

IVASS REGULATION NO. 22 of 1st JUNE 2016

REGULATION CONCERNING THE GROUP SUPERVISION AS REFERRED TO IN TITLE XV OF LEGISLATIVE DECREE NO. 209 OF 7 SEPTEMBER 2005 - CODE OF PRIVATE INSURANCE, AS AMENDED BY LEGISLATIVE DECREE NO. 74 OF 12 MAY 2015, AS WELL AS THE IMPLEMENTATION OF THE GUIDELINES ISSUED BY EIOPA ON THE EQUIVALENCE ASSESSMENT METHODOLOGY BY NATIONAL SUPERVISORY AUTHORITIES IN ACCORDANCE WITH THE SOLVENCY II DIRECTIVE.

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 into Law No. 135 of 7 August 2012, concerning urgent measures for the review of public spending with unchanged services to citizens and establishing of IVASS;

HAVING REGARD to Legislative Decree No. 209 of 7 September 2005, introducing the Code of Private Insurance, as amended by Legislative Decree No. 74 of 12 May 2015, implementing Directive No. 2009/138/EC on the taking up and pursuit of the business of insurance and reinsurance and, in particular, Title XV of the Code on group supervision and keeping of the register of parent companies;

HAVING REGARD to the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive No. 2009/138/EC on the taking-up and pursuit of the business of insurance and reinsurance, and in particular Title II, Chapter IV, Section III, on national or regional sub-group supervision and Title III, Chapters I, II, III on equivalence of third countries;

HAVING REGARD to the Guidelines issued by EIOPA on equivalence of the supervisory regime of third countries for the purposes of exercise of group supervision;

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 procedures for the adoption of regulations and general acts of the Institute;

has adopted the following

REGULATION

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CHAPTER I GENERAL PROVISIONS

Art. 1
(Legal sources)

1. This Regulation has been adopted in compliance with article 191, paragraph 1, letter s), articles 210, paragraph 1, 210-ter, paragraphs 6 and 10, 220-bis, paragraph 3, 220-quater, paragraph 2, 220-septies of Legislative Decree No. 209 of 7 September 2005.

Art. 2
(Definitions)

1. For the purposes of this Regulation, the applicable definitions are those laid down by Article 1, paragraph 1 of Legislative Decree No. 209 of 7 September 2005 and Delegated Regulation 35/2015 of the European Commission. In addition, the following definitions shall apply:
 - a) "Delegated acts": the Commission Delegated Regulation 2015/35 of 10 October 2014 supplementing Directive No. 2009/138/EC on the taking-up and pursuit of the business of insurance and reinsurance;
 - b) "national supervisory authorities concerned" shall mean all national competent supervisory authorities for the supervision of insurance and reinsurance undertakings subject to Directive No. 2009/138/EC on the taking-up and pursuit of the business of insurance;
 - c) "Code": Legislative Decree No. 209 of 7 September 2005;
 - d) "Management on a unified basis": the report referred to in Article 96 of the Code;
 - e) "ultimate Italian parent company": the ultimate Italian parent company referred to in Article 210, paragraph 2, of the Code.

Art. 3
(Scope)

1. This Regulation applies to the groups referred to in Article 210 of the Code which include:
 - a) an ultimate Italian parent company that controls at least one insurance or reinsurance undertaking, or an insurance or reinsurance undertaking established in a third country;
 - b) an insurance or reinsurance undertaking located within the territory of the Italian Republic participating in at least one insurance or reinsurance undertaking with head office in the territory of the Italian Republic or in a third country which is not itself a subsidiary of one of the undertakings referred to in letters a), c), e), f);
 - c) an insurance or reinsurance undertaking with head office in the territory of the Italian Republic managed on a unified basis in compliance with article 96;
 - d) an insurance or reinsurance undertaking with head office in the territory of the Italian Republic that controls an ancillary services company;
 - e) a mixed financial holding company or an insurance holding company based in a Member State that controls at least one insurance or reinsurance undertaking with head office in the Italian Republic;
 - f) an insurance or reinsurance undertaking, a mixed financial holding company or an insurance holding company based in a third country that controls at least one insurance or reinsurance undertaking with head office in the Italian Republic;

- g) a mixed insurance holding company based in the territory of the Italian Republic or in a third country that controls an insurance or reinsurance undertaking with head office in the Italian Republic;
2. The parent branch of insurance or reinsurance undertakings on the territory of the Italian Republic based in a Third Country is considered a parent undertaking according to paragraph 1, letter a); The participating branch of insurance or reinsurance undertakings in the territory of the Italian Republic based in a Third Country is considered a holding undertaking, pursuant to paragraph 1, letter b).

