

Comments Template on Consultation Paper on the proposal for implementing technical standards on the process to reach a joint decision for group internal models

**Deadline
30 June 2014
23:59 CET**

Name of Company:	Insurance Europe	
Disclosure of comments:	Please indicate if your comments should be treated as confidential:	Public
<p>Please follow the following instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ Do not change the numbering in the column "reference"; if you change numbering, your comment cannot be processed by our IT tool ⇒ Leave the last column <u>empty</u>. ⇒ Please fill in your comment in the relevant row. If you have <u>no comment</u> on a paragraph or a cell, keep the row <u>empty</u>. ⇒ Our IT tool does not allow processing of comments which do not refer to the specific numbers below. <p>Please send the completed template, in Word Format, to CP-14-006@eiopa.europa.eu. Our IT tool does not allow processing of any other formats.</p> <p>The numbering refers to Consultation Paper on the proposal for implementing technical standards with regard to the procedures to be used for granting supervisory approval for the use of ancillary own-fund items.</p>		
Reference	Comment	
General Comments	<p>Insurance Europe welcomes the opportunity to comment on this consultation Paper on the Implementing Technical Standards with regard to the process to reach a Joint Decision for Group Internal Models.</p> <p>The issues related to this paper and which are of great concern for us are the following:</p>	

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	<p><u>Coordination arrangement connection</u></p> <p>This ITS is an important paper which clarifies the formal procedure on how to reach a joint decision as described on the Art. 231. The text describes the role and the responsibilities of the supervisors taking part in the joint decision in the case of a group internal model, to enhance convergence of supervisory practices and to ensure effectiveness of the process. In particular, how to achieve an agreement on the process, a proposal for a decision and in what way the communication should be communicated.</p> <p>Nevertheless there is a missing link between the procedure described in the ITS and the coordination arrangement established in the college that aims to clarify the responsibilities of the group supervisor and the other supervisory authorities concerned when making the joint decision to the group internal model.</p> <p>It is not clear whether or not the process to reach the joint decision should be settled in the coordination arrangement with a well defined timeline, main steps and deliverables.</p> <p>We find also no hint as to whether or not the commitment reached by the supervisory authorities in the whole process should be officially ensured through the coordination arrangement or by other legal documents.</p>	
Recital (1)		
Recital (2)		
Recital (3)		
Recital (4)		
Recital (5)		
Recital (6)		
Recital (7)		
Article 1		
Article 2		

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Article 3 (1)	“The supervisory authorities concerned shall agree on the process to reach and the way to formalise...” The ITS should clarify the process and the time period to get this agreement and what happens if an agreement is not reached within the period set out in the ITS.	
Article 3 (2)	“(…) supervisory authorities shall inform the other ones about any legal impediments...” This information should be given when the process is being agreed or as soon as possible, otherwise the joint decision can be compromised.	
Article 3 (3)	Clarification is needed concerning the meaning of “as soon as practical”. Any information that may be relevant for the decision should be provided at least before the 6 months period.	
Article 3 (4)	<p>Two notions are being mixed.</p> <p>The aim of this paragraph is to clarify what should be done “in the case a supervisory authority concerned raises a matter concerning the process”. In this case, an explanation should be provided to the others supervisory authorities and the group supervisor should organize a discussion with all supervisory authorities to find a solution.</p> <p>On other hand, if the supervisory authority raises a matter concerning the process and intends to refer the matter to EIOPA according to Art. 231 (3), the group supervisor should await the EIOPA’s decision and in the meantime there is no solution to be found among the supervisory authorities.</p> <p>The meeting organized by the group supervisor only makes sense if done before the supervisory authority ask for EIOPA’s opinion.</p> <p>The paragraph needs to be redrafted for a better understanding.</p> <p>We suggest a redraft in the following way: “[...] consensus on a decision is not likely to be reached <i>on the timeframe agreed</i>” .</p>	
Article 3 (5)		
Article 4 (1)		
Article 4 (2)	It should be clarified what the content of the outcome assessment is and in particular whether it may be defined in the joint decision process (as a template or something similar) and if include	

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	the terms and conditions which the proposed decision is subject to.	
Article 4 (3)	More details are needed about the meaning and the content of terms and conditions that can be included in the proposal for a decision.	
Article 4 (4)	We agree with this paragraph. However if the group supervisor considers the views expressed during the assessment that deviates from the outcome given as described in (2), it should explain the reasons.	
Article 4 (5)		
Article 4 (6)		
Article 4 (7)	<p>Clarification is needed concerning the expressions “views” and “reservations”.</p> <p>According to Art. 231 the group supervisor shall take into account any views and reservations made by the other supervisory authorities in the absence of a joint decision within the 6 months. And this may not be the case.</p> <p>Up to this point the paper refers to the “outcome of the assessment” and the “opinion” expressed by the supervisory authorities. It is not clear if these “views” and “reservations” are the final decision and if it should include the terms and conditions.</p>	
Article 5 (1)		
Article 5 (2)		
Article 5 (3)	(c) Clarification is needed regarding the meaning of “relevant” in the related following sentence: “state the views and reservations from the <i>relevant</i> supervisory authorities concerned [...]”	
Article 6 (1)	More details are needed on the timeline that the group supervisor will use to communicate the final decision. “As soon as possible” is too vague and a time window should be specified to allow undertakings to anticipate any remedial action in an efficient way.	
Article 6 (2)	<p>(a) Should also be included if the decision was made at EIOPA level (according to Article 231 (3) of the Directive).</p> <p>(f) In case of permission, the starting date included in the communication to the undertaking should be align with the date specified in the cover note required on EIOPA ITS on internal model</p>	

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	approval process, Art. 2 (3) (a) i.	
Article 6 (3)		
Article 7		
Annex I		