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STATUTORY INSTRUMENTS

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**2015 No. 575**

**FINANCIAL SERVICES AND MARKETS**

**The Solvency 2 Regulations 2015**

*Made - - - - 6th March 2015*

*Laid before Parliament 9th March 2015*

*Coming into force in accordance with regulation 1*

**THE SOLVENCY 2 REGULATIONS 2015**

PART 1

Citation, commencement and interpretation

1. Citation and commencement
2. Interpretation

PART 2

Supervision

3. Exercise of PRA and FCA functions
4. Review of capital add-ons
- 4A Non-compliance with solvency capital requirement and exceptional adverse situations
- 4B Duty to publish technical information
- 4C Powers in relation to Gibraltar undertakings
- 4D Procedure on the exercise of powers under regulation 4C
5. Passporting: notification of home state regulator
6. EIOPA: information
7. EIOPA and EBA: notifications
8. Other EEA States: information
9. Non-compliance with the minimum capital requirement: provision of information to other supervisory authorities
- 9A This Part applies to the following types of groups—
- 9B Where the participating insurance or reinsurance undertaking, or participating Gibraltarian...

**Changes to legislation:** The Solvency 2 Regulations 2015 is up to date with all changes known to be in force on or before 07 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

## PART 3

### Groups

#### CHAPTER 1

##### Cases of application and scope

10. Risk concentration and intra-group transactions
11. Equivalent provisions
12. Exclusion of undertaking from group supervision

#### CHAPTER 2

##### Levels

13. Supervision of parents and subgroups at national level: substantive powers
14. Supervision of parents and subgroups at national level: procedure

#### CHAPTER 3

##### Group Solvency

15. Supervision of group solvency and frequency of calculation
16. Choice of method
17. Inclusion of proportional share
18. Related undertakings: calculation of group solvency
19. Participating undertakings: calculation of group solvency
- 19A Gibraltar undertakings: calculation of group solvency
20. Internal models and capital add-ons
21. Subsidiaries: solvency capital requirement
22. Subsidiaries: non-compliance with the solvency and minimum capital requirements
23. Subsidiaries: revocation of approval for applying Articles 238 and 239 of the Solvency 2 Directive

#### CHAPTER 4

##### Risk concentration and intra-group transactions

24. Supervision of risk concentration and intra-group transactions

#### CHAPTER 5

##### Risk management and internal control

25. Supervision of system of governance

#### CHAPTER 6

##### Measures to facilitate group supervision

26. Rule for deciding the group supervisor

27. Exceptions to the rule for deciding the group supervisor
28. Duties of group supervisor ...
29. Cooperation and exchange of information between supervisory authorities
30. Consultation between supervisory authorities
31. Access to information
32. Verification of information
33. Group solvency and financial condition report
34. Enforcement measures

## CHAPTER 7

### Third countries

35. Non-EEA solvency 2 parent undertakings: equivalence
36. Parent undertaking outside the United Kingdom: absence of equivalence
- 36A. Parent undertakings outside the United Kingdom: levels

## CHAPTER 8

### Mixed-activity insurance holding companies

37. Intra-group transactions

### PART 4

#### Approvals

## CHAPTER 1

### Procedure: applications

38. Meaning of “approval”, “group application” and “protected item”
39. Applications: eligibility, process, information and documents
40. Additional process: applications from groups and applications to more than one supervisory authority

## CHAPTER 2

### Specific Approvals

41. Verification that the Solvency 2 Directive does not apply
42. Matching adjustment
43. Volatility adjustment
44. Supervisory approval of ancillary own-funds
45. Eligible own funds for an intermediate insurance holding company
46. Classification of funds
47. Basic Solvency Capital Requirement
48. Models
49. Group applications
50. Third-country insurance undertakings: approval of supervision in more than one EEA State
51. Withdrawal of authorisation for third-country insurance undertakings authorised in more than one EEA State

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52. Subsidiaries: application of Articles 238 and 239 of the Solvency 2 Directive
53. Transitional measures on risk-free interest rates
54. Transitional measures on technical provisions

### CHAPTER 3

#### Procedure: decisions, appeals and notices

55. Decisions: written notices
56. Appeals
57. Publication of written notices

### CHAPTER 4

#### Rule waivers

58. Modification or waiver of rules

### PART 5

#### Amendments

59. Amendments
60. Schedule 2, which contains amendments to secondary legislation, has effect...  
Signature

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## SCHEDULE 1 — Amendments to primary legislation

### PART 1 — Amendments to FSMA

1. FSMA is amended as follows.
2. (1) Section 55J (variation or cancellation on initiative of regulator)...
3. After section 55K (investment firms: particular conditions that enable cancellation),...
4. After section 55P (prohibitions and restrictions), insert— Assets requirements imposed...
5. In section 105 (insurance business transfer schemes), in subsection (3),...
6. (1) Section 116 (effect of insurance business transfers authorised in...
7. In section 165(7) (regulators' power to require information: authorised persons...
8. (1) Section 167 (appointment of persons to carry out general...
9. In section 190(4) (requests for further information), for paragraph (b)...
10. In section 194 (general grounds on which power of intervention...
11. (1) Section 198 (power to apply to court for injunction...
12. In section 316 (direction by a regulator), in subsection (4)(b)(i),...
13. In section 367(3) (winding up petitions), before paragraph (a), insert—...
14. In section 405(5) (directions), omit paragraphs (c) and (d).
15. In section 417 (definitions), in subsection (1), insert at the...
16. In section 425(1)(a) (expressions relating to authorisation elsewhere in the...
17. (1) Schedule 3 (EEA passport rights) is amended as follows....
18. (1) Schedule 12 (transfer schemes: certificates) is amended as follows....

