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THE RISKTECH FOR INSURANCE

PAROLE D'EXPERTS

Solvabilité II

RÉVISION 2020 DE LA DIRECTIVE SOLVABILITÉ II

LES AMENDEMENTS MAJEURS ADOPTÉS SUR LE PILIER 1 PAR LE TRILOGUE LE 13 DÉCEMBRE 2023

Entrée en vigueur au 1er janvier 2016, la directive Solvabilité II prévoyait dans ses textes deux clauses de revoyure :

- en 2018 concernant uniquement le **règlement délégué**
- en 2020 concernant la **directive** et le **règlement délégué**

En décembre 2023, le trilogue (Parlement, Commission et Conseil européens) ont trouvé un accord sur la révision de Solvabilité II et le texte définitif vient d'être rendu public.

Après avoir resitué cette étape dans le calendrier global de la révision 2020, les experts Addactis vous proposent la synthèse des changements majeurs de niveau 1 (directive) relatifs au Pilier 1 et les enjeux restant à traiter au niveau 2 (actes délégués).

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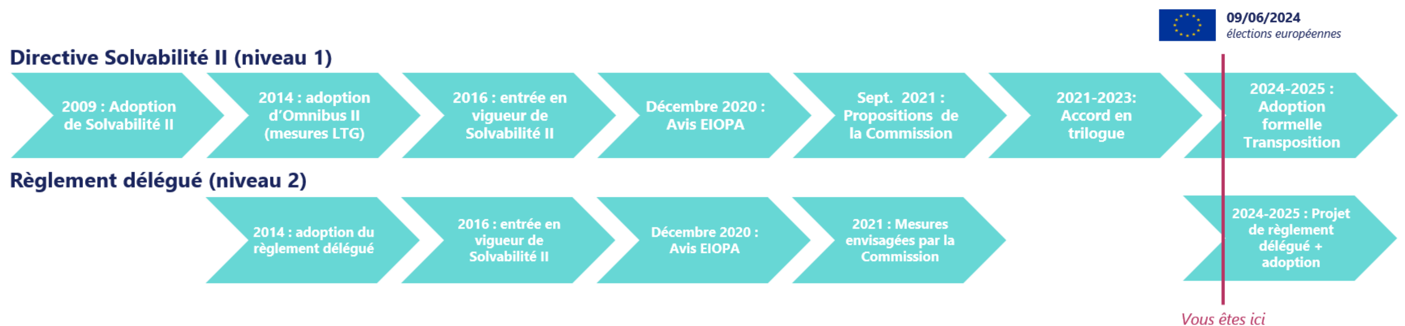
SYNTHÈSE

Processus législatif de la révision 2020 de Solvabilité II

En décembre 2023, le trilogue (Parlement, Commission et Conseil européens) ont trouvé un accord sur la révision de Solvabilité II. Le 29 janvier 2023, la commission ECON du Parlement a adopté cet accord. Le compromis doit maintenant être formellement adopté par le Conseil européen et en séance plénière du Parlement avant la fin de la législature actuelle. Bien que purement administrative, l'adoption pourrait être différée au-delà des élections européennes en raison d'une accumulation de texte sur la fin de la mandature.

Une fois le texte adopté, il entrera en vigueur 20 jours après sa publication et les Etats membres disposeront de 2 ans pour le transposer en droit national.



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Points clés

Extrapolation de la courbe des taux

***Objectif** : Prendre en compte les données de marché (liquides) au-delà du premier point d'extrapolation; ce qui aura pour conséquence une meilleure estimation des Best Estimate.*

Sous-thème	Evolutions adoptées
Le FSP (*First Smoothing Point*)	Equivalent de l'actuel LLP (Last Liquid Point) il s'agit de la première maturité à partir de laquelle les taux convergeront vers l'UFR. Le FSP est fixé à 20 ans pour l'euro.
Le VA (*Volatility Adjustment*)	Prise en compte également sur la partie de la courbe à extrapoler.
Convergence vers l'UFR	Les actes délégués vont introduire une nouvelle formule pour faire converger la courbe des taux vers l'UFR. La vitesse de convergence aura un impact direct sur la forme de la courbe. Le trilogue a validé que **l'UFR doit représenter au moins 77,5 % du taux extrapolé 40 ans après le FSP.**

Ajustement pour volatilité

***Objectif** : Redéfinir le VA afin qu'il jour mieux son rôle de compensateur au passif des mouvements de crédits observés sur les marchés.*

Sous-thème	Evolutions adoptées
Composition du portefeuille de référence	Le portefeuille de référence sera composé uniquement d'instruments de dette.
Le ratio d'application	**Passage de 65 % à 85 %.**
Le ratio de sensibilité aux variations des spreads de crédit	Introduction d'un ratio propre à chaque entreprise pour corriger les écarts de sensibilités actif-passif de chaque entreprise.
Le VA macro-économique	Il remplacera l'actuelle composante nationale avec un facteur d'application de lissage spécifique à chaque pays permettant d'atténuer les effets de seuil.

Formule Standard : SCR de taux

***Objectif** : Mieux prendre en compte un contexte de taux bas/négatifs, qui engendrait une sous-estimation de la charge en capital pour le risque de taux*

Sous-thème	Evolutions adoptées
Hausse du choc pour le calcul du capital requis	Les actes délégués (sous réserve de leur publication) devraient amplifier les chocs à la hausse et à la baisse en environnement de taux bas (avec introduction de chocs sur les taux négatifs et d'un *floor* absolu en-dessous duquel les taux choqués ne peuvent pas descendre).
Corrélation des risques	Les actes délégués (sous réserve de leur publication) devraient porter la corrélation entre le risque spread et le risque de baisse des taux de 50 % à 25 %.
Phase transitoire	La Commission pourra introduire un lissage de la hausse du coût en capital sur 5 ans qui serait, dans ce cas, obligatoire pour tous les acteurs.

Formule Standard : SCR Action et Ajustement Symétrique

***Objectif** : Volonté d'offrir des marges de manœuvre aux assureurs pour qu'ils contribuent au financement long terme des acteurs économiques.*

Sous-thème	Evolutions adoptées
Les critères LTEI (Long-Term Equity Investments)	Inscription au niveau de la Directive (niveau 1) et révision des critères pour la qualification LTEI avec pour objectif d'élargir la base d'actifs éligibles. **Diminution de la durée moyenne de détention à 5 ans.**
Solvabilité / Capital	Mise en run-off du sous-module de risque actions fondé sur la durée.
L'ajustement symétrique	Augmentation du plafond et du plancher de l'ajustement symétrique : **passage de +/- 10 % à +/- 13 %**.

Risk Margin

***Objectif** : Prendre en compte l'évolution – décroissante – de la dépendance des risques au cours du temps et ainsi réduire la sensibilité de la RM aux variations de taux.*

Sous-thème	Evolutions adoptées
Coût du capital (*Cost of Capital, CoC*)	**Inscription du coût du capital au niveau 1 avec une valeur à 4,75 %. La Commission pourra revoir sa valeur via les textes de niveau 2 tout en restant dans un intervalle de 4 % à 5 %.**
Introduction d'un paramètre dépendant du temps	Introduction d'un paramètre de décroissance exponentielle dépendant du temps. Les actes de niveau 2 préciseront la valeur des paramètres. La Commission proposait en septembre 2021 d'introduire un coefficient multiplicatif λ^t et de fixer la valeur λ à 0,975 % et d'introduire un plancher à 50 %.

