ISTITUTO PER LA VIGILANZA SULLE ASSICURAZIONI
IVASS

(only the Italian version is authentic)

IVASS REGULATION NO. 10 OF 22 DECEMBER 2015

REGULATION CONCERNING THE TREATMENT OF THE PARTICIPATIONS ACQUIRED BY INSURANCE AND REINSURANCE UNDERTAKINGS, AS WELL AS BY INSURANCE HOLDING UNDERTAKINGS AND BY MIXED FINANCIAL HOLDING UNDERTAKINGS WHICH ARE THE ULTIMATE ITALIAN PARENT UNDERTAKINGS, REFERRED TO IN TITLE VII (OWNERSHIP STRUCTURE AND INSURANCE GROUP), CHAPTER III (PARTICIPATIONS HELD BY INSURANCE AND REINSURANCE UNDERTAKINGS) AND IN TITLE XV (GROUP SUPERVISION), CHAPTER I (GROUP SUPERVISION) OF LEGISLATIVE DECREE NO. 209 OF 7 SEPTEMBER 2005 - CODE OF PRIVATE INSURANCE - CONSEQUENT TO THE NATIONAL IMPLEMENTATION OF THE EIOPA GUIDELINES ON THE FINANCIAL REQUIREMENTS OF THE SOLVENCY II FRAMEWORK (1st PILLAR REQUIREMENTS)

INSTITUTE FOR THE SUPERVISION OF INSURANCE

HAVING REGARD to Law No. 576 of 12 August 1982, on the reform of insurance supervision and the establishment of ISVAP;

HAVING REGARD to article 13 of Decree Law No. 95 of 6 July 2012, converted with Law No. 135 of 7 August 2012, on urgent provisions for the review of public spending with unchanged services for citizens, establishing IVASS;

HAVING REGARD to Legislative Decree No. 209 of 7 September 2005, introducing the Code of Private Insurance, as amended and supplemented by Legislative Decree No. 74 of 12 May 2015, implementing Directive No. 2009/138/EC on taking up on and pursuit of the business of insurance and reinsurance and, in particular, articles 44-ter, paragraph 1, 45-bis, paragraph 2, 79, paragraph 3, 190, paragraph 1, 191 paragraph 1, letters b), No. 2, g) and s), 210-ter, paragraphs 6 and 8;

HAVING REGARD to Delegated Regulation (EU) 2015/35 of the Commission of 10 October 2014 supplementing Directive No. 2009/138/EC on taking up on and pursuit of the business of insurance and reinsurance, and in particular articles 68, 69 and 171;

HAVING REGARD to the Guidelines issued by EIOPA on the treatment of participations;

HAVING REGARD to IVASS Regulation No. 3 of 5 November 2013 on the implementation of the provisions referred to in article 23 of Law No. 262 of 28 December 2005 on proceedings for the adoption of regulations and general acts of IVASS;

HAVING REGARD to ISVAP Regulation No. 26 of 4 August 2008 laying down provisions on participations acquired by insurance and reinsurance undertakings;

has adopted the following

REGULATION

CONTENTS

Title I
General Provisions

Art. 1
(Legislative sources)

1. This Regulation is adopted pursuant to articles 44-ter, paragraph 1, 45-bis, paragraph 2, 79, paragraph 3, 190, paragraph 1, 191, paragraph 1, letters b), No. 2, letters g) and s), 210-ter, paragraphs 6 and 8 of Legislative Decree No. 209 of 7 September 2005 as amended by Legislative Decree No. 74 of 12 May 2015.

Art. 2
(Definitions)

1. For the purposes of this Regulation the definitions dictated by Legislative Decree No. 209 of 7 September 2005 as amended by Legislative Decree No. 74 of 12 May 2015, and by Delegated Regulation (EU) 2015/35 of the Commission shall apply. In addition, the following definitions shall apply:

a) "Code": Legislative Decree No. 209 of 7 September 2005 as amended by Legislative Decree No. 74 of 12 May 2015;

b) "Delegated Acts": Delegated Regulation (EU) 2015/35 of the Commission;

c) "Relevant competent Authorities": the Authorities as referred to in article 1, paragraph 1, letter aa) of Legislative Decree No. 142 of 30 May 2005;

d) "Significant participations": the participations referred to in article 7 of this Regulation identified by IVASS pursuant to article 79, paragraph 3-ter of the Code;

(e) "Non-equivalent third Country": Country for which the equivalent system pursuant to articles 214-ter and 220-quinquies of the Code has not been recognised.