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PART 2 — Amendments to other primary legislation

19. Friendly Societies Act 1992
20. Finance Act 1997
21. Terrorism Act 2000
22. Capital Allowances Act 2001
23. Proceeds of Crime Act 2002
24. Finance Act 2003
25. Companies Act 2006
26. Corporation Tax Act 2009

SCHEDULE 2 — Amendments to secondary legislation

1. Insolvency (Scotland) Rules 1986
2. Companies (1986 Order) (Insurance Companies Accounts) Regulations (Northern Ireland) 1994
3. Mineworkers' Pension Scheme (Modification) Regulations 1994
4. Industry-Wide Mineworkers' Pension Scheme Regulations 1994
5. Insurance Companies (Overseas Life Assurance Business) (Compliance) Regulations 1995
6. Occupational Pension Schemes (Scheme Administration) Regulations 1996
7. Occupational Pension Schemes (Scheme Administration) Regulations (Northern Ireland) 1997
8. Individual Savings Account Regulations 1998
9. Competition Act 1998 (Small Agreements and Conduct of Minor Significance) Regulations 2000
10. Competition Act 1998 (Determination of Turnover for Penalties) Order 2000
11. Financial Services and Markets Act 2000 (Regulated Activities) Order 2001
12. The Financial Services and Markets Act 2000 (Disclosure of Confidential Information) Regulations 2001
13. Financial Services and Markets Act 2000 (EEA Passport Rights) Regulations 2001
14. Financial Services and Markets Act 2000 (Law Applicable to Contracts of Insurance) Regulations 2001
15. The Financial Services and Markets Act 2000 (Control of Business Transfers) (Requirements on Applicants) Regulations 2001 (Article 39)
16. Enterprise Act 2002 (Merger Fees and Determination of Turnover) Order 2003
17. Insurers (Reorganisation and Winding Up) Regulations 2004
18. Child Trust Funds Regulations 2004
19. Financial Conglomerates and Other Financial Groups Regulations 2004
20. Pension Protection Fund (Entry Rules) Regulations (Northern Ireland) 2005
21. Occupational Pension Schemes (Investment) Regulations (Northern Ireland) 2005
22. Pension Protection Fund (Entry Rules) Regulations 2005
23. Insurers (Reorganisation and Winding Up) (Lloyd's) Regulations 2005
24. Occupational Pension Schemes (Investment) Regulations 2005
25. Money Laundering Regulations 2007
26. Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008
27. Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations 2008
28. Payment Services Regulations 2009
29. Mutual Societies (Transfers) Order 2009

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30. Financial Services and Markets Act 2000 (Controllers) (Exemption) Order 2009
31. Financial Services and Markets Act 2000 (Law Applicable to Contracts of Insurance) Regulations 2009
32. Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations (Northern Ireland) 2010
33. Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations 2010
34. Electronic Money Regulations 2011
35. Bank of England Act 1998 (Macro-prudential Measures) Order 2013
36. Enterprise Act 2002 (Mergers) (Interim Measures: Financial Penalties) (Determination of Control and Turnover) Order 2014

SCHEDULE 3 — Parent undertakings outside the EEA: equivalence

1. This Schedule specifies the procedure for verifying whether the insurance...
2. The PRA must follow the procedure set out in Flowchart...
3. Flowchart 1 also imposes duties and confers powers on the...
4. Where reference is made to this paragraph in Flowchart 1,...
5. In this schedule, “acting group supervisor” means the supervisory authority...

SCHEDULE 4 — Procedure for an application for a subsidiary to be subject to national law implementing Articles 238 and 239 of the Solvency 2 Directive

1. When the PRA receives an application referred to in the...
2. Flowchart 2 also imposes duties and confers powers on the...
3. In Flowchart 2— (a) “college” means the college of supervisory...

SCHEDULE 5 — Procedure for group applications

1. When the PRA receives a group application, the PRA must...
2. Flowchart 3 also imposes duties and confers powers on the...
3. In Flowchart 3— (a) “college” means the college of supervisory...