CHAPTER II GROUP SUPERVISION PROVISIONS

Art. 4 (Group structure)

1. Without prejudice to the provisions of Article 210-ter, paragraph 8, of the Code and its implementing provisions, IVASS verifies that the group structure ensures the sound and prudent management of the group and the proper exercise of its supervisory powers.
2. IVASS assesses the structure pursuant to paragraph 1, taking into account:
 - a) the transparency of the group structure, taking into consideration the risk profiles related to the corporate governance of the group and the interrelations among the various entities of the group itself;
 - b) the structural organisation of the group and its ability to ensure the performance of the supervisory checks required by the Code and its implementing legislation;
 - c) the adequacy of technical and organisational profiles of the group.
 - d) the potential presence of a barrier to the implementation of the provisions issued by IVASS or the effective exercise by the parent company of the powers of management and coordination;
 - e) the adequacy of the risk management procedures and the internal control mechanisms of the group.
3. At all times IVASS, taking into account the factors that determine the mismatch of the structure of the group with the criteria referred to in paragraph 1, may:
 - a) order the change of the corporate structure of the group;
 - b) request additional functional and organisational changes of the group necessary to ensure the sound and prudent management of the group and the proper exercise of its supervisory powers.
4. The parent company communicates to IVASS the successful implementation of the measures referred to in paragraph 3.

Art. 5 (Parent company)

1. For the purpose of exercising group supervision pursuant to Title XV of the Code, the parent company is considered to be:
 - a) the ultimate Italian parent company;

- b) in the absence of the ultimate Italian parent company, the company identified by IVASS pursuant to paragraph 2.
2. Where there is not an ultimate parent company, IVASS identifies as parent, pursuant to Article 210, paragraph 3, of the Code, the company responsible for the fulfilments referred to in this Regulation.
3. In the communication referred to in paragraph 2, IVASS identifies:
- a) the provisions set out in Title XV of the Code and its implementing provisions that shall not be applied to one or more companies of the group;
 - b) the specific methods for implementing the provisions set out in Title XV of the Code and its implementing provisions which shall be respected by the group or by certain companies of the group;
 - c) the content of the company's statutes referred to in letter a).

Art. 6
(Insurance holding company)

1. For the purposes of qualification of the insurance holding undertaking, the condition of controlling primarily insurance and reinsurance undertakings or insurance and reinsurance undertakings based in a Third Country, is satisfied if the sum of total asset on the Balance Sheet in the accounts belonging to these undertakings is more than fifty percent of the sum of the total asset on the Balance Sheet of all the subsidiaries held by the holding undertaking.
2. For the purposes of paragraph 1, IVASS, considering the organisational structure, the weight or the type of activities carried out or the accounting criteria used in preparing the financial statements, may either:
 - a) request to take into account also other parameters;
 - b) decrease the fifty percent threshold to forty-five percent;
 - c) request the preparation of a pro-forma consolidated financial statement to be drafted in accordance with the provisions of ISVAP Regulation No. 7 of 13 July 2007 or other equivalent regulation, which will be used as a basis to calculate the weight of its insurance business over total consolidated accounts of the undertaking. If a pro-forma consolidated financial statement is prepared in accordance with the provisions of ISVAP Regulation No. 7 of 13 July 2007, the following ratio shall be used as reference:
 - i. the sum of Total Assets of life and non-life insurance activities;
 - ii. the item Total Assets taken from the template "Balance Sheet per activity sector".
3. IVASS communicates timely the decisions made pursuant to paragraph 2 to the ultimate Italian parent company or undertaking identified by IVASS referred to in Article 5, paragraph 2.

Art. 7
(Exclusion from the scope of group supervision)

1. IVASS, when the conditions referred to in Article 210-quater, paragraphs 1 and 2, of the Code are met, may exclude a company from the scope of group supervision, even for a determined time period. For this purpose IVASS shall previously consult the supervisory authorities concerned.

2. The exclusion referred to in paragraph 1 shall be communicated to the parent company and the supervisory authorities concerned, also in order to exercise the powers referred to in Article 210-quater, paragraph 5, of the Code.

Art. 8

(Other applicable provisions)

1. In the cases referred to in Article 210-bis, paragraphs 1 and 2, of the Code, IVASS may identify:
 - a) the provisions of Title XV of the Code that are not applied to one or more group companies;
 - b) the particular methods for fulfilling the provisions referred to in Title XV of the Code applicable to the group or specific companies of the group;

**CHAPTER III
FUNCTIONING AND ORGANIZATION OF THE GROUP**

Art. 9

(Powers of the parent company)

1. The parent company shall assume the role of IVASS's contact point for group supervision .
2. The parent company adopts, with regard to the companies referred to in Article 210-ter, paragraph 2, of the Code, the measures necessary to give effect to the general and particular provisions issued by IVASS, pursuant to Article 214-bis, paragraph 1, of the Code.
3. The parent company requires the companies referred to in Article 210-ter, paragraph 2, of the Code, news, data and situations relevant for the adoption of the measures referred to in paragraph 2.
4. The parent company verifies that the companies referred to in Article 210-ter, paragraph 2, of the Code, comply with the measures taken in implementation of IVASS provisions. The company promptly informs IVASS of the cases in which specific legal provisions in force in the Country where the foreign subsidiaries of the group have their head office preclude the application of the measures for implementing the provisions on group supervision.

