longer applied when those reasons are no longer present.

Without prejudice to Article 144c(6), Member States shall ensure that, until the suspension of redemption rights is lifted by the supervisory authorities, insurance and reinsurance undertakings concerned do not:

- (a) make any distributions or other payments to shareholders or other subordinated creditors;
- (b) proceed with share buy-backs or repay or redeem any own fund items; or
- (c) pay bonuses or other variable remuneration to members of the administrative, management or supervisory body, key function holders or senior management.

Member States shall ensure that supervisory authorities have the necessary powers to enforce the requirements referred to in the fourth subparagraph.

Member States shall ensure that bodies and authorities with a macroprudential mandate, where different from the supervisory authorities, are duly informed in a timely manner of the supervisory authority's intention to make use of the powers referred to in this paragraph, and are involved in assessing the potential unintended effects referred to in the second subparagraph.

Member States shall ensure that supervisory authorities notify EIOPA and ESRB whenever the powers referred to in this paragraph are exercised to address a risk for the stability of the financial system.

4. When exercising the power referred to in paragraph 3 of this Article, supervisory authorities shall duly take into account the proportionality criteria referred to in Article 29(3).

Where, after consulting the ESRB, EIOPA considers that the exercise of the powers referred to in paragraph 3 by the competent authority is excessive, it shall issue an opinion to the supervisory authority concerned to the effect that the decision of that supervisory authority should be reviewed. That opinion shall not be made public.

5. When exercising the power referred to in paragraph 3 of this Article, supervisory authorities shall take into account the evidence resulting from the supervisory review process and a forward-looking assessment of the solvency and financial position of the undertakings concerned, in line with the assessment referred to in Article 45(1), second subparagraph, points (a) and (b).

6. The powers referred to in paragraph 3 may be exercised in relation to undertakings concerned operating in a given Member State where the exceptional circumstances referred to in paragraph 3 affect the whole or a significant part of the insurance market.

Member States shall appoint an authority to exercise the powers referred to in the first subparagraph.

Where the appointed authority is different from the supervisory authority, the Member State shall ensure proper coordination and exchange of information between the different authorities. In particular, all authorities shall be required to cooperate closely and to share all the information that may be necessary for the adequate performance of the duties entrusted to the authority appointed pursuant to this paragraph.

7. Member States shall ensure that the authority referred to in paragraph 6, second subparagraph, notifies in due time EIOPA, and, where the measure is taken to address a risk to the stability of the financial system, the ESRB, of the use of the powers referred to in paragraph 6.

The notification shall include a description of the measure applied, its duration, and the reasons for the use of the power, including the reasons why the measure was considered to be effective and proportionate in relation to its negative effects on policy holders.

8. In order to ensure consistent application of this Article, EIOPA shall, after consulting the ESRB, develop guidelines further specifying:

(a) the measures to address deficiencies in liquidity risk management and the form, activation and calibration of powers that supervisory authorities may exercise to reinforce the liquidity position of undertakings where liquidity risks are identified and not adequately remedied by those undertakings;

(b) the existence of exceptional circumstances that justify the temporary suspension of redemption rights;

(c) the conditions for ensuring the consistent application of the temporary suspension of redemption rights as a last resort measure across the Union and the aspects to consider for equally and adequately protecting policy holders in all home and host jurisdictions.

How do you envisage these supervisory powers to remedy liquidity vulnerabilities in exceptional circumstances being implemented in your jurisdiction?

■ **Netherlands:**

- Unclear.

■ **Belgium:**

- The NBB more or less already has these powers in place.

■ **Slovakia:**

- There is a discussion going on

■ **Sweden:**

- It will be implemented in the Swedish law for insurance, with similar wording as in Article 144 b.

Expected impact or concerns:

■ **Belgium:**

- None, since it is already the case

■ **Sweden:**

- No major concerns. However, how these powers will be used by the Swedish supervisor depend to some extent on EIOPA's guidelines.

Other comments:





