

<b>Comments Template on EIOPA-CP-14-057</b> <b>Draft proposal for Implementing Technical Standards with regard to the lists of regional governments and local authorities exposures to whom are to be treated as exposures to the central government</b>		<b>Deadline</b> <b>02.Mar.2015</b> <b>23:59 CET</b>
Company name:	Insurance Europe	
Disclosure of comments:	EIOPA will make all comments available on its website, except where respondents specifically request that their comments remain confidential.  Please indicate if your comments on this CP should be treated as confidential, by deleting the word Public in the column to the right and by inserting the word Confidential.	Public
<p>Please follow the instructions for filling in the template:</p> <ul style="list-style-type: none"> <li>⇒ <u>Do not change the numbering</u> in column "Reference".</li> <li>⇒ Please fill in your comment in the relevant row. If you have <u>no comment</u> on a paragraph, keep the row <u>empty</u>.</li> <li>⇒ Our IT tool does not allow processing of comments which do not refer to the specific paragraph numbers below.               <ul style="list-style-type: none"> <li>○ If your comment refers to multiple paragraphs, please insert your comment at the first relevant paragraph and mention in your comment to which other paragraphs this also applies.</li> <li>○ If your comment refers to sub-bullets/sub-paragraphs, please indicate this in the comment itself.</li> </ul> </li> </ul> <p><b>Please send the completed template to <a href="mailto:Consultation_Set2@eiopa.europa.eu">Consultation_Set2@eiopa.europa.eu</a>, in MSWord Format, (our IT tool does not allow processing of any other formats).</b></p> <p>The paragraph numbers below correspond to Consultation Paper No. EIOPA-CP-14-057.</p>		
Reference	Comment	
General Comment	Insurance Europe welcomes the opportunity to comment on the ITS with regard to the lists of regional governments and local authorities exposures to whom are to be treated as exposures to the central government  This is indeed a clarified list of which regional governments and local authorities are to be treated as	

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	<p>exposures to the central governments of the jurisdiction in which they are established.</p> <p>However, we have the following issues of primary concern:</p> <p><b>The analysis has to be extended to regional governments and local authorities in third countries.</b> Neither Article 109a (2) (a) of the directive or Article 85 of the Delegated Acts do restrict the application to Member States or to the EEA. Of course, such a restriction would not be risk-sensitive.</p> <p>The list appears to be incomplete since the reference to a great deal of countries is missing eg Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, France, Greece, Hungary, Ireland, Italy, Latvia, Malta, Norway, Romania, Slovakia, Slovenia, Switzerland. Despite the caveat in the ITS as to the completion of the process still in progress, <b>we urge EIOPA to complete and communicate the list as soon as possible and before the adoption of the ITS</b> to avoid uncertainty for the undertakings and for the relevant institutions. When this is done, EIOPA should make the necessary provisions where applicable</p> <p>Furthermore, Government Sponsored Enterprises which are enterprises that grant directly or indirectly loans guaranteed by the central or regional government or local authority should be added to the list. This will ensure a level playing field with the banking sector (Article 115(2) of Regulation (EU) No 575/2013).</p>	
Article 1	<p>For <u>UK</u>, the local authorities should also be included apart from regional governments (of Scotland, Wales and Northern Ireland) that make up the list.</p> <p>Local authorities in the UK already have debt raising powers – and use them. This is why we believe they should be included in this list.</p> <p>Even though currently a reference to Norway is missing, Norwegian local authorities (kommuner) and regional government (Fylker) should be included just as what is laid down for Sweden and Denmark: Indeed, although Norwegian local authorities and regional governments rarely have an official rating, their financial sustainability is closely watched by the Central Government of Norway through budget supervision. Additionally, it is a fact that loans issued by Norwegian local authorities</p>	

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	<p>and regional governments have usually the same rating that for loans issued by the Central Government of Norway. Finally, the Norwegian Financial Supervisory Authority has recently recognized that the capital requirements under Solvency II for exposures to Norwegian local authorities and regional governments – should they not be considered equal to exposures to the Central Government of Norway – will be too high compared to the actual risk of such exposures.</p> <p>Even though currently a reference to Czech Republic is missing, Czech municipalities should be added.</p> <p>Even though currently a reference to Ireland is missing, the list should include 'Instruments issued by the Housing Finance Agency'.</p> <p>The Housing Finance Agency is a company owned by the State. The HFA currently raises the majority of its funding via the NTMA using the HFA's Guaranteed Notes (GN) programme (the NTMA, the National Treasury Management Agency, is the body responsible for managing the Governments debt). It has a capacity of €4.5 billion, which is more than sufficient to cover the HFA's variable funding needs at present. An amount of €4.0 billion was drawn by the HFA under the GN programme at 31 December 2013, of which €3.7 billion was funded by NTMA Guaranteed Notes.</p>	
Article 2		
Impact Assessment		