Art. 10

(Duties of the subsidiaries included in the group)

1. Without prejudice to the responsibility of the group companies' directors for compliance with the applicable provisions, the directors of the companies referred to in Article 210-ter, paragraph 2, of the Code, implement the measures taken by the parent company, in application of the provisions given by IVASS in the interest of a stable and efficient management of the group.

2. The directors of the group companies provide the company referred to in paragraph 1, with the necessary collaboration, as well as all with data, documents and information for the adoption of the measures by the latter.

Art. 11
(Statutes)

1. Without prejudice to the provisions of Article 5, paragraph 3, letter c), the statute of the ultimate parent company complies with the following requirements:
 - a) the corporate purpose indicates that: "the company, as a parent company of the group (name), adopts with regard to the companies referred to in Article 210-ter, paragraph 2, of the Code, the measures for the implementation of the provisions issued by IVASS in the interests of a stable and efficient management of the group";
 - b) the decisions concerning compliance with the measures for the implementation of the provisions given by IVASS addressed to the companies referred to in Article 210-ter, paragraph 2, of the Code are the exclusive responsibility of the directors of the ultimate parent company or the company identified by IVASS pursuant to Article 5, paragraph 2;
 - c) if the ultimate parent company is an insurance holding undertaking or a mixed financial participating undertaking, the Statute reports the indication that the insurance holding undertaking or mixed financial holding parent undertaking is subject to supervisory checks in conformity with the provisions of the Code and that the same statute is subject to IVASS's verification, without prejudice to the provisions of Article 210-bis, paragraph 4, of the Code.
2. If the ultimate parent company is the branch of an insurance or reinsurance undertaking based in a third country, the memorandum of the branch shall meet the provisions referred to in paragraph 1, letters a) and b).
3. The Statute of each of the companies referred to in Article 210-ter, paragraph 2, of the Code controlled by the ultimate parent company, indicates the membership of the company to the group, highlighting that "the company is part of the group (name). In this capacity, it is obliged to observe the measures that the company (name) adopts for the implementation of existing legislation and the provisions given by IVASS in the interest of a stable and efficient management of the group. The directors of the company provide the company (name) with all the data and information for issuing the measures".
4. If the company referred to in Article 210-ter, paragraph 2, of the Code, is an insurance holding undertaking or a mixed financial holding undertaking, the Statute specifies, apart from the indication of the group to which it belongs, the role of the company attributed by the ultimate parent company in the coordination of the subsidiaries. The Statute shall also contain the indication that the undertaking is required to observe, and to ensure that its subsidiaries comply with, the measures adopted by the ultimate parent company in the implementation of group insurance supervision and to provide data and information on its own business and that of its subsidiaries.
5. In any case IVASS shall verify that the Statute of the parent company does not conflict with the sound and prudent management of the group.

**CHAPTER IV
NATIONAL SUBGROUPS**

Art. 12

(National subgroups with parent companies based in a Member State)

1. If the ultimate Italian parent company is controlled by an insurance or reinsurance undertaking, by an insurance holding company or a mixed financial holding company based in the territory of a Member State, the provisions referred to in Title XV, Chapter III, of the Code and its implementing provisions and Article 212-bis of the Code and its implementing provisions shall not apply.
2. Notwithstanding paragraph 1, IVASS decides to apply one or more tools for group supervision taking into account the provisions of Article 358 of the Delegated acts in relation to the existence of objective differences between the group and the subgroup in terms of operations, organisation and risk profile.
3. In the decision referred to in paragraph 2, IVASS shall establish:
 - a) the provisions of the Code that shall be applied to the group companies;
 - b) any special procedures for complying with the applicable provisions.
4. The decision referred to in paragraph 2 shall be notified to the ultimate Italian parent company, to the parent company referred to in paragraph 1 and the supervisory authorities concerned.

Art. 13

(Groups with parent companies based in a third country)

1. Without prejudice to the provisions of Articles 17 and 18, group supervision as referred to in this Regulation shall apply, within the limits set out in Articles 220-quater and 220-quinquies of the Code, to:
 - a) the group in which the ultimate Italian parent company referred to in Article 210, paragraph 2, of the Code, is controlled by an insurance or reinsurance undertaking, a mixed financial holding company or an insurance holding parent company based in a third country;
 - b) the group in which an insurance or reinsurance undertaking, a mixed financial holding company or an insurance holding company based in a third country controls at least one insurance or reinsurance undertaking based in the territory of the Italian Republic, pursuant to Article 210, paragraph 1, letter c) of the Code.
2. For the purposes of Articles 17 and 18 the assessments on equivalence, including temporary equivalence, made by the European Commission shall also be taken into account.

Art. 14

(Equivalence Assessment)

1. IVASS verifies the equivalence of the regime for group supervision in accordance with Article 220-quinquies of the Code or the authorisation and solvency regime in accordance with Article 216-sexies, paragraph 1, letter e) of the Code, on its own initiative or at the request of the ultimate parent company, of an insurance or reinsurance undertaking of the

group based in the territory of the Italian Republic or of a Member State in accordance with the provisions of this Regulation.