Art. 3
(Scope)

1. This Regulation shall apply to Italian insurance and reinsurance undertakings, as well as to the insurance holding undertakings and mixed financial holding undertakings which are the ultimate Italian parent undertakings referred to in article 210, paragraph 2, of the Code which acquire or intend to acquire participations, also through subsidiaries, trust companies or third parties, in other companies, including the subscription of participations when a company is set up or capital is increased.

2. For the purposes referred to in article 210-bis of the Code, IVASS may identify, in the presence of a specific coordination agreement with the other relevant competent Authorities, the cases in which one or more of the provisions adopted pursuant to this Regulation shall not apply to the mixed financial holding undertaking.

3. For the purposes referred to in articles 79, paragraph 4 and 210-ter, paragraph 8 of the Code, this Regulation shall not apply to participations acquired in Italian insurance and reinsurance undertakings as well as those acquired in insurance holding undertakings or in mixed financial holding undertakings which are the ultimate Italian parent undertakings,

which are subject to the provisions of Title VII, Chapter I of the Code and its relative implementing provisions.

Title II – Identification of the participations

Art. 4
(Participations through the holding of shares and through the exercise of a significant or dominant influence)

1. The undertakings referred to in article 3, paragraph 1, shall identify the participations held on the basis of an assessment carried out on both the single entity and, as regards the ultimate Italian parent company referred to in article 210, paragraph 2, of the Code on the group as a whole.

2. For the purposes of the identification of a subsidiary or related undertaking on the basis of the share capital, held directly or by way of control, account shall be taken of :

a) ownership of voting rights in the company, expressed as a percentage;

b) ownership of the share capital of the company, expressed as a percentage, regardless of the voting rights.

3. If the ownership referred to in paragraph 2, letters a) or b), is greater than or equal to twenty per cent, such investment is qualified as participation.

4. For the participations in an insurance or reinsurance undertaking, subject to the provisions of the Code, the assessments referred to in paragraph 2, letter a) shall relate to paid-in ordinary share capital referred to in article 69, letter a), point i) of the Delegated Acts and the assessments referred to in paragraph 2, letter b) shall relate to paid-in ordinary share capital and paid-in preference shares referred to in article 69, letter a), point v) of the Delegated Acts.

5. The effect of changes in the share capital of the subsidiaries and related undertakings on the assessment of the preceding paragraphs must be identified whenever the Solvency Capital Requirement is calculated in accordance with article 45-quater of the Code.

6. When identifying a related undertaking on the basis of the exercise of a significant influence, the following shall be taken into account:

a) shareholdings held in the company and potential increases due to the holding of options, warrants or similar instruments;

b) membership rights in the mutual and mutual-type undertakings and the potential increase of these rights;

c) representation in the administrative body of the related undertaking;

d) involvement in the decision-making processes of the related undertaking, including those on dividends or other distributions;

e) existence of significant operation between the participating undertaking and the related undertaking;

f) interchange of persons effectively running the participating undertaking and the related undertaking;

g) provision of essential technical information to the related undertaking.

7. When identifying a subsidiary undertaking on the basis of the exercise of a dominant influence, the criteria referred to in article 72, paragraph 2 of the Code should be considered.

Art. 5
(Participations in financial and credit institutions)

1. A subsidiary or related undertaking is treated in the same way as a financial or credit institution, if it is a company that performs the functions or carries out the business listed in article 3, paragraphs 1 and 22 of Directive No. 2013/36/EU or in article 4 paragraph 1 of Directive No. 2004/39/EC, even if the institution in question is not subject to these directives.

2. Any participation in a financial or credit institution in which the voting rights or capital are held indirectly, by way of control, is treated in the same way as the participations held directly.

3. For the purposes of determination of the own funds of the undertaking referred to in article 3, paragraph 1, the participations held in financial and credit institutions include subordinated loans and other eligible securities, as provided for in accordance with the applicable sectoral legislation, held in those undertakings.

