

**Comments Template on
Consultation Paper on EIOPA's first set of advice to the European
Commission on specific items in the Solvency II Delegated Regulation**

**Deadline
31 August 2017
23:59 CET**

Name of Company:	Institut des Actuares (France)	
Disclosure of comments:	Please indicate if your comments should be treated as confidential:	Public
<p>Please follow the following instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ Do not change the numbering in the column "reference"; if you change numbering, your comment cannot be processed by our IT tool ⇒ Leave the last column <u>empty</u>. ⇒ Please fill in your comment in the relevant row. If you have <u>no comment</u> on a paragraph or a cell, keep the row <u>empty</u>. ⇒ Our IT tool does not allow processing of comments which do not refer to the specific numbers below. <p>Please send the completed template, <u>in Word Format</u>, to CP-17-004@eiopa.europa.eu</p> <p>Our IT tool does not allow processing of any other formats.</p> <p><u>The numbering of the reference refers to the sections</u> of the consultation paper on EIOPA's first set of advice to the European Commission on specific items in the Solvency II Delegated Regulation. Please indicate to which paragraph(s) your comment refers to.</p>		
Reference	Comment	
General Comment		
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Comments Template on Consultation Paper on EIOPA's first set of advice to the European Commission on specific items in the Solvency II Delegated Regulation		Deadline 31 August 2017 23:59 CET
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3.4.3	<p>We agree with the proposed simplifications.</p> <p>For further works, the idea of the creation of a public European data set, build under the ECB, would help to reach the aims of EIOPA's proposals.</p>	
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4.4.3	We agree	
4.4.4	Ok with the objective that corresponds to a real subject in terms of macro risk on financial stability, retaining a possibility of simplified approach for the insurance when the non-materiality	

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	justifies it (not materiality to be justified if not risks taken by the insurance sector in its referential but also the impact of the risks arising from the banking sector in its	
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5.4.3	<p>Recognition of reinsurers : We agree with the proposal which as the advantage of reducing the systematic risk that comes from the current regulation where the breach of SCR is sufficient not to recognize the effect of reinsurance.</p> <p>We may however wonder how undertakings will be able to consider the proposal of 327 & 328 without a public statement from the supervisor as they are not in a position to do what is a superviror task : telling if the recovery plan is realistic or if compliance has been restored.</p>	
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6.4.3	<p>We note that the issues related to the simplification of the look-through approach will be included in the second set of consultations later this year.</p> <p>We agree that the scope of application of the look-through approach should be extended to</p>	

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	<p>investment related undertakings including open ended investment vehicles such as SICAV.</p> <p>However, we consider that the proposal to impose the mandatory use of the look-through approach (referred to in Para.376 of EIOPA-CP-17-004) even when this would lead to a lower SCR should be reviewed. This advice could be considered to be inconsistent with the two notions of proportionality and materiality (ensuring that the most material risks are assessed) which are strongly emphasised in EIOPA's advice on Simplified Calculations in section 2 of EIOPA-CP-17-004. Under the current rules and guidelines an equity charge can be applied calculating the SCR for investments in related undertakings. Subject to a periodic qualitative or quantitative demonstration (where material) of the prudence or conservativeness of the equity charge approach, we would propose that this simplification continue to be permitted, in particular in cases where look-through would lead to a lower SCR for investments in related undertakings. This would be more consistent with the objective of the standard formula review of simplification where possible and proportionate application of the standard formula, in particular for smaller undertakings.</p>	
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8.1	<p>As evidenced in the advice, national supervisory authorities have different approaches to LAC DT, and in particular as to which extent LAC DT can be supported by evidence of future taxable profits. Institut des Actuaire welcomes EIOPA's announcement to continue working on supervisory convergence on this issue but underlines that it should be done by preserving the economic perspective inherent in Solvency II. In particular, there should be no systematic</p>	

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	limitation of LAC DT to the amount of the net DTL recognised in the Solvency II balance sheet.	
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