Art. 15

(General principles applicable to equivalence assessment)

1. IVASS applies the following general principles underpinning equivalence assessments:
 - a) equivalence assessments aim at determining whether the supervisory regime of the third country provides a level of protection of the policyholder, the beneficiary or the person entitled to insurance benefits similar to that referred to in Chapter IV-bis of the Code;
 - b) equivalence assessments are based on the criteria set out in Articles 379 and 380 of the Delegated acts;
 - c) with the exception of the criterion of professional secrecy, equivalence assessments take into account the proportionality principle;
 - d) equivalence of the professional secrecy regime in the third country is a precondition for a positive equivalence finding on the third country group supervisory regime;
 - e) an equivalence judgement can only be made in respect of the regime in existence and applied by a third country supervisory authority at the time of the assessment;.
 - f) it is necessary for the assessment to cover all elements of the third country supervisory regime covered by the criteria set in articles 379 and 380 of the Delegated Acts, and not only those elements directly relevant to the group that has requested the assessment;
 - g) positive equivalence assessments need regular review;
 - h) negative equivalence assessments can be reviewed at the request of the company or ex officio, where there have been significant changes to the supervisory regime set out in Title III of the Code or to the prudential supervisory regime of the third country.

Art. 16

(Assessment process)

1. Within 20 working days from submission of the request referred to in Article 14, or from the start of the process on its own initiative, IVASS notifies the launch of the process to EIOPA and for information to the relevant supervisory authorities. In the notification IVASS shall specify if it will proceed with the equivalence assessment in one of the following ways:
 - a) direct assessment with assistance of EIOPA and in consultation with the other national supervisory authorities concerned;
 - b) assessment by EIOPA in accordance with Article 33, paragraph 2 of Regulation (EU) No.1094/2010, with supporting analysis by IVASS to the technical assessment.
2. IVASS shall adopt the decision on equivalence according to the principles referred to in Article 15, after consultation with the other authorities concerned within the group college and with the third country supervisor.
3. The assessments of the supervisory authorities concerned and EIOPA, and any other fulfilment required by European law, shall, in any case, suspend the time limit for the conclusion of the process.

4. If the third country supervisor, as part of the equivalence assessment with reference to the calculation of group solvency, denies cooperation, IVASS, after informing EIOPA, notifies the company which requested the assessment and asks for confirmation if the company still intends to proceed with an assessment.
5. In case of assessment of the authorisation and solvency regime in accordance with Article 216-sexies, letter e) of the Code, IVASS, if the company intends to proceed with the request for equivalence assessment, shall give the company a deadline of not less than 40 days for sending the documents referred to in Annex 1 and the relevant applicable legislation of the third country of origin, both in the original version and in Italian or in English.
6. After the conclusion of the process and 10 days after the disclosure by EIOPA of the decision on the equivalence assessment and supporting analysis, IVASS communicates the final decision regarding the equivalence assessment to EIOPA and the concerned undertakings.

Art. 17

(Existence of the equivalence regime)

1. Where it has been established that there is an equivalent group supervisory regime, taking account of the guidelines and decisions taken at Community level, IVASS may exempt the national subgroup referred to in Article 13, paragraph 1, letter a) from the group supervision, where this would result in a more efficient group supervision and would not impair the supervisory activities of the concerned supervisory authorities in relation to their individual responsibilities.
2. IVASS shall adopt the decision referred to in paragraph 1, on the basis of an assessment to be made with regard to the specific group, upon consultation with the other concerned supervisory authorities, where this would result in the more efficient supervision of the group and would not impair the supervisory activities of the supervisory authorities concerned in relation to their individual responsibilities. The group supervision is more efficient when the following criteria are satisfied:
 - a) the group supervision at the level of the undertaking based in the third country allows for a robust assessment of the risks to which the national sub-group and the entities belonging to it are exposed, considering the group structure, the nature, scale and complexity of the risks and the capital allocation within the group;
 - b) with reference to the specific group, the cooperation between the group supervisor of the third country and IVASS is structured and managed appropriately through regular meetings and an appropriate exchange of information within the College of supervisors, to which IVASS and EIOPA are invited;
 - c) an annual work plan, including joint on-site examinations, is agreed upon in these regular meetings by the supervisory authorities involved in group supervision.
3. IVASS, where it has been established that there is an equivalent group supervisory regime and, for the groups referred to in Article 13, paragraph 1, letter a), has decided not to exempt the group from the exercise of group supervision pursuant to paragraphs 1 and 2, may:
 - a) decide that the tools for group supervision referred to in this Regulation shall not fully apply and rely on the supervision exercised by the third-country supervisory authority in accordance with this Regulation, unless in the event of a temporary equivalence, an

- insurance or reinsurance undertaking based in Italy has a balance sheet total exceeding that of the parent company based in a third country;
- b) identify specific methods for compliance with the applicable provisions set out in this Regulation.
4. For the purposes of the determinations referred to in paragraph 3, IVASS shall consider the following criteria and elements:
- a) the existence of objective differences between the group and the subgroup in terms of operations, organisation and risk profile;
 - b) the degree of complexity of the structure of the Italian subgroup;
 - c) the prudential supervisory system envisaged by the group supervisory authority;
 - d) the corporate governance system of the group;
 - e) the arrangements for the transmission of information within the group, particularly among companies based in different Countries.