Art. 6
(Strategic participations)

1. The strategic participations pursuant to article 171 of the Delegated Acts are identified as follows:

a) if the standard formula is used to calculate the Solvency Capital Requirement, the strategic participations are identified regardless of whether such participation is in an insurance or reinsurance undertaking, in a financial or credit institution or in any other subsidiary or related undertaking;

b) if an internal model is used to calculate the Solvency Capital Requirement, the strategic participations in financial and credit institutions are identified only for the purpose of assessing whether article 68, paragraph 3 of the Delegated Acts shall apply.

2. In order to demonstrate compliance with the requirements referred to in article 171 of the Delegated Acts, the undertakings referred to in article 3, paragraph 1 must not divide the participation in parts, treating some as strategic and others as not. In particular:

a) if a participation is held in a financial or credit institution, all investments in own funds are strategic;

b) if a participation is held in any other subsidiary or related undertaking, all equity investments relating to the participation are strategic.

3. Undertakings must support the assessments carried out on the criteria referred to in article 171 of the Delegated Acts and referred to in this article, including any other relevant factor, together with the respective support material.

Art. 7
(Significant participations)

1. For the purposes of this Regulation, the participations referred to in article 1, paragraph 1, letter nn) of the Code shall be regarded as significant when, by themselves or together with others already held directly or indirectly by the parent undertaking or participating undertaking are greater than or equal to five percent of the participating undertaking's net assets, as shown in the last approved balance sheet. When the participation is held through a subsidiary undertaking, the value of the participation to be measured against the participating undertaking's net assets shall be weighted by the total holdings held by the indirect participating undertaking into the direct participating undertaking.

Title III
Supervision of IVASS on acquisition of participations

Art. 8
(General principles)

1. The insurance and reinsurance undertakings referred to in article 3, paragraph 1, taking also account of the participations already held, may acquire participations involving the control or significant influence or significant participations , only if the investment does not undermine the stability of the undertaking, having regard in particular to the nature and the performance of the business carried out by the subsidiary or related undertaking and the size of the investment in relation to the assets of the parent undertaking or participating undertaking, according to the prudent person principle set out in article 37-ter of the Code.

2. The insurance and reinsurance undertakings referred to in article 3, paragraph 1 shall monitor their investments in participations in order to continuously check the existence of the conditions required for holding such participations and the risks for the undertaking's stability.

3. The insurance and reinsurance undertakings referred to in article 3, paragraph 1, when acquiring participations that involve control or significant influence or significant participations, shall assess the impact of such participations on their stability with particular reference to the capital adequacy rules laid down in Title XV of the Code and its implementing provisions.

4. The ultimate Italian parent undertakings referred to in article 210, paragraph 2, of the Code shall assess the impact of the acquisition of participations, also carried out through subsidiaries, on the stability of the group with particular regard to the following aspects:

a) group's solvency;

b) risk profiles connected to the corporate governance of the group and the interrelations between the various entities that compose it as well as the risk of concentration of the investments;

c) suitability of the structure of the group to ensure the conduct of supervision;

d) adequacy of the procedures of risk management and of the internal control mechanisms of the group.

Art. 9
(Supervision and powers of IVASS)

1. IVASS shall exercise powers of prudential supervision on the acquisition and holding of participations by the undertakings referred to in article 3, paragraph 1 having particular regard to the nature and performance of the business pursued by the subsidiary or the related undertaking, to the influence of such operations on the undertaking's financial structure and on the sound and prudent management of the group as well as on the exercise of effective supervisory actions, to the size of the investment and to the relevant risks on the stability of the undertaking and of the group, as well as on compliance with the rules on capital adequacy referred to in article 8, paragraph 3.

2. IVASS may condition or deny the approval or acquisition of participations subject to prior communication if it is in contrast with the sound and prudent management of the undertaking or the group or may undermine the stability of the undertaking or the group.

3. When the holding of the participation may undermine the stability of the undertaking referred to in article 3, paragraph 1 or of the group, IVASS shall order that such participation be sold or adequately reduced, even below the control threshold and, to that end, set an appropriate deadline.