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EXTRAPOLATION DE LA COURBE DES TAUX SANS RISQUE

Directive - Compromis adopté en trilogue

L'article 77a est totalement réécrit et

- introduit le First Smoothing Point (FSP) comme la maturité la plus longue pour laquelle :

  (a) les marchés pour les instruments financiers de cette maturité sont profonds, liquides et transparents (critère DTL)

  (b) le pourcentage d'obligations de maturité supérieure ou égale, libellées dans cette monnaie, est suffisamment élevé.

- précise que les taux forward extrapolés doivent être égaux à une moyenne pondérée de taux forward liquides et l'UFR et que pour les maturités 40 ans après le FSP et au-delà le poids de l'UFR doit être au minimum de 77,5 %.
- instaure une période transitoire d'introduction de la nouvelle méthode d'extrapolation jusqu'au 1er janvier 2032 sur approbation préalable du superviseur ;
- fixe le First Smoothing Point à 20 ans pour la monnaie euro.

Compléments qui seront inscrits dans les actes délégués

La Commission européenne devrait entériner la formule suivante :

$$f_{FSP,FSP+h} = ln(1+UFR) + \left(LLFR - ln(1+UFR)\right) * B(a,h) \;\; avec \; B(a,h) = \frac{1-e^{-ah}}{ah}$$

où h est la maturité pour lequel le taux forward est déterminé et a le paramètre de convergence (la Commission européenne en définira le niveau qui devrait être entre 11 % et 12 % pour la courbe euro).

La Commission doit également définir la méthode pour déterminer un marché obligataire profond, liquide et transparent ; le pourcentage en-dessous duquel la part d'obligations de maturité supérieure ou égale à une maturité donnée n'est plus jugée suffisante (aux fins de définition du FSP) et le mécanisme transitoire.

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CORRECTION POUR VOLATILITÉ

Directive - Compromis adopté en trilogue

L'article 77a prévoit les dispositions suivantes :

- Autorisation du superviseur pour tout nouvel utilisateur du VA
- Le portefeuille de référence ne sera plus composé que d'instruments de dette (exclusion de l'immobilier et des actions)
- Augmentation de l'application ratio de 65 % à 85 % et introduction d'un ratio, spécifique à chaque entreprise, pour sensibilité au spread de crédit (CSSR) :

$$VA_{crncy} = 85\%. CSSR_{crncy}. S^{RC}_{crncy} \quad avec\ 0\% \leq CSSR_{crncy} \leq 100\%$$

- Prise en compte du VA dans l'extrapolation de la courbe des taux
- Pas d'extension du VA dynamique à la formule standard
- Remplacement de la composante nationale par une composante macro avec un facteur de lissage spécifique à chaque pays
- Possibilité d'utiliser ponctuellement une correction du spread basée sur le portefeuille de dettes de l'entreprise de manière limitée dans le temps sous réserve d'approbation préalable par le superviseur et sous conditions

L'article 44 impose un renforcement des exigences en matière de gestion des risques pour l'utilisation du VA.
L'article 122 amendé prévoit une autorisation explicite d'utiliser le VA dynamique en modèle interne sous conditions.

Compléments qui seront inscrits dans les actes délégués

Dans les amendements au règlement délégué, la Commission devra préciser (conformément au nouvel article 86 de la Directive) la formule de calcul du spread entre le portefeuille de référence et le taux sans risque ; la formule de calcul de la sensibilité au spread de crédit (CSSR) et le pourcentage de spread attribuable à une évaluation réaliste des pertes attendues ou du risque de crédit (en tenant compte de la position relative des spreads par rapport à leur moyenne de long terme).

MARGE POUR RISQUE

Directive - Compromis adopté en trilogue

L'article 77, paragraphe 5, amendé :

- définit maintenant la marge pour risque comme le coût de portage d'un capital égal au SCR ajusté **en fonction du temps** et précise que cet ajustement est un élément exponentiel dépendant du temps ;
- **indique que le coût du capital est égal à 4,75 %** (attention, jusqu'ici le coût du capital était défini par l'article 39 du règlement délégué) ;
- demande que la Commission européenne procède à une revue périodique du coût du capital (le nouveau paragraphe 1b de l'article 86 de la Directive impose à la Commission un corridor pour le coût du capital entre 4 % et 5 %)

Règlement délégué – Révisions attendues

La Commission européenne devrait entériner la formule suivante :

$$RM = CoC \times \sum_{t \geq 0} \lambda^t \frac{SCR(t)}{(1 + r_{t+1})^{t+1}}$$

La Commission européenne définira le niveau du paramètre λ (pour rappel, dans son avis de 2020, l'EIOPA avait préconisé λ = 0,975).

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FORMULE STANDARD : SCR DE TAUX

Directive - Compromis adopté en trilogue

L'article 111 amendé (article donnant pouvoir à la Commission pour adopter les normes techniques relatives au calcul de SCR) prévoit que :

- les méthodes, hypothèses et paramètres pour le sous-module de risque de taux d'intérêt doivent refléter que les taux d'intérêt peuvent continuer à décroître même s'ils sont déjà bas ou négatifs ;
- le calcul de la courbe choquée doit tenir compte de la nouvelle méthode d'extrapolation au-delà du FSP ;
- un plancher absolu, au-dessous duquel les taux ne pourront pas tomber, devra être pris en compte ;
- en cas de changement du sous-module de risque de taux d'intérêt, la Commission pourra mettre en œuvre une période transitoire de 5 ans, obligatoire pour toutes les entreprises.

Règlement délégué - Révisions attendues

La Commission européenne devrait revoir la formule de calcul des taux choqués pour la partie liquide de la courbe des taux, vraisemblablement en reprenant le choc affine proposé par l'EIOPA ci-dessous, et appliquer la nouvelle méthode d'extrapolation vers l'UFR ensuite :

$$r_t^{up}(m) = r_t(m).(1 + s_m^{up}) + b_m^{up}$$
$$r_t^{down}(m) = r_t(m).\left(1 + s_m^{down}\right) + b_m^{down}$$

Dans son avis de 2020, l'EIOPA avait proposé un floor absolu à -1,25 %.

FORMULE STANDARD : SCR ACTIONS ET AJUSTEMENT SYMÉTRIQUE

SCR Actions - Long term equity investments (LTEI)

Directive - Compromis adopté en trilogue

Les portefeuilles LTEI étaient définis uniquement au niveau du règlement délégué (article 171a).

- La Directive de compromis inclut un nouvel article 105a avec les conditions d'éligibilité suivantes :

  (a) le sous-ensemble d'actions doit être **clairement identifié et géré séparément** des autres activités ;

  (b) une politique de gestion de l'investissement de long terme doit être mise en place pour refléter l'engagement de l'entreprise à **détenir l'exposition globale en actions visée pour au moins 5 ans** et doit être explicitement approuvée par l'AMSB ;

  (c) la **zone géographique est élargie** de l'Espace Economique Européen (EEE) à la **l'EEE + l'OCDE** ;

  (d) l'entreprise doit démonter qu'elle est capable **d'éviter des ventes forcées pendant au moins 5 ans** sur le sous-ensemble (10 ans précédemment) ;

  (e) **les politiques** de gestion des risques, de gestion actif-passif et d'investissement doivent refléter **l'intention et la capacité de l'entreprise de détenir** le sous-ensemble sur le long terme ;

  (f)le sous-ensemble d'actions est **suffisamment diversifié** ;

  (g) le sous-ensemble d'actions **ne contient pas de participations**.