Explanatory Note

### Changes to legislation:

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View outstanding changes

### Changes and effects yet to be applied to :

- Regulations revoked by [2023 c. 29 Sch. 1 Pt. 2](#)
- reg. 10 words omitted by [S.I. 2019/407 reg. 9\(3\)\(c\)](#) (This amendment not applied to legislation.gov.uk. Reg. 9(3)(c) substituted immediately before IP completion day by S.I. 2019/680, reg. 10(4)(c)(ii))
- reg. 10 words substituted by [S.I. 2019/407 reg. 9\(3\)\(b\)\(i\)](#) (This amendment not applied to legislation.gov.uk. Reg. 9(3)(b)(i) substituted immediately before IP completion day by S.I. 2019/680, reg. 10(4)(c)(i))
- reg. 12 omitted by [S.I. 2019/407 reg. 9\(5\)](#) (This amendment not applied to legislation.gov.uk. Reg. 9(5) substituted immediately before IP completion day by S.I. 2019/680, reg. 10(4)(d))
- reg. 13 omitted by [S.I. 2019/407 reg. 9\(5\)](#) (This amendment not applied to legislation.gov.uk. Reg. 9(5) substituted immediately before IP completion day by S.I. 2019/680, reg. 10(4)(d))
- reg. 14 omitted by [S.I. 2019/407 reg. 9\(5\)](#) (This amendment not applied to legislation.gov.uk. Reg. 9(5) substituted immediately before IP completion day by S.I. 2019/680, reg. 10(4)(d))
- reg. 15(1) excluded (temp.) by S.I. 2019/407, reg. 13 (as inserted) by [S.I. 2019/710 reg. 41](#) (This amendment not applied to legislation.gov.uk. Reg. 41 omitted immediately before IP completion day by virtue of S.I. 2020/1385, regs. 1(4), 64(5))
- reg. 16(1) words omitted by [S.I. 2019/407 reg. 9\(7\)\(a\)](#) (This amendment not applied to legislation.gov.uk. Reg. 9(7) substituted immediately before IP completion day by S.I. 2019/680, reg. 10(4)(g))
- reg. 16(2) omitted by [S.I. 2019/407 reg. 9\(7\)\(b\)](#) (This amendment not applied to legislation.gov.uk. Reg. 9(7) substituted immediately before IP completion day by S.I. 2019/680, reg. 10(4)(g))
- reg. 18 omitted by [S.I. 2019/407 reg. 9\(9\)](#) (This amendment not applied to legislation.gov.uk. Reg. 9(9) substituted immediately before IP completion day by S.I. 2019/680, reg. 10(4)(i))
- reg. 19(1)(b) words substituted by [S.I. 2019/407 reg. 9\(10\)\(a\)](#) (This amendment not applied to legislation.gov.uk. Reg. 9(10)(a) substituted immediately before IP completion day by S.I. 2019/680, reg. 10(4)(j)(i))
- reg. 20(1)(b) word substituted by [S.I. 2019/407 reg. 9\(11\)\(a\)\(ii\)\(aa\)](#) (This amendment not applied to legislation.gov.uk. Reg. 9(11)(a)(ii)(aa) substituted immediately before IP completion day by S.I. 2019/680, reg. 10(4)(l)(i))
- reg. 20(5) omitted by [S.I. 2019/407 reg. 9\(11\)\(d\)](#) (This amendment not applied to legislation.gov.uk. Reg. 9(11)(d) substituted immediately before IP completion day by S.I. 2019/680, reg. 10(4)(l)(ii))
- reg. 24(1)(2) excluded (temp.) by S.I. 2019/407, reg. 13 (as inserted) by [S.I. 2019/710 reg. 41](#) (This amendment not applied to legislation.gov.uk. Reg. 41 omitted immediately before IP completion day by virtue of S.I. 2020/1385, regs. 1(4), 64(5))
- reg. 24(2) words omitted by [S.I. 2019/407 reg. 9\(13\)\(b\)](#) (This amendment not applied to legislation.gov.uk. Reg. 9(13)(b) substituted immediately before IP completion day by S.I. 2019/680, reg. 10(4)(m)(ii))
- reg. 24(3) omitted by [S.I. 2019/407 reg. 9\(13\)\(c\)](#) (This amendment not applied to legislation.gov.uk. Reg. 9(13)(c) substituted immediately before IP completion day by S.I. 2019/680, reg. 10(4)(m)(iii))
- reg. 25 excluded (temp.) by S.I. 2019/407, reg. 13 (as inserted) by [S.I. 2019/710 reg. 41](#) (This amendment not applied to legislation.gov.uk. Reg. 41 omitted immediately before IP completion day by virtue of S.I. 2020/1385, regs. 1(4), 64(5))

- reg. 28(2) excluded (temp.) by S.I. 2019/407, reg. 13 (as inserted) by [S.I. 2019/710 reg. 41](#) (This amendment not applied to legislation.gov.uk. Reg. 41 omitted immediately before IP completion day by virtue of S.I. 2020/1385, regs. 1(4), 64(5))
- reg. 36(4) excluded (temp.) by S.I. 2019/407, reg. 13 (as inserted) by [S.I. 2019/710 reg. 41](#) (This amendment not applied to legislation.gov.uk. Reg. 41 omitted immediately before IP completion day by virtue of S.I. 2020/1385, regs. 1(4), 64(5))
- reg. 38(1) words omitted by [S.I. 2019/407 reg. 10\(2\)\(b\)](#) (This amendment not applied to legislation.gov.uk. Reg. 10(2)(b) substituted immediately before IP completion day by S.I. 2019/680, reg. 10(5))