

Commission Delegated Regulation (EU) 2015/35 of 10 October 2014  
supplementing Directive 2009/138/EC of the European Parliament  
and of the Council on the taking-up and pursuit of the business of  
Insurance and Reinsurance (Solvency II) (Text with EEA relevance)

TITLE I

[<sup>XI</sup>VALUATION AND RISK-BASED CAPITAL REQUIREMENTS  
(PILLAR I), ENHANCED GOVERNANCE (PILLAR II)  
AND INCREASED TRANSPARENCY (PILLAR III)]

CHAPTER V

SOLVENCY CAPITAL REQUIREMENT STANDARD FORMULA

SECTION 5

*Market risk module*

*Subsection 2*

*Interest rate risk sub-module*

*Article 165*

**General provisions**

1 The capital requirement for interest rate risk referred to in point (a) of the second subparagraph Article 105(5) of Directive 2009/138/EC shall be equal to the larger of the following:

- a the sum, over all currencies, of the capital requirements for the risk of an increase in the term structure of interest rates as set out in Article 166 of this Regulation;
- b the sum, over all currencies, of the capital requirements for the risk of a decrease in the term structure of interest rates as set out in Article 167 of this Regulation.

2 Where the larger of the capital requirements referred to in points (a) and (b) of paragraph 1 and the larger of the corresponding capital requirements calculated in accordance with Article 206(2) are not based on the same scenario, the capital requirement for interest rate risk shall be the capital requirement referred to in points (a) or (b) of paragraph 1 for which the underlying scenario results in the largest corresponding capital requirement calculated in accordance with Article 206(2).

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**Changes to legislation:** Commission Delegated Regulation (EU) 2015/35, Subsection 2 is up to date with all changes known to be in force on or before 11 October 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

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## Article 166

### Increase in the term structure of interest rates

1 The capital requirement for the risk of an increase in the term structure of interest rates for a given currency shall be equal to the loss in the basic own funds that would result from an instantaneous increase in basic risk-free interest rates for that currency at different maturities in accordance with the following table:

Maturity(in years)	Increase
1	70 %
2	70 %
3	64 %
4	59 %
5	55 %
6	52 %
7	49 %
8	47 %
9	44 %
10	42 %
11	39 %
12	37 %
13	35 %
14	34 %
15	33 %
16	31 %
17	30 %
18	29 %
19	27 %
20	26 %
90	20 %

For maturities not specified in the table above, the value of the increase shall be linearly interpolated. For maturities shorter than 1 year, the increase shall be 70 %. For maturities longer than 90 years, the increase shall be 20 %.

2 In any case, the increase of basic-risk-free interest rates at any maturity shall be at least one percentage point.

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3 The impact of the increase in the term structure of basic risk-free interest rates on the value of participations as referred to in [F1Article 68(6) of this Regulation] in financial and credit institutions shall be considered only on the value of the participations that are not deducted from own funds pursuant to Article 68 of this Regulation. The part deducted from own funds shall be considered only to the extent that such impact increases the basic own funds.

#### Textual Amendments

**F1** Words in [Art. 166\(3\)](#) substituted (31.12.2020) by [The Solvency 2 and Insurance \(Amendment, etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/407\)](#), regs. 1(2), **11(18)** (as amended by [S.I. 2020/1385](#), regs. 1(2), 54(2) and with savings in [S.I. 2019/680](#), reg. 11)

### Article 167

#### Decrease in the term structure of interest rates

1 The capital requirement for the risk of a decrease in the term structure of interest rates for a given currency shall be equal to the loss in the basic own funds that would result from an instantaneous decrease in basic risk-free interest rates for that currency at different maturities in accordance with the following table:

Maturity(in years)	Decrease
1	75 %
2	65 %
3	56 %
4	50 %
5	46 %
6	42 %
7	39 %
8	36 %
9	33 %
10	31 %
11	30 %
12	29 %
13	28 %
14	28 %
15	27 %
16	28 %
17	28 %
18	28 %
19	29 %

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**Changes to legislation:** Commission Delegated Regulation (EU) 2015/35, Subsection 2 is up to date with all changes known to be in force on or before 11 October 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

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20	29 %
90	20 %

For maturities not specified in the table above, the value of the decrease shall be linearly interpolated. For maturities shorter than 1 year, the decrease shall be 75 %. For maturities longer than 90 years, the decrease shall be 20 %.