Art. 18
(Non-existence of the equivalence regime)

1. Where it has been established that there is no equivalent system of group supervision or where the other conditions referred to in Article 220-septies, paragraph 1, of the Code, are not met, taking account of the guidelines and decisions taken at Community level, IVASS may:
 - a) identify the specific methods for compliance with the applicable provisions referred to in this Regulation.
 - b) apply, after consulting the other supervisory authorities concerned, further supervisory methods which ensure appropriate supervision of the Italian insurance and reinsurance undertakings belonging to the group.
2. For the purposes of the determinations referred to in paragraph 1, IVASS shall consider the following criteria and elements:
 - a) the degree of complexity of the structure of the group;
 - b) the prudential control system envisaged by the group supervisory authority;
 - c) the corporate governance system of the group;
 - d) the arrangements for the of transmission of information within the group, particularly among companies based in different Countries.
3. If there is no ultimate Italian parent company, pursuant to article 220-octies, paragraph 4, of the Code, IVASS may require the establishment of an insurance holding company or a mixed financial holding company based in Italy or in another Member State in order to apply the rules for group supervision according to this Title to the undertakings of the group controlled by such insurance holding company or mixed financial holding company.

CHAPTER V
REGISTER OF PARENT COMPANIES

Art. 19
(Contents of the register)

1. The register of the parent companies referred to in Article 210-ter of the Code contains the following information about the ultimate Italian parent company and in particular:
 - a) the name, the legal form, the type of business, the head office of the parent company and the subsidiaries of the group referred to in Article 210-ter, paragraph 2, of the Code and, if different, the general management of the parent company;
 - b) the name, the legal form, the type of business, the head office of the special purpose vehicles controlled or subject to a dominant influence when there are organizational and financial links capable of producing the profit or loss transfer to the group and the allocation to the group of the majority of the benefits and / or risks, or capable of coordinating the management of the company with that of other companies of the group for the pursuit of a common goal or common direction;
 - c) the registration date of the group and its subsidiaries referred to in letters a) and b);
 - d) the identification code and the name of the group;
 - e) the other information as may be identified by IVASS by order.
2. For the purposes of proper keeping of the register and compliance with the relevant requirements, the persons subject to communications shall pay particular attention to the quality and promptness of the information sent to IVASS.
3. IVASS defines the procedures for the acquisition, including online, of the data required by this Chapter.

Art. 20

(Registration in the register)

1. For the registration of the group in the register of parent companies, the companies which meet the requirements to be qualified as parent undertakings in compliance with article 19, paragraph 1, shall send IVASS a specific communication containing the information referred to in article 21.
2. The communication referred to in paragraph 1 shall be effected within thirty days from the time when the qualifying requirements are met, and a copy of it shall be transmitted also to the undertakings of the group.

Art. 21

(Contents of the communication for registration in the register)

1. The parent company requests the registration in the register by communicating to IVASS:
 - a) the list of the insurance or reinsurance undertakings, instrumental companies, intermediate insurance holding subsidiaries and mixed financial holding subsidiaries;
 - b) the graphic representation of the group that describes clearly the structure of the group and its main entities also in the light of the adopted organisational structure;
 - c) the type of control exerted over the undertakings belonging to the group and, in the case of participations, the relevant percentage;
 - d) the indication of the holders of a participation higher than ten per cent of the parent undertaking's share capital or of controlling interests. In the latter case, the type of control and, in case of participations, the indication of the relevant percentage;
 - e) the indication of the controlling interests and of the participations representing not less than twenty percent of the capital in companies not registered on the register but belonging to the group;

- f) the corporate governance and organisational structure of the group and the indications about the ways in which the parent company intends to carry out the functions and duties required by the Code and its implementing provisions.
2. In the communication pursuant to paragraph 1, the parent company distinguishes between related or subsidiary credit institutions, investment firms and financial institutions and the other subsidiaries and related companies.

Art. 22

(Annexes to the communication for registration in the register)

1. If the parent company is an insurance holding undertaking or a mixed financial holding undertaking, the communication referred to in Article 20 shall contain the following additional information:
- a) a copy of the ultimate parent undertaking's statute and last approved balance sheet, if the latter has not yet been transmitted to IVASS;
 - b) the parent company's fiscal code;
 - c) the documentation required to verify the good repute, professional qualifications and independence requirements set out in Article 212 bis, paragraph 1, letter c) of the Code, without prejudice to the provisions of Article 210 bis, paragraph 4, of the Code;
 - d) the declarations signed by the ultimate parent company's legal representatives, attesting that compliance with the condition of control exerted mainly over insurance undertakings, non-EU insurance undertakings and reinsurance undertakings has been assessed;
 - e) a copy - in Italian - of the statutes of companies registered on the register other than insurance and reinsurance undertakings which clearly show the type of business carried out.
2. If the parent undertaking is an insurance or reinsurance undertaking, the only documents required are those referred to in paragraph 1, letter e).
3. The persons charged with administration, management and control functions at insurance or reinsurance undertakings shall not be required to prove they meet the requirements referred to in paragraph 1, letter c).

