

## STATUTORY INSTRUMENTS

# 2015 No. 575

## The Solvency 2 Regulations 2015

### PART 3

#### Groups

#### CHAPTER 1

#### Cases of application and scope

#### Risk concentration and intra-group transactions

**10.** Where the PRA is the group supervisor [<sup>F1</sup>of a type of group referred to in regulation 9A(a) or (b)], the PRA may decide not to supervise risk concentration or intra-group transactions within the group at a level specified in the first column of Table 1 where all the conditions specified in relation to that level in the second column of Table 1 are satisfied.

**Table 1**

<i>Levels at which supervision need not be exercised</i>	<i>Conditions to be satisfied</i>
The participating undertaking, insurance holding company and mixed financial holding company.	<p>The group contains an insurance undertaking or reinsurance undertaking and either—</p> <p>(a) the parent undertaking of the [<sup>F2</sup>insurance undertaking, Gibraltar insurance undertaking, reinsurance undertaking or Gibraltar reinsurance undertaking] is an insurance holding company or a mixed financial holding company which has its head office in [<sup>F3</sup>the United Kingdom or Gibraltar]; or</p> <p>(b) the [<sup>F2</sup>insurance undertaking, Gibraltar insurance undertaking, reinsurance undertaking or Gibraltar reinsurance undertaking] is a participating undertaking in at least one insurance undertaking, reinsurance undertaking, [<sup>F4</sup>Gibraltar insurance undertaking, Gibraltar reinsurance undertaking,] third-country insurance undertaking or third-country reinsurance undertaking;</p>

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	<p>The participating undertaking, insurance holding company or mixed financial holding company referred to above is, or is a related undertaking of, a regulated entity or mixed financial holding company subject to supplementary supervision [<sup>F5</sup>by the FCA, where the FCA is the supplementary supervisor, or the PRA] in accordance with [<sup>F6</sup>the United Kingdom law which implemented] Article 5(2) of the Financial Conglomerates Directive.</p> <p>The PRA has consulted the [<sup>F7</sup>FCA].</p>
The ultimate [ <sup>F8</sup> UK solvency 2 parent].	<p>The parent undertaking of an ultimate [<sup>F8</sup>UK solvency 2 parent] is subject to supplementary supervision in accordance with [<sup>F9</sup>the law of the United Kingdom or of Gibraltar which was relied on by the United Kingdom or Gibraltar respectively immediately before IP completion day to implement] Article 5(2) of the Financial Conglomerates Directive.</p>

- F1** Words in reg. 10 substituted (31.12.2020) by [The Solvency 2 and Insurance \(Amendment, etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/407\)](#), regs. 1(2), **9(3)(a)** (as amended by S.I. 2020/1385, regs. 1(2), **54(2)**)
- F2** Words in reg. 10 Table 1 substituted (31.12.2020) by S.I. 2019/407, **reg. 9(3)(b)(i)(aa)** (as substituted by [The Gibraltar \(Miscellaneous Amendments\) \(EU Exit\) Regulations 2019 \(S.I. 2019/680\)](#), regs. 1(3), **10(4)(c)(i)** (with reg. 11) (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 40(f)**); 2020 c. 1, **Sch. 5 para. 1(1)**)
- F3** Words in reg. 10 Table 1 substituted (31.12.2020) by S.I. 2019/407, **reg. 9(3)(b)(i)(bb)** (as substituted by [The Gibraltar \(Miscellaneous Amendments\) \(EU Exit\) Regulations 2019 \(S.I. 2019/680\)](#), regs. 1(3), **10(4)(c)(i)** (with reg. 11) (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 40(f)**); 2020 c. 1, **Sch. 5 para. 1(1)**)
- F4** Words in reg. 10 Table 1 inserted (31.12.2020) by S.I. 2019/407, **reg. 9(3)(b)(i)(cc)** (as substituted by [The Gibraltar \(Miscellaneous Amendments\) \(EU Exit\) Regulations 2019 \(S.I. 2019/680\)](#), regs. 1(3), **10(4)(c)(i)** (with reg. 11) (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 40(f)**); 2020 c. 1, **Sch. 5 para. 1(1)**)
- F5** Words in reg. 10 Table 1 inserted (31.12.2020) by [The Solvency 2 and Insurance \(Amendment, etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/407\)](#), regs. 1(2), **9(3)(b)(ii)(aa)** (as amended by S.I. 2020/1385, regs. 1(2), **54(2)**)
- F6** Words in reg. 10 Table 1 inserted (31.12.2020) by [The Solvency 2 and Insurance \(Amendment, etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/407\)](#), regs. 1(2), **9(3)(b)(ii)(bb)** (as amended by S.I. 2020/1385, regs. 1(2), **54(2)**)
- F7** Word in reg. 10 Table 1 substituted (31.12.2020) by [The Solvency 2 and Insurance \(Amendment, etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/407\)](#), regs. 1(2), **9(3)(b)(iii)** (as amended by S.I. 2020/1385, regs. 1(2), **54(2)**)
- F8** Words in reg. 10 Table 1 substituted (31.12.2020) by S.I. 2019/407, **reg. 9(3)(c)** (as substituted by [The Gibraltar \(Miscellaneous Amendments\) \(EU Exit\) Regulations 2019 \(S.I. 2019/680\)](#), regs. 1(3), **10(4)(c)(ii)** (with reg. 11) (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 40(f)**); 2020 c. 1, **Sch. 5 para. 1(1)**)

