



The Solvency 2 Regulation Equivalence Directions 2020

The Treasury, in exercise of the powers conferred by regulation 2(1) of, and paragraph 12 of Schedule 1 to, the Equivalence Determinations for Financial Services and Miscellaneous Provisions (Amendment etc) (EU Exit) Regulations 2019(a), make the following directions.

These directions are laid before Parliament in accordance with regulation 2(3) of those Regulations.

Citation, commencement and interpretation

1.—(1) These directions may be cited as the Solvency 2 Regulation Equivalence Directions 2020 and come into force on IP completion day.

(2) In these directions —

“the relevant UK law” means United Kingdom enactments or rules which implemented the following provisions of the Solvency 2 Directive (within the meaning of Article 1(61) of the Solvency 2 Regulation)—

- (a) in the case of a determination under paragraph (2)(a) or (3)(a), Title I of the Solvency 2 Directive;
- (b) in the case of a determination under paragraph (2)(b) or (3)(b), Title I, Chapter IV of the Solvency 2 Directive;
- (c) in the case of a determination under paragraph (2)(c) or (3)(c), Title III of the Solvency 2 Directive;

“the Solvency 2 Directive” means Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of insurance and reinsurance(b), as it had effect immediately before IP completion day;

“the Solvency 2 Regulation” means 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, as it forms part of retained EU law.

Determinations of equivalence

2. The Treasury determine for the purposes of Articles 378, 379 and 380 of the Solvency 2 Regulation, as provided for in paragraph 12(1) and (2) of Schedule 1 to the Equivalence Determinations for Financial Services and Miscellaneous Provisions (Amendment etc) (EU Exit) Regulations 2019, that:

- (a) the solvency regime of each EEA state that applies to reinsurance activities of undertakings with the head office in that EEA state is equivalent to that laid down in the relevant UK law, as the criteria set out in Article 378 of the Solvency 2 Regulation are fulfilled;

(a) S.I. 2019/541, as amended by S.I. 2019/710, 1212, 1234, 1390 and 1416, 2020/628 and 1055.
(b) OJ L 335, 17.12.2009, p. 1–155.

- (b) the supervisory regime of each EEA state is equivalent to that laid down in the relevant UK law, as the criteria set out in Article 379 of the Solvency 2 Regulation are fulfilled; and
- (c) the prudential regime of each EEA state is equivalent to that laid down in relevant UK law, as the criteria set out in Article 380 of the Solvency 2 Regulation are fulfilled.

David Duguid
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9th November 2020

Two of the Lords Commissioners of Her Majesty's Treasury