



Gabriel Bernardino  
Chairman

Mr. Jonathan Faull  
Director General  
DG Internal Market and Services  
European Commission  
200, rue de la Loi  
B – 1040 Brussels

EIOPA/11/178  
Frankfurt, 26.10 2011

Dear Mr. Faull, *Dear Jonathan,*

In your 29 October 2010 letter, you invited EIOPA to deliver by end September 2011 fully consulted upon final advice on its assessment of the Solvency II equivalence of:

- The Swiss supervisory system under Article 172 of the Directive (reinsurance supervision), Article 227 (inclusion of related third country insurance and reinsurance undertakings in group solvency calculation) and Article 260 (group supervision);
- The Bermudan supervisory system under Article 172 (reinsurance supervision), Article 227 (inclusion of related third country insurance and reinsurance undertakings in group solvency calculation) and Article 260 (group supervision);
- The Japanese reinsurance supervisory system under Article 172 (reinsurance supervision).

The Commission Services later proposed an extension of the deadline for the advice to end October 2011 in the light of developments in the timeline for the implementation of Solvency II.

Today we are pleased to present you with the final Advice on the three jurisdictions mentioned above. EIOPA Advice has been constructed following the terms of reference as stated in your 2010 Call for Advice:

- The assessments have been undertaken taking into account the latest draft implementing measures as tabled by the EC at the Solvency Expert Group.
- The Advice indicates whether it is possible for the EC to adopt a positive equivalence finding in relation to the third countries listed above. In all cases EIOPA has identified which aspects of the third country's solvency regime could be

deemed equivalent and what additional steps would need to be taken in order for the remaining criteria to be met.

- Whilst the assessments are based on the existing regimes, EIOPA has sought to take into account the legislative proposals within the third country when these proposals are expected to be in force at the same time as Solvency II.

You will recognise that we will need to revisit our Advice once the final Level 2 implementing measures including the Equivalence Criteria are published. At that stage we will also take into account those legislative proposals in the third countries which have been brought into force in the interim.

We also take the opportunity to highlight the excellent cooperation that EIOPA has had with the third country authorities involved in these assessments. The BMA, FINMA and JFSA have provided EIOPA with all the information required for the pursuit of these assessments and have ensured that our assessors had access to all relevant legal and practical elements of their supervisory framework. The quality and accuracy of the assessments submitted today to you reflects the quality and accuracy of the inputs the three authorities have provided to EIOPA, both in written format as well as during the on-site visits undertaken to Bermuda, Japan and Switzerland.

In the context of current legislative developments at European level, and more specifically having in mind the current proposals in the OMDII, we stand ready to assist the Commission in its decisions as to those third countries to be covered by transitional provisions on equivalence.

With best regards,

A handwritten signature in black ink, appearing to read 'Gabriel Bernardino', with a long horizontal flourish extending to the right.

Gabriel Bernardino