4. In case of failure to comply with the provisions of paragraph 3, the provisions referred to in article 81, paragraphs 3 and 4, of the Code shall apply.

5. In respect of mixed financial holding undertakings, the measures referred to in paragraphs 2 and 3 shall be adopted in agreement with the competent banking authority.

Art. 10
(Separation between ownership and voting right)

1. In case of separation between ownership of the participations and exercise of the relevant rights, the undertakings shall be required to comply with the obligations laid down in this Regulation both when they are holders of the voting right and when they are holders of the participations.

Title IV
Requirements on prior authorisation and prior communication

Art. 11
(Cases subject to prior communication and authorisation)

1. The acquisition of significant participations is subject to the requirement of prior communication pursuant to article 16.

2. The acquisition of non-significant participations is subject to the following requirements:

a) prior communication for the acquisition of control or significant influence in an insurance and reinsurance undertaking, or in a credit or financial institution with head office in a Member State or in an equivalent third Country;

b) prior communication for the acquisition of control or significant influence in a non-financial undertaking.

3. The acquisition of control or significant influence in an insurance and reinsurance undertaking or in a credit or financial institution with head office in a non-equivalent third Country, shall be subject to the requirement of prior authorisation pursuant to article 12**.**

4. When the acquisition of control or significant influence, referred to in paragraph 3, may give rise to a significant participation, paragraph 1 shall not apply but the operation is subject to the requirement of prior authorisation pursuant to article 12.

Chapter I
Provisions governing authorisation

Art. 12
(Cases subject to authorisation)

1. The undertakings referred to in article 3, paragraph 1, intending to acquire the participations referred to in article 11, paragraphs 3 and 4 are required to seek prior authorisation from IVASS.

2. In the case that the participation referred to in paragraph 1 is acquired through a subsidiary which is subject to the same obligations referred to in this Regulation, one single application for prior authorisation shall be sent to IVASS by the company referred to in article 210, paragraph 2 of the Code together with the assessments referred to in article 8 and in accordance with the terms and procedures of article 13.

3. Authorisation shall also be required before acquiring the control of a company through a subscription for shares linked to the conversion of bonds or through the exercise of the rights to acquire shares. Authorisation requirements shall not concern the subscription for or acquisition of convertible securities or other securities which give right to the acquisition of shares of other companies.

Art. 13
(Application for authorisation)

1. The application for authorisation shall be sent to IVASS once the competent corporate bodies have taken the relevant decision and before the operation is completed. Any contracts or acts envisaging the acquisition of the participation or a commitment to such acquisition shall lay down that their effectiveness is subject to the granting of authorisation from IVASS.

2. The application for authorisation referred to in paragraph 1 shall be preceded by summary information in writing about the essential elements and objectives of the operation, to be sent to IVASS immediately after the competent corporate bodies have taken the relevant decision.

3. The application for authorisation referred to in paragraph 1 shall contain the information and documents listed in Annex 1.

4. The undertakings referred to in article 3, paragraph 1) intending to acquire a controlling interest shall, when applying for authorisation, verify that they fulfil the conditions envisaged by the Code and its relevant implementing provisions for qualifying as head of a group. These verifications shall be effected for the purposes of application of article 210-ter and following of the Code.

5. The authorisation procedure shall be subject to the provisions of IVASS Regulation No. 7 of 2 December 2014.

Art. 14
(Criteria for authorisation)

1. IVASS shall issue the authorisation when the conditions ensuring the sound and prudent management of the applicant undertaking and of the group are met, having regard to the possible impact of the operation on the stability, efficiency and protection of policyholders.

2. For the purposes of granting the authorisation IVASS shall:

a) take account of the nature of the business pursued and the performance of the acquired company, the influence of the operation on the financial structure of the parent or related undertaking and on the risk of concentration of the investments;

b) take account of any links, including family and association relationships, between the parent or participating undertaking and the companies in which it intends to acquire a controlling interest or significant influence and other subjects, including non-members, and assess any other element which might have an impact on the sound and prudent management of the undertaking referred to in article 3, paragraph 1) or of the group;

c) take account of any voting arrangements or of shareholders' agreements, even if still under process, which allow the undertaking to control the majority of the voting rights or confer the power to appoint or dismiss the majority of the undertaking’s directors or whose effect is the joint exercise of the voting rights in the company in which it intends to acquire a controlling interest. For this purpose account shall also be taken of the voting arrangements concerning shares of companies which are at any level of the control participation chain of the company concerned.

