

Gabriel Bernardino  
Chairman

Mr Olivier Guersent  
Director-General  
DG FISMA  
European Commission  
SPA2 8/20  
1049 Brussels



EIOPA-18/021  
24 January 2018

## **Report on the Application of Group Supervision under Solvency II**

Dear Mr Guersent,

Following your formal request from 31 May 2017 regarding Article 242(1) of Solvency II (Directive 2009/138/EC), I am pleased to submit you EIOPA's Report on the Application of Group Supervision under Solvency II.

The report summarises EIOPA's role in promoting supervisory convergence of group supervision and points out the main limitations in achieving greater supervisory convergence.

EIOPA has supported the establishment of colleges of supervisors for cross-border groups and promoting consistency between colleges in their activities. More and more, the focus of EIOPA's actions moved from ensuring that each college was operating effectively to a more tailored and risk-based approach. A main observation in the report is that the colleges are well established and generally functioning well.

Some elements for further improvement are highlighted, such as further developing collaboration and sharing of tasks within the colleges. Specifically with regards to internal models EIOPA's limited role in the assessment and approval of cross-border internal models has sometimes hampered its work in assessing and promoting convergence.

EIOPA noted several cases where a group chose to remove one or more countries from the scope of the group internal model application where the group had concerns that a joint decision would not be reached in time for a Day 1 approval.

Against this background, EIOPA focuses on consistency projects to identify and address areas impacting the level playing field.

If you require any further information with regards to this report, my colleagues and I remain at your disposal.

Yours sincerely,

**Annex:**

EIOPA's Report on the Application of Group Supervision under the Solvency II Directive.

cc:

Tatyana Panova, Member of Cabinet;

Jan Ceysens, Member of Cabinet;

John Berrigan, Deputy-Director, Financial System surveillance and crisis management;

Felicia Stanescu, Head of Unit, Financial Services policy and international affairs;

Martin Merlin, Director, Regulation and prudential supervision of financial institutions, DG FISMA;

Nathalie Berger, Head of Unit, DG FISMA;