
STATUTORY INSTRUMENTS

2015 No. 575

The Solvency 2 Regulations 2015

PART 3

Groups

CHAPTER 7

Third countries

Parent undertaking outside the United Kingdom: absence of equivalence

[^{F1}36.—(1) This regulation applies where—

- (a) a parent undertaking of an insurance undertaking or reinsurance undertaking established in the United Kingdom has its head office in a third country,
- (b) one of the conditions in paragraph (2) is satisfied, and
- (c) one of the conditions in paragraph (3) is satisfied.

(2) The conditions are—

- (a) the prudential group supervision regime of the third country has not been determined to be equivalent by the Treasury or the PRA, and the Commission has not adopted a delegated act under Article 260(3) of the Solvency 2 Directive prior to IP completion day, determining that the prudential regime of the third country is equivalent to Title 3 of the Solvency 2 Directive;
- (b) the prudential group supervision regime has been determined to be equivalent by the Treasury, the PRA or the Commission, but the PRA has not verified that the group is subject to supervision by a third-country supervisory authority in accordance with that equivalent regime.

(3) The conditions are—

- (a) the prudential group supervision regime of the third country has not been determined to be temporarily equivalent;
- (b) if the prudential group supervision regime of the third country has been determined to be temporarily equivalent, the group is not subject to that regime or the group contains an insurance undertaking or reinsurance undertaking in the United Kingdom with a balance sheet total that exceeds the balance sheet total of the parent undertaking situated in the third country.

(4) The PRA must, at the level of the ultimate non-UK solvency 2 parent—

- (a) ensure appropriate supervision of the insurance undertakings and reinsurance undertakings that are authorised by the PRA in the group, and
- (b) ensure the objectives of group supervision are achieved.

(5) The PRA may require the group to establish an insurance holding company or mixed financial holding company with its head office in the United Kingdom.]

Changes to legislation: The Solvency 2 Regulations 2015, Section 36 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

F1 Reg. 36 substituted (31.12.2020) by [The Solvency 2 and Insurance \(Amendment, etc.\) \(EU Exit\) Regulations 2019 \(S.I. 2019/407\)](#), regs. 1(2), **9(21)** (as amended by S.I. 2020/1385, regs. 1(2), **54(2)** and S.I. 2020/1301, regs. 1, 3, **Sch. para. 27(c)(iv)**)

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[View outstanding changes](#)

Changes and effects yet to be applied to :

- Regulations revoked by [2023 c. 29 Sch. 1 Pt. 2](#)
- reg. 36(4) excluded (temp.) by S.I. 2019/407, reg. 13 (as inserted) by [S.I. 2019/710 reg. 41](#) (This amendment not applied to legislation.gov.uk. Reg. 41 omitted immediately before IP completion day by virtue of S.I. 2020/1385, regs. 1(4), 64(5))