Art. 15
(Requirements for communication to IVASS)

1. If the authorised operation is not realised within the period indicated in the application, the undertaking shall immediately inform IVASS of the reasons for not realising the operation and of its intention as to whether or not to effect it. IVASS shall take account of such information with a view to the possible exercise of the powers of suspension or revocation of the authorisation.

2. Any act or fact modifying the information provided when applying for authorisation as well as any further significant circumstance concerning the participation acquired shall be immediately notified to IVASS.

Chapter II
Requirements on prior communication

Art. 16
(Cases subject to prior communication)

1. The undertakings referred to in article 3, paragraph 1 intending to acquire participations referred to in article 11, paragraphs 1 and 2, shall send IVASS information in written form about the essential elements and objectives of the operation, once the competent corporate bodies have taken the relevant decision and at least 60 days before the operation is completed.

2. The undertakings referred to in paragraph 1 intending to acquire a controlling interest shall, when giving prior communication, verify that they fulfil the conditions envisaged by the Code and its relevant implementing provisions for qualifying as head of a group. These verifications shall be effected for the purposes of application of article 210-ter and following of the Code.

3. If the interest is acquired through a subsidiary which is subject to the same requirements referred to in this Regulation, one single communication shall be sent to IVASS by the undertaking referred to in article 210, paragraph 2 of the Code together with the assessments referred to in article 8.

Art. 17
(Contents of communication)

1. The communication referred to in article 16 shall contain the information and documents listed in Annex 2.

Art. 18
(Requirements for communication to IVASS)

1. If the operation priorly notified in compliance with article 16 is not realised within the period indicated in the communication, the undertaking shall immediately inform IVASS of the reasons for not realising the operation and of its intention as to whether or not to effect it.

2. Any act or fact modifying the information provided in the communication as well as any further significant circumstance concerning the participation acquired shall be immediately notified to IVASS.

Chapter III
Requirements on subsequent communication

Art. 19
(Subsequent communications)

1. In addition to its communication and prior authorisation requirements, the undertakings referred to in article 3, paragraph 1, shall communicate the participations referred to in article 11 by means of the quarterly reports referred to in article 6, letter e) of the Commission Implementing Regulation (EU) on the submission of information to the supervisory authorities.

Title V
Treatment of participations in financial and credit institutions for the purposes of deductions from own funds referred to in article 68 of the Delegated Acts

Art. 20
(Determination of the value of participations for the purposes of deductions)

1. In the determination of the value of participations in financial and credit institutions for the purposes of the calculation referred to in article 68 of the Delegated Acts, holdings of equity and any other own-fund items, whether held directly or indirectly by way of control, shall be included, according to the following approach:

a) for direct holdings, for the purposes of article 68 of the Delegated Acts and of article 21 of this Regulation the value of the participations in financial and credit institutions is used, as determined by the parent undertaking or participating undertaking in accordance with the valuation principles laid down by the Code;

b) participations in financial and credit institutions, held indirectly via another participation in a financial or credit institution shall not be considered under article 68 of the Delegated Acts, as their value has already been included in the value of the directly-held participation in a financial or credit institution in accordance with letter a);

c) a deduction is made for a participation in a financial or credit institution held indirectly only when the subsidiaries between the participating undertaking and the financial and credit participation are other than financial and credit participations;

d) for other indirect holdings in a financial or credit institution, for the purposes of article 68 of the Delegated Acts the value of the participation is used, as established by the subsidiary or related undertaking, pursuant to article 13 of the Delegated Acts;

e) the values used for the purposes of article 68 of the Delegated Acts should represent the measure of the parent undertaking's or the participating undertaking's proportional ownership, held directly or indirectly, of the participation in the financial or credit institution.

Art. 21
(Calculations for deductions)

1. In calculating the percentage of ten percent of the items included in article 69, letter a), points i), ii), iv) and vi) of the Delegated Acts, for the purposes of the calculation referred to in article 68 of the Delegated Acts, the amount of basic own-fund items is used, before any subsequent deductions in respect of participations in financial and credit institutions pursuant to the aforesaid article 68.