- L'évaluation ci-dessous pourra se faire au niveau de la part de fonds pour les ELTIF et certains OPCVM.
- Le **choc actions pour les LTEI est à 22 %**.

Règlement délégué – Révisions attendues

La Commission européenne devra préciser davantage :

- les conditions d'éligibilité ;
- les fonds qui pourront être traités au niveau de la part ;
- les exigences en matière de *reporting* (SFCR et RSR) quand le LTEI est appliqué.

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SCR Actions - Ajustement symétrique

Directive - Compromis adopté en trilogue

L'article 106 sur l'ajustement symétrique (ou dampener actions) est amendé :

- Les plafonds et planchers de l'ajustement symétrique sont portés de +/- 10 % à +/- 13 %

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AUTRES ÉLÉMENTS RELATIFS AU PILIER 1

Best Estimate : Valorisation des options et garanties financières

Directive - Compromis adopté en trilogue

Le nouveau paragraphe 6 de l'article 77 impose, pour les contrats incluant des options et garanties financières, que :

- La valeur du best estimate reflète le fait que la valeur actuelle des flux de ces contrats peut dépendre des résultats escomptés d'événements futurs et de potentielles déviations de ces résultats attendus.

SCR : crypto-actifs

Directive - Compromis adopté en trilogue

Le nouveau paragraphe 6a de l'article 105 demande à la Commission européenne d'adopter des actes de niveau 2 pour refléter les risques liés au crypto-actifs dans le module de risque de marché et dans le module de risque de contrepartie.

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Solvabilité du Groupe : Eclaircissements et simplifications

Directive - Compromis adopté en trilogue

Les évolutions relatives à la Solvabilité du Groupe portent sur :

- **Article 222 - Elimination du double emploi des Fonds Propres Eligibles** : le paragraphe 4 est amendé pour préciser que la limite de contribution de certains éléments de fonds propres (les surplus funds notamment) s'applique dans la limite de la contribution du SCR de l'entreprise liée au SCR groupe et non pas dans la limite du SCR Solo de l'entité.
- **Article 228 - Refonte de l'article sur le traitement d'entreprises liées à d'autres secteurs financiers** (établissements de crédit, entreprises d'investissement, sociétés de gestion, etc.).
  - L'article précise de manière plus prescriptive les traitements à opérer pour ces entreprises. Les méthodes s'appliquent indépendamment de la méthode de consolidation Groupe utilisée (1. Consolidation comptable ou 2. Déduction agrégation).
  - Si ces entreprises forment un sous-groupe, le superviseur de Groupe peut demander qu'il soit traité comme tel plutôt que chaque entreprise individuellement.
- **Article 229a - Calculs simplifiés** : ajout d'un article permettant le recours à des calculs simplifiés pour des participations dans des entreprises liées immatérielles au niveau du Groupe (individuellement inférieur à 0,2 % de l'actif Groupe et 0,5 % au global).
- **Article 233b - LTEI** : ajout d'un article permettant la reconnaissance des Actions de Long Terme au niveau du Groupe.

Règlement délégué - Révisions attendues

La Commission européenne devra préciser davantage :

- les détails techniques relatifs à la méthode simplifiée ainsi que les critères selon lesquels cette méthode pourra être utilisée ;
- l'approche permettant de déterminer l'éligibilité de la prise en compte des LTEI au niveau du Groupe ainsi que les informations à inclure en matière de *reporting* (SFCR et RSR).

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INFORMATIONS TECHNIQUES À PRODUIRE PAR L'EIOPA

Directive - Compromis adopté en trilogue

A la suite des changements apportés à la courbe des taux (extrapolation, volatility adjusment), l'article 77e demande à l'EIOPA de publier les informations suivantes :

- au moins trimestriellement :
  - la courbe des taux sans risque (sans volatility adjustment ni matching adjustment) avec la nouvelle méthode d'extrapolation (article 77a, paragraphe 1) et la disposition transitoire (article 77a, paragraphe 2) ;
  - la courbe des taux sans risque (sans volatility adjustment ni matching adjustment) avec la nouvelle méthode d'extrapolation (article 77a, paragraphe 1) et sans la disposition transitoire (article 77a, paragraphe 2) ;
  - le spread corrigé du risque pour chaque monnaie et marché national (permettant le calcul du volatility adjustment devenu propre à chaque entreprise)
  - le pourcentage d'investissement en produits de dette relativement aux actifs totaux du portefeuille de référence de chaque Etat membre
- au moins annuellement, pour chaque monnaie et maturité où les marchés obligataires sont transparents, profonds et liquides, le pourcentage d'obligations de maturité supérieure ou égale à une maturité donnée libellées dans la monnaie

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ANNEXES : DÉTAIL DES PRINCIPAUX AMENDEMENTS RELATIFS AU PILIER 1

Article 77a

Version initiale

~~The determination of the relevant risk-free interest rate term structure referred to in Article 77(2) shall make use of, and be consistent with, information derived from relevant financial instruments. That determination shall take into account relevant financial instruments of those maturities where the markets for those financial instruments as well as for bonds are deep, liquid and transparent. For maturities where the markets for the relevant financial instruments or for bonds are no longer deep, liquid and transparent, the relevant risk-free interest rate term structure shall be extrapolated.~~

~~The extrapolated part of the relevant risk-free interest rate term structure shall be based on forward rates converging smoothly from one or a set of forward rates in relation to the longest maturities for which the relevant financial instrument and the bonds can be observed in a deep, liquid and transparent market to an ultimate forward rate.~~

Amendement adopté en trilogue

1. The determination of the relevant risk-free interest rate term structure referred to in Article 77(2) shall make use of, and be consistent with, information derived from relevant financial instruments. That determination shall take into account relevant financial instruments of those maturities where the markets for those financial instruments are deep, liquid and transparent. As of the first maturity (the 'first smoothing point') where markets for those financial instruments are not deep, liquid or transparent, the relevant risk-free interest rate shall be extrapolated in accordance with the third subparagraph. The first smoothing point for a currency shall be the longest maturity for which all of the following conditions are met:

(a) the markets for financial instruments of that maturity are deep, liquid and transparent;

(b) the percentage of outstanding bonds of that or a longer maturity among all outstanding bonds denominated in that currency is sufficiently high.

The extrapolated part of the relevant risk-free interest rate term structure shall be based on forward rates **converging smoothly from the applicable forward rate at the first smoothing point to an ultimate forward rate (UFR)**.

The extrapolated forward rates shall be **equal to a weighted average of a liquid forward rate and the UFR**. The liquid forward rate shall be based on one or a set of forward rates in relation to the longest maturities for which the relevant financial instrument can be observed in a deep, liquid and transparent market. **For maturities of at least 40 years past the first smoothing point the weight of the UFR shall be at least 77,5%**.

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The extrapolated part of the relevant risk-free interest rates shall take into account information from financial instruments other than bonds where the markets for those financial instruments are deep liquid and transparent.

