

STATUTORY INSTRUMENTS

2015 No. 575

The Solvency 2 Regulations 2015

PART 3

Groups

CHAPTER 3

Group Solvency

Inclusion of proportional share

17.—(1) In this regulation, “proportional share” means the proportional share held by a participating undertaking in its related undertakings.

(2) The PRA must determine the proportional share which must be taken into account in the calculation of group solvency where—

- (a) the PRA is the group supervisor of a group; and
- (b) any of the following applies—
 - (i) there are no capital ties between any of the undertakings in a group;
 - (ii) [^{F1}the PRA (or, if paragraph (5) applies, the FSC)] has determined that the direct or indirect holding of voting rights or capital in an undertaking qualifies as a participation because the holding means that a significant influence is effectively exercised over that undertaking;
 - (iii) [^{F2}the PRA (or, if paragraph (5) applies, the FSC)] has determined that an undertaking is a parent undertaking because the undertaking effectively exercises a dominant influence over the other undertaking.

(3) Before determining the proportional share, the PRA must consult the undertakings in the group [^{F3}and, if paragraph (5) applies, the FSC].

[^{F4}(4) The PRA may allow for the solvency deficit of the subsidiary undertaking to be considered on a proportional basis where, in the opinion of the PRA, the responsibility of the parent undertaking owning a share of the capital is strictly limited to that share of the capital.

(5) This paragraph applies if—

- (a) the FSC is concerned in the supervision of the group; or
- (b) the group contains a Gibraltarian insurance undertaking or a Gibraltarian reinsurance undertaking.]

F1 Words in [reg. 17\(2\)\(b\)\(ii\)](#) substituted (31.12.2020) by [The Solvency 2 and Insurance \(Amendment, etc.\) \(EU Exit\) Regulations 2019](#) (S.I. 2019/407), [regs. 1\(2\), 9\(8\)\(a\)](#) (as amended by S.I. 2020/1385, [regs. 1\(2\), 54\(2\)](#)); as amended by [The Gibraltar \(Miscellaneous Amendments\) \(EU Exit\) Regulations 2019](#) (S.I. 2019/680), [regs. 1\(3\), 10\(4\)\(h\)\(i\)](#) (with [reg. 11](#))

Changes to legislation: The Solvency 2 Regulations 2015, Section 17 is up to date with all changes known to be in force on or before 28 September 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

- F2** Words in reg. 17(2)(b)(iii) substituted (31.12.2020) by [The Solvency 2 and Insurance \(Amendment, etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/407\)](#), regs. 1(2), **9(8)(a)** (as amended by [S.I. 2020/1385](#), regs. 1(2), 54(2)); as amended by [The Gibraltar \(Miscellaneous Amendments\) \(EU Exit\) Regulations 2019 \(S.I. 2019/680\)](#), regs. 1(3), **10(4)(h)(i)** (with reg. 11)
- F3** Words in reg. 17(3) omitted (31.12.2020) by virtue of [The Solvency 2 and Insurance \(Amendment, etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/407\)](#), regs. 1(2), **9(8)(b)** (as amended by [S.I. 2020/1385](#), regs. 1(2), 54(2)); as amended by [The Gibraltar \(Miscellaneous Amendments\) \(EU Exit\) Regulations 2019 \(S.I. 2019/680\)](#), regs. 1(3), **10(4)(h)(i)** (with reg. 11)
- F4** Reg. 17(4)(5) inserted (31.12.2020) by [The Solvency 2 and Insurance \(Amendment, etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/407\)](#), regs. 1(2), **9(8)(c)** (as amended by [S.I. 2020/1385](#), regs. 1(2), **54(2)** and [S.I. 2019/680](#), regs. 1(3), **10(4)(h)(ii)** (with reg. 11) (as amended by [S.I. 2020/1301](#), regs. 1, 3, **Sch. para. 40(f)**))

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Changes and effects yet to be applied to :

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