



21 December 2020

## **Joint Statement on Japan's Temporary Equivalence regarding Reinsurance and Enhanced Cooperation among the European Commission, European Insurance and Occupational Pensions Authority and the Financial Services Agency**

1. The European Commission, the European Insurance and Occupational Pensions Authority (EIOPA) and the Financial Services Agency (FSA) have been cooperating closely on regulatory and supervisory matters over the years. Our strong cooperation has been built on a number of close exchanges and dialogues related to the developments in the respective insurance markets as well as the global insurance market. These issues were discussed on 20 November 2020 at the second meeting of the joint EU-Japan financial regulatory forum established under the Japan-EU Economic Partnership Agreement.
2. In November 2015, the European Commission published its decision to grant temporary equivalence to Japan in accordance with Article 172 of the Solvency II Directive and based on the advice of EIOPA.
3. The European Commission, EIOPA and the FSA welcome the regulatory and supervisory developments by both sides. In particular, the European Commission and EIOPA take note of the FSA's [Advisory council on the economic value-based solvency framework – final report](#), published in June 2020. As scheduled, Japan's temporary equivalence with respect to reinsurance will expire on 31 December 2020, in accordance with the Solvency II Directive. The expiration is due to the different timelines for the termination of status of temporary equivalence under the Solvency II Directive and the future implementation of Japan's economic value-based solvency regime, respectively. It does not relate to an assessment of the quality of the supervision in Japan.
4. Regulatory cooperation between the EU and Japan for the insurance sector remains strong, on the basis of the existing joint EU-Japan financial regulatory forum. To further enhance our relationship, the European Commission, EIOPA and the FSA will maintain close communication and discussions that include the enhancement of supervisory cooperation, with a view to ensuring the continuity of the quality of the supervision of cross-border groups by their respective authorities. Cooperation will also be strengthened through exchanges supporting the regulatory developments on both markets, which may potentially lead to a future assessment for full equivalence as established under Solvency II.