2. Insurance and reinsurance undertakings, may, subject to prior approval by their supervisory authority, apply the **phasing-in mechanism** set out in the second subparagraph. The phasing-in mechanism referred to in the first subparagraph shall consist of the following:

(a) on [application date], the parameters determining the speed of the convergence of the forward rates towards the ultimate forward rate of the extrapolation would be set such that the risk-free interest rate term structure is sufficiently similar to the risk-free interest rate term structure on that date determined in line with the rules for the extrapolation applicable on [one day before date of application].

(b)the parameters determining the speed of the convergence of the forward rates towards the ultimate forward rate of the extrapolation shall be decreased linearly at the beginning of each calendar year, such that the final parameters of the extrapolation are applied as of 1 January 2032.

The phasing-in mechanism referred to in the first subparagraph shall not affect the determination of the depth, liquidity and transparency of financial markets and the first smoothing point referred to in paragraph 1.
Insurance and reinsurance undertakings applying subparagraphs 1 and 2 shall within the part of their report on their solvency financial condition consisting of information targeted to market professionals referred to in Article 51(1b) publicly disclose:

(i) the fact that they apply the transitional for extrapolation and

(ii) the quantification of the impact of not applying the transitional on their financial position.

2a. Notwithstanding paragraph 1, on [date of entry into force of this amending Directive], **the first smoothing point for the euro, shall be at a maturity of 20 years**.

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Article 77d

Version initiale
~~1. Member States may require prior approval by supervisory authorities for insurance and reinsurance undertakings to apply a volatility adjustment to the relevant risk-free interest rate term structure to calculate the best estimate referred to in Article 77(2).~~

Amendement adopté en trilogue
1. Member States shall ensure that an insurance and reinsurance undertaking may apply a volatility adjustment to the relevant risk-free interest rate term structure to calculate the best estimate referred to in Article 77(2) subject **to prior approval by the supervisory authorities** where at least the following conditions are met:

(a) the volatility adjustment for a given currency is applied in the calculation of the best estimate of all insurance and reinsurance obligations of the undertaking denominated in that currency where the relevant risk-free interest rate term structure used to calculate the best estimate for those obligations does not include a matching adjustment as referred to in Article 77b;

(b) the undertaking demonstrates to the satisfaction of the supervisory authority that it has adequate processes in place to calculate the volatility adjustment pursuant to paragraphs 3 and 4 of this Article.

1a. Notwithstanding paragraph 1 of this Article, insurance and reinsurance undertakings who applied a volatility adjustment to the relevant risk-free interest rate term structure to calculate the best estimate referred to in Article 77(2) before *[one year before application date]* **may, without prior approval by the supervisory authority, continue applying a volatility adjustment** provided that they comply with the conditions for prior approval under paragraph 1, of this Article as of *[application date]*.

1b. Member States shall ensure that **supervisory authorities have the power to require an insurance and reinsurance undertaking to stop applying a volatility adjustment** to the relevant risk-free interest rate term structure to calculate the best estimate referred to in Article 77(2) where the undertaking no longer meets the conditions for prior approval under paragraph 1 of this Article. When an undertaking restores compliance with the conditions for prior approval under paragraph 1 of this Article, it may request prior approval to the supervisory authorities to apply a volatility adjustment to the relevant risk-free interest rate term structure to calculate the best estimate pursuant to paragraph 1 of this Article.

1c. Insurance and reinsurance undertakings may, **subject to prior approval by the supervisory authority, apply an undertaking-specific adjustment to the risk-corrected spread** of the currency referred to in paragraph 3, **under the conditions that**:

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(i) the risk-corrected spread exceeded, during the four quarterly reporting periods prior to the reporting date, the risk-corrected spread calculated on the basis of the undertaking's portfolio of investments in debt instruments; and

(ii) the information that is inherent to the relevant assets of the undertaking and that is reported by the undertaking in line with Article 35(1) to (4) is of sufficient quality to allow a robust and reliable calculation of this adjustment. That **adjustment shall correspond to the lowest between 105% and the ratio of the risk-corrected spread calculated based on the undertaking's portfolio of investments in debt instruments and the risk-corrected spread calculated on the basis of the reference portfolio for the relevant currency**. The risk-corrected spread based on the undertaking's portfolio of investments in debt instruments shall be calculated in the same manner as the risk-corrected spread based on the reference portfolio for the relevant currency, but using undertaking-specific data on the weights and the average duration of the relevant sub-classes within the undertaking's portfolio of investments in debt instruments for the relevant currency.

Where the adjustment is applied, the volatility adjustment shall not be increased by a macro volatility adjustment as referred to in paragraph 4.
Insurance and reinsurance undertakings shall immediately stop applying this adjustment when it increases the risk-corrected spread of the currency referred to in paragraph 3 for two consecutive quarterly reporting periods.'

Version initiale
~~2. For each relevant currency, the volatility adjustment to the relevant risk-free interest rate term structure shall be based on the spread between the interest rate that could be earned from assets included in a reference portfolio for that currency and the rates of the relevant basic risk-free interest rate term structure for that currency.~~
~~The reference portfolio for a currency shall be representative for the assets which are denominated in that currency and which insurance and reinsurance undertakings are invested in to cover the best estimate for insurance and reinsurance obligations denominated in that currency.~~

~~3. The amount of the volatility adjustment to risk-free interest rates shall correspond to 65 % of the risk-corrected currency spread.~~
~~The risk-corrected currency spread shall be calculated as the difference between the spread referred to in paragraph 2 and the portion of that spread that is attributable to a realistic assessment of expected losses or unexpected credit or other risk of the assets.~~
~~The volatility adjustment shall apply only to the relevant risk-free interest rates of the term structure that are not derived by means of extrapolation in accordance with Article 77a. The extrapolation of the relevant risk-free interest rate term structure shall be based on those adjusted risk-free interest rates.~~

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Version initiale

~~4. For each relevant country, the volatility adjustment to the risk-free interest rates referred to in paragraph 3 for the currency of that country shall, before the application of the 65 % factor, be increased by the difference between the risk-corrected country spread and twice the risk-corrected currency spread whenever that difference is positive and the risk-corrected country spread is higher than 85 basis points. The increased volatility adjustment shall be applied to the calculation of the best estimate for insurance and reinsurance obligations of products sold in the insurance market of that country. The risk-corrected country spread is calculated in the same way as the risk-corrected currency spread for the currency of that country, but based on a reference portfolio that is representative for the assets which insurance and reinsurance undertakings are invested in to cover the best estimate for insurance and reinsurance obligations of products sold in the insurance market of that country and denominated in the currency of that country.~~

Amendement adopté en trilogue

2. For each relevant currency, the volatility adjustment to the relevant risk-free interest rate term structure shall be based on the spread between the interest rate that could be earned from **a reference portfolio of investments in debt instruments** for that currency and the rates of the relevant basic risk-free interest rate term structure for that currency.
The reference portfolio of investments in debt instruments for a currency shall be representative for the assets which are denominated in that currency and which insurance and reinsurance undertakings are invested in to cover the best estimate for insurance and reinsurance obligations denominated in that currency.

