

IRSG Sub-group regulatory issues

Proposed main topics – For discussion

IRSG meeting 21 February 2014

Sub-group regulatory issues – Main topics – Proposal for discussion (1/4)

Topic 1	Relevance of topic	Proposed next step Work in 2014
European regulation and the linkage to IAIS measures	<ul style="list-style-type: none">• Insurance Core Principles• New basic capital requirement (BCR) for global systemically important insurers• New Insurance capital standard (ICS) for all internationally active insurance groups (IAIGs) from 2019• Higher Loss Absorption (HLA) capacity• ComFrame• Convergence of best supervisory practices	<ul style="list-style-type: none">• Monitor developments• Propose to IRSG areas for further analysis/ opinions

Sub-group regulatory issues – Main topics – Proposal for discussion (2/4)

Topic 2	Relevance of topic	Proposed next step Work in 2014
Recovery & resolution plans for insures	<ul style="list-style-type: none">• Outcome from EC's consultation in 2013?• Recovery and resolution plans, including liquidity risk management plans, for the initial cohort of designated G-SIIs to be developed and agreed towards end of 2014• Coordination of what is being planned on national levels?	<ul style="list-style-type: none">• Understand EC position/ planned work• Expect work end 2014/ early 2015

Sub-group regulatory issues – Main topics – Proposal for discussion (3/4)

Topic 3	Relevance of topic	Proposed work in 2014
Influence on products and market of different regulations across the financial sectors	<ul style="list-style-type: none">• Level playing field across the financial service industry?• Potential for arbitrage• Link to binding/ implementing technical standards; guidelines & recommendations issued by EBA/ESMA, etc.	<ul style="list-style-type: none">• Specific focus areas to be chosen• Suggested area of focus in 2014: comparison of the consistency of capital requirements for different asset classes• <i>Note, work on long-term investments assumed to be covered by another IRSG sub-group</i>

Sub-group regulatory issues – Main topics – Proposal for discussion (4/4)

Topic 4	Relevance of topic	Proposed work in 2014
Accounting vs. solvency balance-sheet frameworks	<ul style="list-style-type: none">• Convergence of the accounting frameworks (IFRS, FASB)• Role of accounting for Solvency Balance Sheet under Solvency II and ComFrame	<ul style="list-style-type: none">• No work expected in 2014