Art. 23

(Registration procedure)

1. IVASS shall register the group in the register within a period of sixty days of receiving the communication referred to in Article 20.
2. Without prejudice to the decision-making autonomy of the parent company regarding the decisions on corporate governance and¹ organisational models adopted, the group's structure must be designed to ensure the carrying out of supervisory checks.
3. IVASS shall not proceed to registration in the register if the structure of the group does not meet the requirements referred to in Article 4, paragraphs 1 and 2. IVASS may

¹ Paragraph amended by article 9 (1) of IVASS Order No. 21 of 21 October 2014.

subordinate the registration in the register to the exercise of the powers under Article 4, paragraph 3.

4. IVASS may grant the ultimate parent company a period of not more than twelve months to implement the organisational and structural adjustments required for compliance with the legislation on group supervision.

Art. 24
(Automatic registration)

1. IVASS may proceed, on its own initiative, to verify the existence of a group and its composition.
2. IVASS, upon completing the verifications referred to in paragraph 1, shall register the group in the register of parent companies and notify the parent company, which promptly informs the single companies of the group registered in the register.

Art. 25
(Updating of information contained in the register)

1. The parent company informs IVASS of any changes in the information transmitted pursuant to Article 21, paragraph 1, including when the conditions required from related undertakings or subsidiaries for belonging to the group are no longer met, as well as any changes in the information contained in the register. For this purpose the changes shall regard the name, legal structure, head office, type of business of the single companies registered in the register.
2. The communication shall be made within ten days of registration in the register of undertakings of the minutes of the competent assembly related to these changes. If the information refers to the group companies based outside the territory of the Italian Republic, the communication must be made promptly.
3. The company referred to in paragraph 1 shall promptly communicate to IVASS the changes in the statutes of companies registered in the register other than insurance and reinsurance undertakings submitted in compliance with Article 22, paragraph 1, letter e), sending the Authority a copy of the amended statute in Italian.
4. The company shall – within ten days – communicate to IVASS if the conditions required to qualify as parent undertaking and as subsidiary of the group are no longer met.
5. The update of the information transmitted is carried out as part of the obligations referred to in Article 33 of the Commission Implementing Regulation (EU) No. 2015/2450 of 2 December 2015 on the submission of information to the supervisory authority and the implementing measures of Article 216-octies of the Code. The update of the graphical representation of the group is carried out in the context of the obligations referred to in Article 359, letter a), point i), of the Commission Delegated Regulation (EU) No. 2015/35 of the of 10 October 2014 and its implementing measures.

Art. 26
(Removal from the register)

1. IVASS, following the notice of the parent company or on its own initiative,, proceeds to remove from the register the ultimate Italian parent company if the parent company is an insurance or reinsurance undertaking and when a measure has been taken imposing the lapse of the authorisation, the withdrawal of authorisation, the compulsory administrative liquidation, as well as in cases of voluntary winding up or change of corporate purpose. In the latter cases the provisions relating to the parent undertaking's removal from the register of undertakings shall apply.
2. IVASS, following the communication of the parent company or on its own initiative, proceeds to remove from the register the ultimate Italian parent company, if it no longer satisfies the conditions required to qualify as parent company, and the subsidiaries referred to in Article 210-ter, paragraph 2, of the Code, if they no longer satisfy the conditions required for membership in the group.
3. If the prerequisites for registration in the register referred to in Article 210-ter of the Code remain, the new ultimate parent company, since the necessary conditions are satisfied, proceeds to submit the application form in accordance with Article 20.
4. IVASS may grant the ultimate parent company referred to in paragraph 3 a period not more than twelve months for the organisational and structural adjustments required for compliance with the legislation on group supervision.

Art. 27
(Publicity of the registration)

1. The companies of the group registered in the register indicate in the acts and correspondence information related to registration in the register.

Art. 28
(Publication of the register and consultation procedure)

1. IVASS shall ensure that the data in the register are updated on the basis of the communications sent in compliance with this Regulation, as well as of the outcomes of the checks, inspections and other authorisation measures envisaged in this Regulation.
2. IVASS ensures public access to the register of the parent companies and guarantees its consultation on its website.