2a. To calculate the spread underlying the volatility adjustment, for each currency and each country, the spread referred to in paragraph 2 and 4 shall be the value weighted sum of the average currency spread on government bonds and the average currency spread on bonds other than government bonds, loans, and securitisations. For the purpose of the first sentence the respective weights shall be the ratio of the value of government bonds included in the reference portfolio of assets for that currency or country and the value of all assets included in that reference portfolio, and the ratio of the value of bonds other than government bonds, loans and securitisations included in the reference portfolio of assets for that currency or country and the value of all assets included in that reference portfolio.

3. The amount of the volatility adjustment to risk-free interest rates for a currency shall be calculated as follows:

$$VA_{cu} = 85\% \cdot CSSR_{cu} \cdot RCS_{cu}$$

Where:

(a) VA_{cu} is the volatility adjustment for a currency cu;

(b) $CSSR_{cu}$ is the credit spread sensitivity ratio of an insurance or reinsurance undertaking for the currency cu;

(c) RCS_{cu} is the risk-corrected spread for the currency cu.

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Amendement adopté en trilogue

$CSSR_{cu}$ shall not be negative and not be higher than one. It shall take values lower than one where the sensitivity of the assets of an insurance or reinsurance undertaking in a currency to changes in credit spreads is lower than the sensitivity of the technical provisions of that undertaking in that currency to changes in interest rates.

RCS_{cu} shall be calculated as the difference between the spread referred to in paragraph 2 and the portion of that spread that is attributable to a realistic assessment of expected losses or unexpected credit or other risk of the assets.

VA_{cu} shall apply to the relevant risk-free interest rates of the term structure that are not derived by means of extrapolation in accordance with Article 77a. Where the extrapolated part of the relevant risk-free interest rates takes into account information from financial instruments other than bonds pursuant to Article 77a(1), VA_{cu} shall also apply to risk-free interest rates derived from those financial instruments. The extrapolation of the relevant risk-free interest rate term structure shall be based on those adjusted risk-free interest rates.

The portion of the spread that is attributable to a realistic assessment of expected losses, unexpected credit risk or any other risk shall be calculated as a percentage of spreads. That percentage shall decrease as spreads increase and shall at least differentiate the following three cases:

(a) Where spreads do not exceed their long-term average;

(b) Where spreads exceed their long-term average but do not exceed twice their long-term average;

(c) Where spreads exceed twice their long-term average.

The risk correction shall never exceed an appropriate percentage of the long-term average spreads.

By way of derogation from the first subparagraph, insurance and reinsurance undertakings having their head office in a Member State with a currency pegged to the euro which complies with the detailed criteria for the adjustments for currencies pegged to the euro for the purpose of facilitating the calculation of the currency risk sub-module, as established pursuant to Article 111(1)(p), when calculating the volatility adjustment to risk-free interest rates for the pegged currency and the volatility adjustment to risk-free interest rates for the euro, shall be allowed to calculate a single $CSSR_{cu}$ for both their local currency and the euro, by jointly taking into account the assets and liabilities denominated in euro and their local currency.

4. Without prejudice to paragraph 1c, the volatility adjustment for the euro shall be increased by a macro volatility adjustment. The macro volatility adjustment shall be calculated as follows:

$$VA_{Euro,macro} = 85\% \cdot CSSR_{Euro} \cdot \max(RCS_{co} - 1.3 \cdot RCS_{Euro};0) \cdot \omega_{co}$$

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Amendement adopté en trilogue

Where:

(a) $VA_{Euro,macro}$ is the macro volatility adjustment for a country co;

(b) $CSSR_{Euro}$ is the credit spread sensitivity ratio of an insurance or reinsurance undertaking for the euro;

(c) RCS_{co} is the risk-corrected spread for the country co;

(d) RCS_{Euro} is the risk-corrected spread for the euro;

(e) W_{co} is the country adjustment factor for country co.

$CSSR_{Euro}$ shall be calculated as the credit spread sensitivity ratio of an insurance or reinsurance undertaking for the euro in accordance with paragraph 3.

RCS_{co} shall be calculated in the same way as the risk-corrected spread for the euro under paragraph 3, but based on a reference portfolio that is representative for the assets which insurance and reinsurance undertakings are investing in to cover the best estimate for insurance and reinsurance obligations of products sold in the insurance market of that country and denominated in euro.

RCS_{Euro} is calculated as the risk-corrected spread for the euro in accordance with paragraph 3.

The country adjustment factor referred to in point (e) shall be calculated as follows:

$$\omega_{co} = \max(\min(((RCS_{co}^{*} - 0.6\%)/0.3\%);1);0)$$

Where RCS_{co} is the risk-corrected spread for the country co as referred to in the first subparagraph, point (c), multiplied by the percentage of investments in debt instruments relative to total assets held by insurance and reinsurance undertakings authorised in country co.

5. The volatility adjustment shall not be applied with respect to insurance obligations where the relevant risk-free interest rate term structure to calculate the best estimate for those obligations includes a matching adjustment under Article 77b.

6. By way of derogation from Article 101, the Solvency Capital Requirement shall not cover the risk of loss of basic own funds resulting from changes of the volatility adjustment.

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Article 44

Amendement adopté en trilogue

Ajout d'un sous-paragraphe au paragraphe 2

Where insurance or reinsurance undertakings apply the volatility adjustment referred to in Article 77d, their liquidity plans shall take into account the use of the volatility adjustment and assess whether liquidity constraints may arise which are not consistent with the use of the volatility adjustment.

Remplacement du sous-paragraphe (c) du paragraphe 2a

Version initiale

~~(c) where the volatility adjustment referred to in Article 77d is applied:~~

~~(i) the sensitivity of their technical provisions and eligible own funds to the assumptions underlying the calculation of the volatility adjustment and the possible effect of a forced sale of assets on their eligible own funds;~~

~~(ii) the impact of a reduction of the volatility adjustment to zero.~~

Amendement adopté en trilogue

(c) where the volatility adjustment referred to in Article 77d is applied, the sensitivity of their technical provisions and eligible own funds to changes in the economic conditions that would affect the risk corrected spread referred to in Article 77d(3).

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Article 122, nouveau paragraphe 5

Amendement adopté en trilogue

5. Member States may allow insurance and reinsurance undertakings to take into account the effect of credit spread movements on the volatility adjustment calculated in accordance with Article 77d in their internal model, only where:

(a) the method to take into account the effect of credit spread movements on the volatility adjustment for a currency does neither take into account the undertaking-specific adjustment of the risk-corrected spread pursuant to Article 77d(1c) nor, in the case of the euro, a possible increase of the volatility adjustment by a macro volatility adjustment pursuant to Article 77d(4);

(b) the Solvency Capital Requirement is not lower than any of the following:

(i) a notional Solvency Capital Requirement calculated as the Solvency Capital Requirement, except that the effect of credit spread movements on the volatility adjustment is taken into account in accordance with the methodology used by EIOPA for the purposes of the publication of technical information pursuant to Article 77e(1), point (c);

(ii) a notional Solvency Capital Requirement calculated in accordance with (i), except that the representative portfolio for a currency referred to in Article 77d(2), second subparagraph, is determined on the basis of the assets in which the insurance and reinsurance undertaking is investing instead of the assets of all insurance or reinsurance undertakings with insurance or reinsurance obligations denominated in that currency.