2 Notwithstanding paragraph 1, for negative basic risk-free interest rates the decrease shall be nil.

3 The impact on the value of participations as referred to in [F<sup>2</sup>Article 68(6) of this Regulation] in financial and credit institutions of the decrease in the term structure of basic risk-free interest rates shall be considered only on the value of the participations that are not deducted from own funds pursuant to Article 68 of this Regulation. The part deducted from own funds shall be considered only to the extent that such impact increases the basic own funds.

#### Textual Amendments

**F2** Words in [Art. 167\(3\)](#) substituted (31.12.2020) by [The Solvency 2 and Insurance \(Amendment, etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/407\)](#), regs. 1(2), **11(19)** (as amended by [S.I. 2020/1385](#), regs. 1(2), 54(2) and with savings in [S.I. 2019/680](#), reg. 11)

### Changes to legislation:

Commission Delegated Regulation (EU) 2015/35, Subsection 2 is up to date with all changes known to be in force on or before 11 October 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

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### Changes and effects yet to be applied to :

- Regulation revoked by [2023 c. 29 Sch. 1 Pt. 3](#)
- Recital 53 Sentence 1 replacement by [EUR 2016/2283](#) Regulation

### Changes and effects yet to be applied to the whole legislation item and associated provisions

- Art. 177(2)(b) words omitted by [S.I. 2019/407 reg. 11\(25\)\(a\)](#) (This amendment not applied to legislation.gov.uk. Reg. 11(25)(39) omitted immediately before IP completion day by virtue of S.I. 2019/710, regs. 1(2), 22)
- Art. 177(2)(h)(i) words omitted by [S.I. 2019/407 reg. 11\(25\)\(b\)\(ii\)](#) (This amendment not applied to legislation.gov.uk. Reg. 11(25)(39) omitted immediately before IP completion day by virtue of S.I. 2019/710, regs. 1(2), 22)
- Art. 177(2)(h)(i) words substituted by [S.I. 2019/407 reg. 11\(25\)\(b\)\(i\)](#) (This amendment not applied to legislation.gov.uk. Reg. 11(25)(39) omitted immediately before IP completion day by virtue of S.I. 2019/710, regs. 1(2), 22)
- Art. 177(2)(r) words substituted by [S.I. 2019/407 reg. 11\(25\)\(c\)](#) (This amendment not applied to legislation.gov.uk. Reg. 11(25)(39) omitted immediately before IP completion day by virtue of S.I. 2019/710, regs. 1(2), 22)
- Art. 177(2)(s) words substituted by [S.I. 2019/407 reg. 11\(25\)\(c\)](#) (This amendment not applied to legislation.gov.uk. Reg. 11(25)(39) omitted immediately before IP completion day by virtue of S.I. 2019/710, regs. 1(2), 22)
- Art. 177(2)(t) words substituted by [S.I. 2019/407 reg. 11\(25\)\(d\)](#) (This amendment not applied to legislation.gov.uk. Reg. 11(25)(39) omitted immediately before IP completion day by virtue of S.I. 2019/710, regs. 1(2), 22)
- Art. 177(5)(a) words substituted by [S.I. 2019/407 reg. 11\(25\)\(f\)](#) (This amendment not applied to legislation.gov.uk. Reg. 11(25)(39) omitted immediately before IP completion day by virtue of S.I. 2019/710, regs. 1(2), 22)
- Art. 177(5)(c) words substituted by [S.I. 2019/407 reg. 11\(25\)\(f\)](#) (This amendment not applied to legislation.gov.uk. Reg. 11(25)(39) omitted immediately before IP completion day by virtue of S.I. 2019/710, regs. 1(2), 22)