CHAPTER VI
TRANSITIONAL AND FINAL PROVISIONS

Art. 29
(Repeals and transitional provisions)

1. Without prejudice to paragraphs 2 and 4, ISVAP Regulation No.15 of 20 February 2008 is repealed at the date of entry into force of this Regulation.
2. Compliance with the obligation of registration in the register referred to in Article 210-ter of the Code shall be considered fulfilled in case of registration of the ultimate Italian parent company in the register referred to in Article 12 of ISVAP Regulation No. 15 of 20 February 2008.
3. In its first application during the transitional period of twelve months of entry into force of the Regulation:
 - a) the ultimate Italian parent company, which is not registered as a parent company in the register according to Article 12 of ISVAP Regulation No. 15 of 20 February 2008 on the date of entry into force of this Regulation, and which does not apply for registration in accordance with Article 20 within thirty days of the entry into force of the Regulation, sends IVASS a program showing the organizational and structural adjustments needed in order to perform the obligations imposed by Title XV of the Code and its implementing provisions, together with the relative timing for implementing them;
 - b) without prejudice to a different decision of the ultimate parent company pursuant to letter a) the undertaking registered in the register referred to in Article 12 of ISVAP Regulation No. 15 of 20 February 2008 on the date of entry into force of this Regulation, which is not the ultimate Italian parent company, for twelve months after the entry into force of this Regulation continues to perform the functions of the parent company. In the same period this company is subject to the provisions, relating to the ultimate parent company, set out in Title XV and Article 207-octies of the Code and the related implementing provisions, except for the provisions referred to in Title VII, Chapter I mentioned in Article 210-ter, paragraph 8 of the Code.
4. The statutory amendments necessary for complying with the provisions of Article 5, paragraph 3, and 11 are performed at the first statutory amendment following the entry into force of this Regulation or, in the case referred to in paragraph 3, at the first statutory amendment subsequent to the implementation of the adjustments required for compliance with the rules set out in this Regulation and the consequent registration in the register referred to in Article 210-ter of the Code, and no later than eighteen months after entry into force of this Regulation.

Art. 30

(Publication and entry into force)

1. This Regulation is published in the Official Journal of the Italian Republic, in IVASS Bulletin and website.
2. This Regulation shall enter into force the day following its publication in the Official Journal.

On behalf of the Joint Directorate
the President

ANNEX 1 - Documentation to be sent to the Authority for the equivalence assessment with respect to the calculation of the group solvency.

The undertaking is obliged to state the following information in the application or at the request of IVASS.

- 1) The information on the existence, content and scope of the provisions concerning financial supervision, also with regard to:
 - a) verification of state of solvency and financial condition of the undertaking;
 - b) verification of establishment and ability to request an increase of technical provisions and covering assets;
 - c) obligation of the undertaking to report its financial and solvency position to the supervisor in order to allow a timely supervisory intervention.

- 2) The description of provisions with respect to the rules for the valuation of assets and liabilities, indicating if the following are applicable:
 - a) the valuation of assets and liabilities is based on an economic valuation of the whole balance sheet;
 - b) the assets and liabilities are valued at the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction;
 - c) the valuation standards for supervisory purposes are consistent with international accounting standards, to the extent possible.

- 3) The data on the legal and supervisory regime applicable in relation to technical provisions, indicating whether/what requirements are in place to ensure that:
 - a) the technical provisions are set up for all the insurance and reinsurance obligations and aim to capture all the expected risks related to insurance and reinsurance obligations of the undertaking;
 - b) the technical provisions are calculated in a prudent, reliable and objective manner;
 - c) the level of technical provisions is the amount a third country insurance and reinsurance undertaking should pay if it transferred or settled its contractual rights and obligations immediately to another undertaking or other knowledgeable willing party in an arm's length transaction;
 - d) the valuation of the technical provisions is market consistent and, as far as possible, uses and is consistent with information provided by financial markets and generally available information on underwriting risks;
 - e) a segmentation of the insurance and reinsurance obligations into appropriate risk groups and as a minimum by lines of business is carried out in order to achieve an accurate valuation of reinsurance obligations;
 - f) there are processes and procedures to ensure the appropriateness, completeness and accuracy of the data used in the calculation of the technical provisions.

- 4) The data on the regime that is applicable in relation to own funds, including, where appropriate, what requirements are in place to ensure that:
 - a) own funds are classified according to their ability to absorb losses in the case of winding-up and on a going concern basis;
 - b) the own funds of the highest quality are available to absorb losses in a going concern and in case of a winding up, with additional requirements of sufficient duration of the own fund item, absence of incentives to redeem, absence of mandatory servicing costs and absence of encumbrances;
 - c) a distinction is made between own funds on the balance sheet and off-balance sheet items (for example, guarantees);