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Article 77, paragraphe 5

Version initiale
5. ~~Where insurance and reinsurance undertakings value the best estimate and the risk margin separately, the risk margin shall be calculated by determining the cost of providing an amount of eligible own funds equal to the Solvency Capital Requirement necessary to support the insurance and reinsurance obligations over the lifetime thereof.~~

Amendement adopté en trilogue
Where insurance and reinsurance undertakings value the best estimate and the risk margin separately, the risk margin shall be calculated by determining the cost of providing an amount of eligible **own funds equal to the time-adjusted Solvency Capital Requirement** necessary to support the insurance and reinsurance obligations over the lifetime thereof. **The adjustment of the Solvency Capital Requirement consists of an exponential and time-dependent element**.

The rate used in the determination of the cost of providing that amount of eligible own funds (Cost-of-Capital rate) shall be the same for all insurance and reinsurance undertakings and shall be reviewed periodically.

The Cost-of-Capital rate used shall be equal to the additional rate, above the relevant risk-free interest rate, that an insurance or reinsurance undertaking would incur holding an amount of eligible own funds, as set out in Section 3, equal to the Solvency Capital Requirement necessary to support insurance and reinsurance obligations over the lifetime of those obligations.

Amendement adopté en trilogue
5a. The Cost-of-Capital rate referred to in paragraph 5 shall be assumed to be equal to 4,75% as of [date of application]. The periodical review referred to in the second subparagraph of paragraph 5 shall be undertaken by the Commission not earlier than [5 years after the date of application].

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Article 105a

Amendement adopté en trilogue
1. By way of derogation from Article 101(3), and as part of the equity risk sub-module referred to in Article 105(5), Member States shall allow insurance and reinsurance undertakings which comply with the conditions laid down in the second subparagraph, to apply to a specific subset of equity investments held with a long-term perspective a capital requirement in accordance with paragraph 4.

For the purpose of the first subparagraph, a sub-set of equity investments may be treated as long-term equity investments if the insurance or reinsurance undertaking demonstrates, to the satisfaction of the supervisory authority, that all of the following conditions are met:

(a) the sub-set of equity investments is clearly identified and managed separately from the other activities of the undertaking;

(b) a policy for long-term investment management is set up for each long-term equity portfolio and reflects the undertaking's commitment to hold the global exposure to equity in the sub-set of equity investment for a period that exceeds five years on average. The administrative, management or supervisory board of the undertaking shall explicitly endorse these investment management policies and these policies are frequently reviewed against the actual management of the portfolios, and reported in the own-risk solvency assessment of the undertaking referred to in Article 45;

(c) the sub-set of equity investments consists only of equities that are listed in countries that are member of the EEA or of the OECD or of unlisted equities of companies that have their head offices in countries that are member of the EEA or of the OECD;

(d) the insurance or reinsurance undertaking is able to demonstrate to the satisfaction of the supervisory authority that on an ongoing basis and under stressed conditions, it is able to avoid forced selling of equity investments within the sub-set for five years ;

(e) the risk management, asset-liability management and investment policies of the insurance or reinsurance undertaking reflect the undertaking's intention to hold the sub-set of equity investments for a period that is compatible with the requirement laid down in point (b) and its ability to meet the requirement laid down in point (d).

(f) the sub-set of equity investments is appropriately diversified in such a way as to avoid excessive reliance on any particular issuer or group of undertakings and excessive accumulation of risk in the portfolio of long-term equity investments as a whole with the same risk profile;

(g) the sub-set of equity investments does not include participations.

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Amendement adopté en trilogue

2. Where equities are held within European Long Term Investment Funds (ELTIFs) or within certain types of collective investment undertakings, including Alternative Investment Funds (AIFs), which are identified in the delegated acts adopted pursuant to this Directive as having a lower risk-profile, the conditions laid down in paragraph 1 may be assessed at the level of the funds and not of the underlying assets held within those funds.

3. Insurance or reinsurance undertakings that treat a sub-set of equity investments as long-term equity investments in accordance with paragraph 1 of this Article shall not revert back to an approach that does not include long-term equity investments. Where an insurance or reinsurance undertaking that treats a sub-set of equity investments as long-term equity investments is no longer able to comply with the conditions laid down in paragraph 1 of this Article, it shall immediately inform the supervisory authority and take the necessary measures to restore compliance. Within one month from the first observation of non-compliance with the conditions set out in paragraph 1, the insurance or reinsurance undertaking shall provide the supervisory authority with the necessary information and the actions to be taken by the undertaking to achieve, within 6 months from the observation of non-compliance, the re-establishment of compliance with those conditions. Where the undertaking is not able to restore compliance within 6 months of the date of non-compliance, it shall cease to classify any equity investment as long-term equity investment in accordance with this Article for a period of two and a half years, or as long as compliance with the criteria is not restored, whichever period is longer.

4. The capital requirement for long-term equity investments shall be equal to the loss in the basic own funds that would result from an instantaneous decrease equal to 22% in the value of investments that are treated as long-term equity.

5. The Commission shall adopt delegated acts in accordance with Article 301a further specifying the following:

(a) the conditions set out in paragraph 1, second subparagraph;

(b) the types of collective investment undertakings referred to in paragraph 2;

(c) the information to be included in the solvency and financial condition report and in the regular supervisory report.

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Article 106

1. The equity risk sub-module calculated in accordance with the standard formula shall include a symmetric adjustment to the equity capital charge applied to cover the risk arising from changes in the level of equity prices.

2. The symmetric adjustment made to the standard equity capital charge, calibrated in accordance with Article 104(4), covering the risk arising from changes in the level of equity prices shall be based on a function of the current level of an appropriate equity index and a weighted average level of that index. The weighted average shall be calculated over an appropriate period of time which shall be the same for all insurance and reinsurance undertakings.

Version initiale
~~3. The symmetric adjustment made to the standard equity capital charge covering the risk arising from changes in the level of equity prices shall not result in an equity capital charge being applied that is more than 10 percentage points lower or 10 percentage points higher than the standard equity capital charge.~~

Amendement adopté en trilogue
3. The symmetric adjustment made to the standard equity capital charge covering the risk arising from changes in the level of equity prices shall not result in an equity capital charge being applied that is **more than 13 percentage points lower or higher** than the standard equity capital charge.

Article 77, paragraphes 6 et 7

Amendement adopté en trilogue
6. Where insurance and reinsurance contracts include financial options and guarantees, the methods used to calculate the best estimate shall appropriately reflect that the present value of cash flows arising from those contracts may depend both on the expected outcome of future events and developments and on potential deviations of the actual outcome from the expected outcome in certain scenarios.

7. Notwithstanding paragraph 6, insurance and reinsurance undertakings that are classified as small and non-complex undertakings and undertakings that have obtained prior supervisory approval may use a prudent deterministic valuation of the best estimate for life obligations with options and guarantees that are not deemed material.

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Article 105, nouveau paragraphe 6a

Amendement adopté en trilogue
6a. The Commission is empowered to adopt, in accordance with Article 301a, delegated acts supplementing this Directive, in order to reflect the risk posed by crypto-assets in the market risk sub-module referred to in paragraph 5 and in the counterparty risk sub-module referred to in paragraph 6.'

Article 222 - Élimination du double emploi des fonds propres éligibles

Version initiale
~~4. The sum of the own funds referred to in paragraphs 2 and 3 shall not exceed the Solvency Capital Requirement of the related insurance or reinsurance undertaking.~~

Amendement adopté en trilogue
4. The sum of the own funds referred to in paragraphs 2 and 3 shall not exceed the **contribution of the related insurance or reinsurance undertaking to the group Solvency Capital Requirement**.'

