Dear Mr. Faull,

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,

Gabriel Bernardino