2. Where the value of all the participations in financial and credit institutions, other than participations referred to in article 68, paragraph 1 of the Delegated Acts, does not exceed ten percent of the items included in article 69, letter a), points i), ii), iv) and vi) of the Delegated Acts for the purposes of article 68, paragraph 2) of the Delegated Acts, then no deduction takes place and articles 23 or 24 of this Regulation apply.

3. Article 68, paragraph 3 of the Delegated Acts only shall apply in the cases where:

a) the undertaking demonstrates, in accordance with article 6 of this Regulation, that the participation meets the criteria for a strategic participation;

b) the parent undertaking or the participating undertaking and the participation are included in the calculations on the basis of method 1 pursuant to Directive No. 2002/87/EC for the financial conglomerate to which they belong or on the basis of the method based on the consolidated financial statements referred to in article 216-ter of the Code and its implementing provisions in the matter of the calculation of the group solvency.

Art. 22
(Criteria for making deductions)

1. If deductions in accordance with Article 68, paragraphs 1 and 2 of the Delegated Acts cannot be made from the corresponding tier as set out in article 68, paragraph 5 of the Delegated Acts, undertakings shall act as follows:

a) where the items to be deducted are not classified into the tiers set out in article 68, paragraph 5 of the Delegated Acts, all deductions shall be made from the amount of items included in article 69, letter a), points i), ii), iv) and vi) of the Delegated Acts;

b) where if the amount of the deduction exceeds the amount from which it is required to be deducted, the excess shall be deducted as follows:

aa) holdings of additional Tier 1 instruments in excess of the items included in article 69, letter a), points iii) and v) and letter b) of the Delegated Acts are deducted from items included in article 69, letter a), points i), ii), iv) and vi) of the Delegated Acts;

bb) holdings of Tier 2 instruments in excess of basic own funds included in article 72 of the Delegated Acts are deducted first from items included in article 69, letter a), points iii), v) and letter b) of the Delegated Acts, and then from items included in article 69, letter a), points i), ii), iv) and vi) of the Delegated Acts until the deduction is made in full.

Art. 23
(Adjustments due to deductions of indirectly-held participations)

1. When a deduction of the value of a participation in a financial or credit institution held indirectly is made, in full or in part, in accordance with article 68 of the Delegated Acts, the parent or participating undertakings shall, only for the purposes of calculating the Solvency Capital Requirement:

a) reduce, by the amount of such deduction, the value of the directly-held subsidiary or related undertaking;

b) follow, for the adjustment referred to in letter a), the approach indicated in article 68, paragraph 5, of the Delegated Acts and in article 22 of this Regulation.

Title VI
Treatment of the participations not deducted in the calculation of the Solvency Capital Requirement

Art. 24
(Application of the standard formula)

1. This article applies to undertakings using the standard formula to calculate the Solvency Capital Requirement in respect of the risks arising from subsidiaries or related undertakings held directly.

2. When the undertaking holds own-fund items of a subsidiary or related undertaking as assets, on the value of these items not deducted from the own funds of the parent or participant undertaking as a result of the application of article 68 of the Delegated Acts, the capital requirement shall be calculated according to the standard formula.

3. The undertaking shall apply the standard formula as follows:

a) holdings in ordinary or preference share capital of the subsidiary or related undertaking shall be treated as equities applying the equity risk submodule referred to in articles 169 and 170 of the Delegated Acts;

b) holdings in subordinated liabilities issued by the subsidiary or related undertaking shall be treated as financial instruments, taking account of contractual terms and applying market stresses as appropriate, including the interest rate, spread, currency, concentration and other risk sub-modules as appropriate;

c) holdings referred to above, which exhibit both equity and bond features, shall be treated in accordance with what is envisaged in articles 45-septies, paragraphs 8, 9, 10 and 11 and 45-novies of the Code and its implementing provisions relating to market and counterparty risk.

Art. 25
(Application of an internal model)

1. This article applies to undertakings using a full or partial internal model to calculate the Solvency Capital Requirement in respect of the risks arising from subsidiary or related undertakings.