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Article 228 - Traitement d'entreprises liées d'autres secteurs financiers

Version initiale

Article 228 - Related credit institutions, investment firms and financial institutions

~~When calculating the group solvency of an insurance or reinsurance undertaking which is a participating undertaking in a credit institution, investment firm or financial institution, Member States shall allow their participating insurance and reinsurance undertakings to apply methods 1 or 2 set out in Annex I to Directive 2002/87/EC mutatis mutandis. However, method 1 set out in that Annex shall be applied only where the group supervisor is satisfied as to the level of integrated management and internal control regarding the entities which would be included in the scope of consolidation. The method chosen shall be applied in a consistent manner over time.~~

~~Member States shall however allow their supervisory authorities, where they assume the role of group supervisor with regard to a particular group, to decide, at the request of the participating undertaking or on their own initiative, to deduct any participation as referred to in the first paragraph from the own funds eligible for the group solvency of the participating undertaking.~~

Amendement adopté en trilogue

Article 228 - Treatment of specific related undertakings from other financial sectors

1. Irrespective of the method used in accordance with Article 220 of this Directive, for the purpose of calculating the group solvency, the participating insurance or reinsurance undertaking shall take into account the contribution to the group eligible own funds and to the group Solvency Capital Requirement of the following undertakings:

   (a) credit institutions or investment firms within the meaning of Article 4(1), point (1) or (2), of Regulation (EU) No 575/2013 ;

   (b) UCITS management companies within the meaning of Article 2(1), point (b), of Directive 2009/65/EC and investment companies authorised pursuant to Article 27 of that Directive provided that they have not designated a management company pursuant to that Directive;

   (c) alternative investment fund managers within the meaning of Article 4(1), point (b), of Directive 2011/61/EU;

   (d) undertakings other than regulated undertakings which carry one or more of the activities referred to in Annex I to Directive 2013/36/EU where those activities constitute a significant part of their overall activity;

   (e) institutions for occupational retirement provision within the meaning of Article 6, point (1) of Directive (EU) 2016/2341.

Amendement adopté en trilogue

2. The contribution to the group eligible own funds of the related undertakings referred to in paragraph 1 of this Article shall be calculated as the sum of the proportional share of the own funds of each undertaking, where those own funds are calculated as follows:

(a) for each undertaking referred to in paragraph 1, point (a), of this Article in accordance with the relevant sectoral rules, as defined in Article 2, point (7), of Directive 2002/87/EC;

(b) for each related undertaking referred to in paragraph 1, point (b), of this Article in accordance with Article 2(1), point 1, of Directive 2009/65/EC;

(c) for each related undertaking referred to in paragraph 1, point (c), of this Article in accordance with Article 4(1), point (ad), of Directive 2011/61/EU;

(d) for each related undertaking referred to in paragraph 1, point (d), of this Article in accordance with the relevant sector rules as defined in Article 2, point (7), of Directive 2002/87/EC if they were regulated entities within the meaning of Article 2(4) of that Directive;

(e) for each related undertaking referred to in paragraph 1, point (e), of this Article the available solvency margin calculated in accordance with Article 16 of Directive (EU) 2016/2341.

For the purpose of the first subparagraph of this paragraph, the amount of own funds of each related undertaking corresponding to non-distributable reserves and other items identified by the group supervisor as having a reduced loss-absorbency capacity, as well as preference shares, subordinated mutual members account, subordinated liabilities, and deferred tax assets, that are included in the own funds in excess to the capital requirements calculated in accordance with paragraph 3, shall not be taken into account, unless the participating insurance or reinsurance undertaking is able to justify, to the satisfaction of the group supervisor, that those items can be made available to cover the group Solvency Capital Requirement. When determining the composition of the excess own funds, the participating insurance or reinsurance undertaking shall take into account that certain requirements of some related undertakings shall only be met with Common Equity 1 capital or Additional Tier 1 capital within the meaning of Regulation (EU) No 575/2013.

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Amendement adopté en trilogue

3. The contribution to the group Solvency Capital Requirement of the related undertakings referred to in paragraph 1 shall be calculated as the sum of the proportional share of the capital requirement or notional capital requirement of each related undertaking, where that capital requirement or notional capital requirement is calculated as follows:

(a) for related undertakings referred to in paragraph 1, point (a), of this Article in accordance with the following:

i. for each investment firm which is subject to own fund requirements in accordance with Regulation (EU) 2019/2033, the sum of the requirement laid down in Article 11 of that Regulation, the specific own funds requirements referred to in Article 39(2), point (a), of Directive (EU) 2019/2034, or the local own funds requirements in third countries;

ii. for each credit institution, the higher of the following:

- the sum of the requirement laid down in Article 92(1), point (c), of Regulation (EU) No 575/2013, including measures referred to in Articles 458 and 459 of that Regulation, the specific own funds requirements to address risks other than the risk of excessive leverage referred to in Article 104 of Directive 2013/36/EU, the combined buffer requirement defined in Article 128, point (6), of that Directive, or any the local own funds requirements in third countries;

- the sum of the requirements laid down in Article 92(1), point (d), of Regulation (EU) No 575/2013, including measures referred to in Articles 458 and 459 of that Regulation, the specific own funds requirements to address the risk of excessive leverage referred to in Article 104 of Directive 2013/36/EU, the leverage ratio buffer requirement laid down in Article 92(1a) of Regulation (EU) No 575/2013, or the local own funds requirements in third countries insofar as those requirements are to be met by Tier 1 capital;

(b) for each related undertaking referred to in paragraph 1, point (b), of this Article, in accordance with Article 7(1), point (a), of Directive 2009/65/EC;

(c) for each related undertaking referred to in paragraph 1, point (c), of this Article, in accordance with Article 9 of Directive 2011/61/EU;

(d) for each related undertaking referred to in paragraph 1, point (d), of this Article, the capital requirement with which the related undertaking would have to comply under the relevant sector rules as defined in Article 2, point (7), of Directive 2002/87/EC if it was a regulated entity within the meaning of Article 2, point (4), of that Directive;

(e) for each related undertaking referred to in paragraph 1, point (e), of this Article, the higher of the required solvency margin calculated in accordance with Article 17 of Directive (EU) 2016/2341 and any capital requirements imposed under national law of the Member States where the related undertaking is registered or authorised.

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Amendement adopté en trilogue

4. Where several related undertakings referred to in paragraph 1 **form a subgroup which is subject to a capital requirement on a consolidated basis** in accordance with one of the Directives or Regulations referred to in paragraph 3, **or where a financial holding company** within the meaning of Article 4(1), point (20) of Regulation (EU) No 575/2013, **or a mixed financial holding company** is a subsidiary undertaking of the group, **the group supervisor may require calculating the contribution of those related undertakings to the group eligible own funds as the proportional share of that subgroup's own funds instead of applying paragraph 2, points (a) to (e), to each individual undertaking belonging to that subgroup**. In that case, the **participating insurance or reinsurance undertaking shall also calculate the contribution of those related undertakings to the group Solvency Capital Requirement as the proportional share of that subgroup's capital requirement, instead of applying paragraph 3, points (a) to (e), to each individual undertaking belonging to that subgroup**. All financial institutions within the meaning of Article 4(1), point (26) of Regulation (EU) No 575/2013, as well as ancillary services undertakings within the meaning of point (18) of that Article, which are in the scope of the subgroup, shall be included in the calculation of the subgroup's own funds and capital requirement.

