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STATUTORY INSTRUMENTS

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**2021 No. 1408**

**The Solvency 2 (Group Supervision)  
(Amendment) Regulations 2021**

**Amendments to the Solvency 2 Regulations 2015**

- 2.—(1) The Solvency 2 Regulations 2015<sup>(1)</sup> are amended as follows.
- (2) In regulation 24 (supervision of risk concentration and intra-group transactions)—
- (a) at the start of paragraph (1), for “Where” substitute “Subject to paragraph (4), where”;
  - (b) after paragraph (3) insert—

“(4) Where the PRA is required to rely on supervision exercised by a supervisory authority in a third country which has a prudential group supervision regime determined as equivalent in accordance with regulation 35, the PRA may determine that paragraph (1)—

    - (a) does not apply; or
    - (b) applies with only such modifications as may be specified in the determination.
  - (5) The PRA may not give a determination under paragraph (4) unless it is satisfied that—
    - (a) compliance by insurance or reinsurance undertakings in the group with rules or requirements imposed by the PRA pursuant to paragraph (1) would be unduly burdensome; and
    - (b) the determination would not adversely affect the advancement of any of the PRA’s objectives.
  - (6) The PRA may revoke or vary a determination given under paragraph (4).”
- (3) For regulation 25 (supervision of system of governance) substitute—
- “(1) Subject to paragraph (2), where the PRA is the group supervisor of a type of group referred to in regulation 9A(a) or (b) the PRA must—
- (a) review the systems and reporting procedures implemented by the group in accordance with rules implementing paragraphs 1 and 2 of Article 246 of the Solvency 2 Directive;
  - (b) review the own-risk and solvency assessment conducted at group level by the group in accordance with rules implementing paragraph 4 of Article 246 of the Solvency 2 Directive.
- (2) Where the PRA is required to rely on supervision exercised by a supervisory authority in a third country which has a prudential group supervision regime determined as equivalent in accordance with regulation 35, the PRA may determine that paragraph (1)—
- (a) does not apply; or
  - (b) applies with only such modifications as may be specified in the determination.

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<sup>(1)</sup> [S.I. 2015/575](#), relevant amending instruments are [S.I. 2019/407](#), [2019/680](#).

- (3) The PRA may not give a determination under paragraph (2) unless it is satisfied that—
- (a) compliance by insurance or reinsurance undertakings in the group with rules or requirements imposed by the PRA pursuant to paragraph (1) would be unduly burdensome; and
  - (b) the determination would not adversely affect the advancement of any of the PRA's objectives.
- (4) The PRA may revoke or vary a determination given under paragraph (2)."
- (4) In regulation 26 (rule for deciding the group supervisor)—
- (a) in paragraph (1) for "Subject to paragraph (2)" substitute "Subject to paragraphs (2) and (3)";
  - (b) after paragraph (2) insert—
 

"(3) Nothing in this regulation requires the PRA to conduct group supervision in respect of requirements which do not apply, as may be determined by the PRA under regulation 15, 24, 25 or 28."
- (5) In regulation 28 (duties of group supervisor)—
- (a) at the start of paragraph (1), for "Paragraph (2) applies" substitute "Subject to paragraph (3), paragraph (2) applies";
  - (b) after paragraph (2) insert—
 

"(3) Where the PRA is required to rely on supervision exercised by a supervisory authority in a third country which has a prudential group supervision regime determined as equivalent in accordance with regulation 35, the PRA may determine that paragraph (2)—

    - (a) does not apply; or
    - (b) applies with only such modifications as may be specified in the determination.
- (4) The PRA may not give a determination under paragraph (3) unless it is satisfied that —
- (a) compliance by insurance or reinsurance undertakings in the group with rules or requirements imposed by the PRA pursuant to paragraph (2) would be unduly burdensome; and
  - (b) the determination would not adversely affect the advancement of any of the PRA's objectives.
- (5) The PRA may revoke or vary a determination given under paragraph (3)."