
STATUTORY INSTRUMENTS

2020 No. 1385

The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020

PART 5

Amendment of secondary legislation

The Solvency 2 and Insurance (Amendment, etc.) (EU Exit) Regulations 2019

54.—(1) The Solvency 2 and Insurance (Amendment, etc.) (EU Exit) Regulations 2019⁽¹⁾ are amended as follows.

(2) For regulation 1(2) (citation and commencement) substitute—

“(2) Subject to paragraph (3), these Regulations come into force on IP completion day.

(3) This regulation and regulations 14 to 16 come into force on the day after the day on which the Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 are made.”.

(3) In regulation 8 (supervision), in paragraph (3), in new regulation 4B(6), for “100” substitute “85”.

(4) In regulation 11 (amendments of Commission Delegated Regulation (EU) No 2015/35)—

(a) in paragraph (92), in new Article 378A, omit new paragraphs 5 to 9;

(b) in paragraph (96), in new Article 380A, omit new paragraphs 4 to 7.

(5) After regulation 12 (transitional provision in relation to approval of temporary models), insert—

“Transitional provision in relation to group supervision

13.—(1) This regulation applies where—

(a) in accordance with regulation 26 of the Solvency 2 Regulations 2015 (as amended by these Regulations), the Prudential Regulation Authority (“PRA”) is the group supervisor of a group; but

(b) in accordance with regulations 26 and 27 of the Solvency 2 Regulations 2015 (as they were in force immediately before IP completion day), the group supervisor would be a supervisory authority of an EEA State, which is not the PRA.

(2) Where this regulation applies, regulations 15(1), 24(1) and (2), 25, 28(2) and 36(4) of the Solvency 2 Regulations 2015 which impose requirements on the PRA as group supervisor do not apply for a period of two years beginning with IP completion day—

(a) unless the PRA decides that it is appropriate for these regulations to be applied in a particular case; or

(1) [S.I. 2019/407](#).

- (b) unless or until the group ceases to be supervised by a group supervisor of an EEA State.

Transitional regime for temporary equivalence under Article 172 of the Solvency 2 Directive

14.—(1) Subject to paragraphs (2) and (3), where before IP completion day the European Commission has under Article 172 of the Solvency 2 Directive determined that the solvency regime of a third country that applies to reinsurance activities of undertakings with their head office in that third country is temporarily equivalent to that laid down in Title I of that Directive (“the determination”), the Treasury may by regulations extend the date on which that determination would otherwise end.

- (2) An extension under paragraph (1)—

- (a) ceases to have effect on whichever is the earlier of—

- (i) 31st December 2021; or

- (ii) the date on which, in accordance with paragraph 1 of Article 378A of Delegated Regulation (EU) 2015/35(2), the supervisory regime of that third country has been determined to be equivalent to that laid down in the United Kingdom law which implemented the Solvency 2 Directive;

- (b) only has effect so far as determining that the solvency regime of a third country that applies to reinsurance activities of undertakings with their head office in that third country is temporarily equivalent to that laid down in Title I of the Solvency 2 Directive as it applied to the United Kingdom immediately before IP completion day.

(3) The PRA must publish and keep up to date on its website a list of all third countries in respect of which the Treasury have made regulations under paragraph (1).

(4) Where, in accordance with paragraph (1), the determination has been extended, reinsurance contracts concluded with undertakings having their head office in that third country shall be treated in the same manner as reinsurance contracts concluded with undertakings authorised in accordance with the UK law implementing the Solvency 2 Directive.

Transitional regime for temporary equivalence under Article 260 of the Solvency 2 Directive

15.—(1) Subject to paragraphs (2) and (3), where before IP completion day the European Commission has under Article 260 of the Solvency 2 Directive determined that the prudential regime of a third country that applies to undertakings the parent undertaking of which has its head office in that third country is temporarily equivalent to that laid down in Title I of that Directive (“the determination”), the Treasury may by regulations extend the date on which that determination would otherwise end.

- (2) An extension under paragraph (1)—

- (a) ceases to have effect on whichever is the earlier of—

- (i) 31st December 2021; or

- (ii) the date on which, in accordance with paragraph 1 of Article 380A of Delegated Regulation (EU) 2015/35(3), the prudential regime of that third

(2) Article 378A will be inserted into Delegated Regulation (EU) 2015/35 by regulation 11(92) of [S.I. 2019/407](#) on IP completion day.

(3) Article 380A will be inserted into Delegated Regulation (EU) 2015/35 by regulation 11(96) of [S.I. 2019/407](#) on IP completion day.

country has been determined to be equivalent to that laid down in the United Kingdom law which implemented the Solvency 2 Directive;

- (b) only has effect so far as determining that that the prudential regime of a third country that applies to undertakings the parent undertaking of which has its head office in that third country is temporarily equivalent to that laid down in Title I of the Solvency 2 Directive as it applied to the United Kingdom immediately before IP completion day.

- (3) The PRA must publish and keep up to date on its website a list of all third countries in respect of which the Treasury have made regulations under paragraph (1).

Interpretation and Regulations

16.—(1) In regulations 14 and 15—

“the PRA” means the Prudential Regulation Authority;

“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 (Solvency II)(4).

- (2) Regulations made under regulation 14 or 15 are to be made by statutory instrument.

- (3) A statutory instrument which contains regulations under regulation 14 or 15 is subject to annulment in pursuance of a resolution of either House of Parliament.”.

(4) OJ L 335, 17.12.2009, p. 1.