

CIRC



Joint Press Release

EIOPA AND THE CHINA INSURANCE REGULATORY COMMISSION SIGN A MEMORANDUM OF UNDERSTANDING

The aim of the Memorandum of Understanding is to build a practical framework for exchange of supervisory information and to increase mutual understanding of insurance supervisory regimes in China and Europe.

Budapest, 15 June 2016 – Today, the European Insurance and Occupational Pensions Authority (EIOPA) and the China Insurance Regulatory Commission (CIRC) signed a Memorandum of Understanding (MoU) in Budapest, Hungary where both authorities participate in the Executive Committee meeting of the International Association of Insurance Supervisors (IAIS).

The Memorandum is the basis for the cooperation between EIOPA and CIRC to achieve three objectives:

1. To build a practical framework for exchange of supervisory information.
2. To update each other on the developments in the regulatory and supervisory frameworks for insurance and private pensions.
3. To increase mutual understanding on the Chinese (C-ROSS) and European (Solvency II) supervisory regimes for insurance.

Under this Memorandum, EIOPA and CIRC will set up joint annual work programmes, experts' task forces, provide speakers for events organised by both Authorities and pursue other joint activities.

The Authorities herewith emphasise that the Memorandum is not the legal basis for the exchange of confidential information and does not create legal obligations of its parties as well as the European Union and its Member States.

Xiang Junbo, Chairman of the CIRC, said: *"The China Insurance Regulatory Commission and the European Insurance and Occupational Pensions Authority have always enjoyed a close relationship. The signing of this Memorandum of Understanding is a declaration of the two sides' common vision to further our mutual communication and supervisory cooperation. We believe that under the framework of this MoU, more work could be done to facilitate information exchange and experience sharing between European and Chinese supervisors"*.

Gabriel Bernardino, Chairman of EIOPA, indicated: *"The constant process of deepening ties between Europe and Asia and increasing cooperation is crucial for effective supervision and adequate protection of consumers. Therefore, this Memorandum of Understanding is an important step to enhance mutual understanding between Chinese and European supervisors and to ensure improved supervisory convergence over time globally"*.

Click here to access the Memorandum of Understanding: <https://goo.gl/9Uz55m>

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Note for editors:

The **China Insurance Regulatory Commission (CIRC)** was established on 18 November 1998 and is authorized by the State Council of China to conduct administration, supervision and regulation of the Chinese insurance market, and to ensure that the insurance industry operates stably in compliance with law.

C-ROSS – the China Risk Oriented Solvency System is the supervisory regime that was established as a result of reforms in the China's insurance regulation.

The **European Insurance and Occupational Pensions Authority (EIOPA)** was established as a result of the reforms to the structure of supervision of the financial sector in the European Union. The reform was initiated by the European Commission, following the recommendations of a Committee of Wise Men, chaired by Mr de Larosière, and supported by the European Council and Parliament.

EIOPA is part of the European System of Financial Supervision consisting of three European Supervisory Authorities, the National Supervisory Authorities and the European Systemic Risk Board. It is an independent advisory body to the European Commission, the European Parliament and the Council of the European Union.

EIOPA's core responsibilities are to support the stability of the financial system, enhance the transparency of markets and financial products, and protect insurance policy holders, pension scheme members and beneficiaries.