For the purposes of the first subparagraph of this paragraph, paragraphs 2 and 3, shall apply to the specific subgroup, on the basis of its consolidated situation within the meaning of either Article 4(1), point 47 of Regulation (EU) No 575/2013 or Article 4(1), point 11, of Regulation (EU) 2019/2033, or on the basis of its consolidated position, as appropriate.

5. Notwithstanding paragraphs 1 to 4, Member States shall allow their supervisory authorities, where they assume the role of group supervisor with regard to a particular group, to decide, at the request of the participating undertaking or on their own initiative, to deduct any participation as referred to in paragraph 1, points (a) to (d) from the own funds eligible for the group solvency of the participating undertaking.

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Article 229a - Calculs simplifiés

Amendement adopté en trilogue
Article 229a - Simplified calculations

1. For the purposes of Article 230, **the group supervisor**, after consulting the other supervisory authorities concerned, **may allow the participating insurance or reinsurance undertaking to apply a simplified approach to participations in related undertakings that are immaterial**.

The application of the simplified approach, referred to in the first subparagraph, to one or several related undertakings **shall be duly justified by the participating undertaking to the group supervisor**, considering the nature, scale and complexity of the risks of the related undertaking or undertakings.

Member States **shall require the participating undertaking to assess, on an annual basis, whether the use of the simplified approach is still justified**, and to **publicly disclose, in its group solvency and financial condition report, the list and size of the related undertakings subject to that simplified approach**.

2. For the purpose of paragraph 1, the participating insurance and reinsurance undertaking shall demonstrate, to the satisfaction of the group supervisor, that the application of the simplified approach to participations in one or several related undertakings is sufficiently prudent to avoid an underestimation of risks stemming from that undertaking or from those undertakings when calculating the group solvency.

When applied to a third-country insurance or reinsurance undertaking which has its head office in a country that is not equivalent or provisionally equivalent within the meaning of Article 227, the simplified approach shall not result in a contribution of the related undertaking to the group Solvency Capital Requirement that is lower than the capital requirement of that undertaking, as laid down by the third country concerned.

The simplified approach shall not be applied to a related third-country insurance or reinsurance undertaking, where the participating insurance or reinsurance undertaking has no reliable information on the capital requirement as laid down in that third country.

3. For the purposes of paragraph 1, related undertakings shall be deemed immaterial where the **book value of each of them represents less than 0,2 % of the group's assets** calculated on the basis of consolidated data and **the sum of the book values of all such undertakings represents less than 0,5 % of the group's assets** calculated on the basis of consolidated data.

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Article 233b - Actions Long Terme au niveau Groupe

Amendement adopté en trilogue

Article 233b - Long-term equities at group level

Where method 1 or a combination of methods is used, **participating insurance and reinsurance undertakings, insurance holding companies and mixed financial holding companies shall be allowed to apply Article 105a to a sub-set of equity investments**. The Commission shall adopt delegated acts in accordance with Article 301a specifying the following:

a) **the approach to be used when assessing compliance with the conditions referred to Article 105a(1)** and when calculating the amount of equities that are treated as long-term equity investments where method 1 or a combination of methods is used;

b) **the information to be included in the group solvency and financial condition report** or the single solvency and financial condition report, **and in the group regular supervisory report** or the single regular supervisory report.

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Article 77e

1. EIOPA shall lay down and publish for each relevant currency the following technical information at least on a quarterly basis:

(a) a relevant risk-free interest rate term structure to calculate the best estimate referred to in Article 77(2), without any matching adjustment or volatility adjustment;

Amendement adopté en trilogue
(aa) for the purposes of the disclosures pursuant to Article 51(8), a relevant risk-free interest rate term structure without any matching adjustment or volatility adjustment and determined without the application of the transitional for the extrapolation as set out in paragraph 2 of Article 77a;'

(ab) the set of scenarios to be used for the prudent deterministic valuation of the best estimate for life obligations pursuant to **Article 77(7)**;

(b) for each relevant duration, credit quality and asset class a fundamental spread for the calculation of the matching adjustment referred to in Article 77c(1)(b);

Version initiale
~~(c) for each relevant national insurance market a volatility adjustment to the relevant risk-free interest rate term structure referred to in Article 77d(1).~~

Amendement adopté en trilogue
(c) for each relevant currency and national insurance market a **risk-corrected spread** referred to in Article 77d(3) and (4) respectively;

(d) for each relevant Member State, the **percentage of investments in debt instruments relative to total assets** held by insurance and reinsurance undertakings authorised in the country as referred to in Article 77d(4).

1a. EIOPA shall lay down and publish, at least on an annual basis, for each relevant currency and each maturity where the markets for relevant financial instruments or bonds of that maturity are deep, liquid and transparent, **the percentage of bonds with that or a longer maturity among all bonds** denominated in that currency as referred to in Article 77a(1)

Version initiale
2. ~~In order to ensure uniform conditions for the calculation of technical provisions and basic own funds, the Commission may adopt implementing acts which set out, for each relevant currency, the technical information referred to in paragraph 1. Those implementing acts shall make use of that information.~~

Amendement adopté en trilogue
In order to ensure uniform conditions for the calculation of technical provisions and basic own funds, the Commission may adopt implementing acts which set out, for each relevant currency, the technical information referred to in paragraph 1 of this Article and the first smoothing point pursuant to Article 77a(1). Those implementing acts may make use of the information published by EIOPA pursuant to paragraph 1 of this Article.

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Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 301(2).

On duly justified imperative grounds of urgency relating to the availability of the relevant risk-free interest rate term structure, the Commission shall adopt immediately applicable implementing acts in accordance with the procedure referred to in Article 301(3).

3. Where the technical information referred to in paragraph 1 is adopted by the Commission in accordance with paragraph 2, insurance and reinsurance undertakings shall use that technical information in calculating the best estimate in accordance with Article 77, the matching adjustment in accordance with Article 77c, and the volatility adjustment in accordance with Article 77d.

Version initiale
~~With respect to currencies and national markets where the adjustment referred to in paragraph 1(c) is not set out in the implementing acts referred to in paragraph 2, no volatility adjustment shall be applied to the relevant risk-free interest rate term structure to calculate the best estimate.~~

Amendement adopté en trilogue
With respect to currencies where the risk-corrected spread referred to in paragraph 1, point (c), is not set out in the implementing acts referred to in paragraph 2, no volatility adjustment shall be applied to the relevant risk-free interest rate term structure to calculate the best estimate. With respect to Member States whose currency is the euro and where the risk-corrected spread referred to in paragraph 1, point (c), and the percentage referred to in paragraph 1, point (d), are not set out in the implementing acts referred to in paragraph 2, no macro volatility adjustment shall be added to the volatility adjustment.

4. For the purposes of paragraph 2 of this Article, a first smoothing point for a currency set out in an implementing act shall not be modified, unless an assessment of the percentages of bonds with maturity larger than or equal to a given maturity among all bonds denominated in that currency indicates a different first smoothing point pursuant to Article 77a(1) and the percentage set out in delegated acts referred to in Article 86(1), point (b) (iii) for at least two consecutive years.

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