2. When an undertaking holds as assets own-fund items of a subsidiary or related undertaking, the risks arising from the value of these items not deducted from the own funds of the parent or participant undertaking as a result of the application of article 68 of the Delegated Acts, are reflected in the internal model.

3. The undertaking shall cover in the internal model all material quantifiable risks arising from its subsidiary or related undertakings, taking account of exposures to those undertakings including holdings of equity and subordinated liabilities. Relevant measures of these risks shall be reflected in the model.

Title VII
Final provisions

Art. 26
(Repeals and transitional provisions)

1. ISVAP Regulation No. 26 of 4 August 2008 is repealed as from the date of entry into force of this Regulation, without prejudice to the provisions of paragraph 2.

2. Prior authorisation procedures pending at the date of entry into force of this Regulation shall remain subject to the provisions of ISVAP Regulation No. 26 of 4 August 2008.

Art. 27
(Publication and entry into force)

1. This Regulation shall be published in the Official Journal of the Italian Republic and in IVASS' Bulletin and website.

2. This Regulation shall enter into force on 1st January 2016.

On behalf of the Joint Directorate
The Director
(as per art. 9, paragraph 2 of the IVASS Statute)

ANNEX 1

**DOCUMENTS TO BE ATTACHED
TO THE APPLICATION FOR AUTHORISATION FOR THE ACQUISITION OF A CONTROLLING INTEREST OR SIGNIFICANT INFLUENCE IN THE COMPANIES REFERRED TO IN ARTICLE 11, PARAGRAPHS 3 AND 4.**

1. the description of the operation, with indication of amount, terms and conditions of implementation of the same and specification of the number and categories of holdings that may already be owned and those that one intends to acquire, directly or indirectly;

2. indications about the purposes and reasons of the operation and, in general, all information that is useful to frame the operation as part of the strategic plans of the undertaking and of the investment policy implemented in accordance with the prudent person principle, including the relative organisational procedures. It should also be indicated if the participation is regarded as being of strategic importance pursuant to article 6;

3. economic and financial position of the company of which one intends to acquire the control or significant influence or in which one intends to acquire a significant participation, with reference also to the companies controlled by it and to the business pursued by the undertaking; information on this situation can also be supplied through submission of consolidated financial statements, if drawn up, of the company of which one intends to assume control;

4. indication of intended use of the participation and of the methods and criteria of accounting in the equity of the acquiring undertaking;

5. identification of the counterparty to the operation and any possible membership in the ranks of material counterparties for intra-group transactions referred to in article 5 of ISVAP Regulation No. 25 of 27 May 2008;

6. the Statute and the last two approved balance sheets of the company of which one intends to assume the control;

7. the criteria used for the determination of the purchase price; in the case wherein the transferring company falls within the ranks of the material counterparties for intra-group transactions referred to in article 5 of ISVAP Regulation No. 25 of 27 May 2008, an updated sworn expert appraisal shall also be sent;

8. sources of funding of the transaction;

9. simulations of the impact of the transaction on the current and forward-looking financial situation of the participating undertaking, concerning in particular:

a) the situation of the assets allocated to cover the technical provisions as a result of the operation, whenever the participation is intended to cover the technical provisions in accordance with Title III, Chapter III of the Code and its implementing provisions;

b) individual, current and forward-looking solvency of the participating undertaking and own funds eligible to cover the Solvency Capital Requirement in relation to the acquisition of the participation subject to authorisation and its impact in terms of the Solvency Capital Requirement for the participating undertaking. In the case of participation in financial and credit institutions, an indication of the amount of the participation should also be given

including subordinated loans and other eligible securities held in said companies pursuant to article 5, paragraph 3, as well as the treatment of the participation for the purposes of the deductibility from own funds and the calculation of the Solvency Capital Requirement of the undertaking;

10. copy of the draft of the contract to be concluded or the contract concluded subject to the suspensive condition of the authorisation of IVASS;

11. copy any shareholders' voting agreements and every shareholders' agreement, even in negotiation, which have as their object or effect the joint exercise of voting on the company of which one intends to assume the control;

12. extract of the record of the meeting of the body which has approved the acquisition of the controlling interest;

13. in the case of authorisation submitted pursuant to article 12, paragraph 2, (group assessments), the applicant companies shall also submit the following documentation:

a) simulations on the impact of the operation on the current and forward-looking financial situation of the group with particular reference to the situation of current and forward-looking solvency of the group, and its own funds eligible to cover of the Solvency Capital Requirement of the group;

b) description of the impact of the operation:

i) on the corporate governance structure of the group, with evidence of any risk profiles identified, also in relation to the suitability of this structure to ensure the conduct of supervision;

ii) on the risk of concentration of investments at group level;

iii) on the adequacy of the internal control and risk management systems at group level.

