



EUROPEAN COMMISSION

Directorate-General for Financial Stability, Financial Services and Capital Markets Union

Director General

Brussels, 21.02.2017
FISMA/D4/AD/lh/1027875

Mr Gabriel Bernardino
Chairman
EIOPA
Westhafenplatz 1
60327 Frankfurt am Main
Germany

Subject: 2nd Formal request to EIOPA for technical advice on Solvency II implementing measures

Dear Mr Bernardino,

In July 2016, I sent you a first request for EIOPA's Technical Advice to feed into the 2018 review of the Solvency II Delegated Act. That request covered 2 areas: proportionate and simplified application of the requirements (area 1), removal of unintended technical inconsistencies (area 2).

In the July 2016 request for Technical Advice, we mentioned that further internal work was ongoing within DG FISMA on the removal of unjustified constraints to financing (area 3), to identify precisely how the review could help to achieve this objective and that EIOPA's technical advice may be requested in this area at a later stage.

Within the context of Capital Markets Union, it is of utmost importance that any investment supporting jobs and growth is appropriately treated in insurers' prudential requirements.

In that light, I am pleased to enclose a Request for Technical Advice from EIOPA, as regards unjustified constraints to financing, in view of removing barriers to investments in unrated bonds and loans and in unlisted equity, in order to improve insurers' ability to invest in private placement and in private equity. Separately, this Request for Technical Advice also asks for information on the current application of the provisions related to strategic equity, in order to inform the Commission about the effect of this provision within the context of Capital Markets Union.

To ensure a timely review of Solvency II implementing measures, I would invite EIOPA to provide its final technical advice, including a cost-benefit analysis, by 28 February 2018. I would be grateful if you could share with us your timetable for the work on this request.

I believe that close co-operation between EIOPA and the Commission on this matter should be maintained. To this end, I would propose that representatives of DG FISMA should participate, as observers, in meetings / conference calls related to this technical advice.

Yours sincerely,


Olivier Guersent

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Enclosures: Request to EIOPA for Technical Advice on the review of specific items in the Solvency II Delegated Regulation as regards unjustified constraints to financing (Regulation (EU) 2015/35)