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- F9** Words in reg. 10 Table 1 inserted (31.12.2020) by S.I. 2019/407, **reg. 9(3)(c)** (as substituted by The Gibraltar (Miscellaneous Amendments) (EU Exit) Regulations 2019 (S.I. 2019/680), regs. 1(3), **10(4)(c)(ii)** (with reg. 11) (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 40(e)(ii)(aa)(f)**); 2020 c. 1, **Sch. 5 para. 1(1)**)

## Equivalent provisions

**11.—(1)** This regulation applies where the PRA is the group supervisor of a group which includes a mixed financial holding company.

**[<sup>F10</sup>(2)** Where the mixed financial holding company is subject to equivalent provisions under the United Kingdom law which implemented the Solvency 2 Directive and the United Kingdom law which implemented the Financial Conglomerates Directive, the PRA may apply only the relevant provisions of the United Kingdom law which implemented the Financial Conglomerates Directive to the mixed financial holding company.]

**(3)** Before exercising its discretion under paragraph (2), the PRA must consult the **[<sup>F11</sup>FCA**, where there is a firm in the group that is authorised and regulated by the FCA].

**[<sup>F12</sup>(4)** Where the mixed financial holding company is subject to equivalent provisions under the United Kingdom law which implemented the following two sets of legislation—

- (a)** the Solvency 2 Directive, and
- (b)** the capital requirements directive and the capital requirements regulation,

the PRA may apply only the United Kingdom law relating to the most significant sector, as determined in accordance with the United Kingdom law which implemented Article 3(2) of the Financial Conglomerates Directive.]

**<sup>F13</sup>(5)** .....

- F10** Reg. 11(2) substituted (31.12.2020) by The Solvency 2 and Insurance (Amendment, etc.) (EU Exit) Regulations 2019 (S.I. 2019/407), regs. 1(2), **9(4)(a)** (as amended by S.I. 2020/1385, regs. 1(2), 54(2))
- F11** Words in reg. 11(3) substituted (31.12.2020) by The Solvency 2 and Insurance (Amendment, etc.) (EU Exit) Regulations 2019 (S.I. 2019/407), regs. 1(2), **9(4)(b)** (as amended by S.I. 2020/1385, regs. 1(2), 54(2))
- F12** Reg. 11(4) substituted (31.12.2020) by The Solvency 2 and Insurance (Amendment, etc.) (EU Exit) Regulations 2019 (S.I. 2019/407), regs. 1(2), **9(4)(c)** (as amended by S.I. 2020/1385, regs. 1(2), 54(2))
- F13** Reg. 11(5) omitted (1.1.2022) by virtue of The Financial Services Act 2021 (Prudential Regulation of Credit Institutions and Investment Firms) (Consequential Amendments and Miscellaneous Provisions) Regulations 2021 (S.I. 2021/1376), regs. 1(3), **20**

## Exclusion of undertaking from group supervision

**<sup>F14</sup>12.** .....

- F14** Reg. 12 omitted (31.12.2020) by virtue of S.I. 2019/407, **reg. 9(5)** (as substituted by The Gibraltar (Miscellaneous Amendments) (EU Exit) Regulations 2019 (S.I. 2019/680), regs. 1(3), **10(4)(d)** (with reg. 11) (as amended by S.I. 2020/1301, regs. 1, 3, **Sch. para. 40(f)**); 2020 c. 1, **Sch. 5 para. 1(1)**)

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

- Regulations revoked by [2023 c. 29 Sch. 1 Pt. 2](#)