ANNEX 2

DOCUMENTS TO BE ATTACHED
FOR THE PRIOR COMMUNICATION OF PARTICIPATIONS AS REFERRED TO IN ARTICLE 16

1. the description of the operation, with indication of amount, terms and conditions of implementation of the same and specification of the number and categories of participations possibly already owned and those that one intends to acquire, directly or indirectly; it should also be indicated if it is a significant participation, a controlling interest or a significant influence and if it is strategic;

2. indications about the purposes and the reasons of the operation; if it is a controlling interest or of significant influence, all information useful to frame the operation as part of the strategic plans of the acquiring undertaking and the investment policy implemented in accordance with the prudent person principle, including the relative organisational procedures, and the scheme of operations that the acquiring undertaking intends to implement following the acquisition. It should also be indicated if the participation is regarded as being of strategic importance pursuant to article 6;

3. economic and financial situation of the company of which one intends to acquire a significant participation, a controlling interest or significant influence, with reference also to the companies controlled by it and to the business pursued by the undertaking; information on this situation can also be supplied through submission of consolidated financial statements, if drawn up, of the company of which one intends to acquire the participations, together with its individual financial statements;

4. indication of intended use and of the methods and criteria of accounting in the equity of the acquiring undertaking;

5. identification of the counterparty to the operation and any possible membership in the ranks of the material counterparties for intra-group transactions referred to in article 5 of ISVAP Regulation No. 25 of 27 May 2008;

6. the Statute of the company in which one intends to acquire a controlling interest or significant influence or in which one intends to acquire a substantial participation;

7. criteria used for the determination of the purchase price; in the case of assumption of control, indications on the sources of financing of the operation and, if the transferring company falls within the range of material counterparties for intra-group transactions referred to in article 5 of ISVAP Regulation No. 25/2008, also an updated sworn expert appraisal;

8. indications on the impact of the operation on the current and forward-looking financial situation of the participating or parent undertaking, concerning in particular:

a) the situation of the assets allocated to cover the technical provisions as a result of the operation, whenever the participation is intended to cover the technical provisions in accordance with Title III, Chapter III of the Code and its implementing provisions;

b) individual, current and forward-looking solvency of the purchasing undertaking and own funds eligible to cover the Solvency Capital Requirement in relation to the acquisition of the participation subject to communication and its impact in terms of the Solvency Capital Requirement for the purchasing undertaking. In the case of participation in financial and credit institutions, an indication of the amount of the participation should also be given

including subordinated loans and other eligible securities held in said undertakings pursuant to article 5 paragraph 3, as well as the treatment of the participation for the purposes of the deductibility from own funds and the calculation of the Solvency Capital Requirement of the purchasing undertaking;

9. extract of the report of the meeting of the body which has approved the assumption of the significant participation or controlling interest;

10. in the case of assumption of control, a copy of the draft contract and of any shareholders' voting agreements and every shareholders' agreement, even in negotiation, which have as their object or effect the joint exercise of voting on the company;

11. in the case of prior communication submitted pursuant to article 16, paragraph 3, (group assessments), the applicant companies also shall submit the following documentation:

a) simulations on the impact of the operation the current and forward-looking financial situation of the group with particular reference to the current and forward-looking solvency of the group, and its own funds eligible to cover the Solvency Capital Requirement of the group;

b) description of the impact of the operation:

i) on the corporate governance structure of the group, with evidence of any risk profiles identified, also in relation to the suitability of this structure to ensure the conduct of supervision;

ii) on the risk of concentration of investments at group level;

iii) on the adequacy of the internal control and risk management systems at group level.