- d) according to their classification, own funds are eligible to partly or totally cover (for the best quality own funds) the capital requirements;
 - e) the quantitative limits apply to own funds to ensure the quality of own funds covering the capital requirements. In the absence of quantitative limits, indicate other supervisory requirements in order to ensure the high quality of own funds.
- 5) The description of the regulatory and supervisory regime applicable in relation to investments, providing data to support that:
- a) the undertakings are only allowed to invest in assets and instruments in which the risks can be properly identified, measured, monitored, managed, controlled and reported and adequately taken into consideration in their solvency needs;
 - b) assets held to cover TP are invested prudently in the best interest of all policyholders and beneficiaries;
 - c) all assets are invested in such a manner as to ensure the security, quality, liquidity, availability and profitability of the portfolio as a whole;
 - d) prudent levels of investments in assets not admitted to trading are required;
 - e) investment in derivative instruments are possible only insofar as they contribute to a reduction of risks or facilitate an efficient portfolio management;
 - f) there is avoidance of excessive reliance on any one particular asset, issuer or accumulations of risk, and there is no excessive risk concentration.
- 6) The description of the legal and supervisory regime applicable in relation to capital requirements, indicating whether and how:
- a) the capital requirements are risk-based and aim to measure all quantifiable unexpected risks of the undertaking. The undertaking provides in particular a description of the following points:
 - i) if significant risks are not captured in the capital requirements, please provide data as to the mechanism applied to guarantee that the capital requirements adequately reflect such risks;
 - ii) how the capital requirements reflect a level of own funds that would enable the undertaking to absorb significant losses and that give reasonable assurance to policyholders and beneficiaries that payments will be made as they fall due;
 - iii) what is the target calibration for capital requirements and if the conditions allow the undertaking to withstand at least one scenario of 1 in 200 ruin events in the course of a year or to guarantee that the policyholders and beneficiaries receive at least the same level of protection;
 - iv) the calculation of capital requirements shall ensure an accurate and timely intervention by supervisory authorities of the third country;
 - v) obligation on undertakings to communicate concerns relating to their financial position;
 - vi) obligation on undertakings to respond to concerns raised;
 - vii) the supervisory authority has powers to take the necessary and appropriate actions against the undertaking to restore compliance with that requirement;
 - vii) appropriate standards are in place where capital requirements take into account the effect of risk mitigation techniques.
 - b) if there is a minimum level under which the capital requirements should not fall, which equates to a minimum level of policyholder protection that triggers the immediate and ultimate supervisory intervention;
 - c) if the capital requirements at the level of an individual undertaking are calculated at least annually and monitored on an on-going basis.

- 7) The information on the possibility of using internal models, including the description of the provisions applicable to the specificities of the assessment of internal models in the context of assessing capital requirements, including information relating to the following areas:
- a) if the insurance or reinsurance undertaking uses a full or partial internal model for the calculation of its capital requirements, the resulting capital requirements provide a level of policyholder protection that is at least comparable to the level that would be necessary according to local standards if no internal model is used (i.e. if it adequately models the risks to which the undertaking is or might be exposed, and provides capital requirements with the same standard confidence level of the standard approach);
 - b) if the regime has a process for the approval of internal models which includes a requirement for prior approval of the internal model before the undertaking is permitted to use the model to determine its regulatory capital requirements;
 - c) the applicable regime includes the following requirements for an internal model to be used to calculate regulatory capital:
 - i) an adequate risk management system;
 - ii) the internal model is widely used in and plays an important role in the undertaking's system of governance (use test);
 - iii) statistical quality standards;
 - iv) validation standards;
 - v) documentation standards;
 - vi) calibration standards;
 - vii) profit and loss attribution;
 - d) where an insurance or reinsurance undertaking uses a partial internal model to calculate its capital requirements, the scope of the partial internal model is clearly defined and justified to avoid the "cherry picking" of risks (e.g. the undertaking models only the risks where this will result in a lower capital requirement). The undertaking provides any supporting information to demonstrate that there is no ambiguity as to which risks, assets and/or liabilities are included or excluded from the scope of the partial internal model.
- 8) The description of the applicable regime with regard to the professional secrecy obligations that the authority must observe (including all references to any laws and regulations relevant in this context):
- a) please describe the legal obligation to keep supervisory information confidential, in particular:
 - i) identification of confidential information;
 - ii) legal duty to protect confidential information;
 - iii) applicability to all relevant individuals (please include all subjects who work, have worked or acted or are acting on behalf of the supervisory authority, regardless whether they were staff members, board members or external experts);
 - iv) the continuity of the on-going obligation (applicability during work, actions on behalf of a supervisory authority and then on an ongoing basis).

- b) the use of information, explaining the restrictions on the use of confidential supervisory information, in particular how information must only be used in the course of supervisory duties of:
 - i) monitoring of compliance (including monitoring of technical provisions, solvency margins, administrative / accounting procedures and internal controls);
 - ii) imposition of penalties;
 - iii) court proceedings/appeals.

- c) the permitted disclosure, explaining under what circumstances information may be disclosed to third parties (i.e. all persons / institutions outside the authority):
 - i) explain whether the prior explicit consent of the authority from which the confidential information originates is a precondition to onwards disclosure;
 - ii) explain if there are situations where information is mandatory to disclose to third parties (e.g. courts, prosecutors, government agencies). Describe the preconditions to disclosure as well as the purposes for which information may be disclosed, and the means your authority could use to oppose disclosure, using practical examples to illustrate the practical circumstances;
 - iii) explain the procedure with regard to civil/criminal proceedings in which the company has been declared bankrupt or is being compulsorily wound up: in this case the information to be communicated must not concern third parties involved in the rescue attempts.

- d) penalties applicable at the national level in case of breach of the obligation of professional secrecy, such as the national legal provisions on the breach of professional secrecy (e.g. offences, sanctions, law enforcement).

- e) the ability to enter into cooperation agreements subject to guarantees of professional secrecy.