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'I' ITEM NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee (Part 2)
Subject:	Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directive 2009/138/EC as regards proportionality, quality of supervision, reporting, long-term guarantee measures, macro-prudential tools, sustainability risks, group and cross-border supervision and amending Directives 2002/87/EC and 2013/34/EU - Confirmation of the final compromise text with a view to agreement

I. INTRODUCTION

1. On 22 September 2021, the Commission transmitted to the Council a Directive Proposal[1] amending Solvency II Directive 2009/138/EC. The Proposal aims to review the prudential framework applicable to the insurance sector in a comprehensive fashion, covering a broad range of topics, in particular: the proportionality of measures in consideration of the variety of undertakings being covered; the quality of supervision; reporting; so-called 'long-term guarantee measures'; macroprudential tools; adapting the framework to the European Green Deal; supervision of groups and of cross-border insurance business; and, other issues including transitional measures.

[1] Doc. 11763/21 + ADD 1 to ADD 6

2. The Proposal was part of a package comprising also a Directive Proposal establishing a framework for recovery and resolution of insurance and reinsurance undertakings[2], on which confirmation of the final compromise text is also being sought from the Permanent Representatives Committee with a view to agreement, and a Communication on the review of the EU prudential framework for insurers and reinsurers in the context of the EU's post pandemic recovery[3].

3. On 23 February 2022, the European Economic and Social Committee adopted its opinion on the aforementioned legislative package[4].

II. STATE OF PLAY

4. The co-legislators held six trilogues on the Proposal. At the final trilogue on 13 December, a provisional agreement was reached between co-legislators.

5. On 17 January, the Presidency launched a silence procedure at WP level on the final compromise draft legal text. The silence procedure closed on 18 January and delegations raised no objections. The final compromise legal text is set out in document ST 5481/24 accompanying this note.

[2] Doc. 11764/21 + ADD 1 to ADD 5
[3] Doc. 11992/21
[4] Doc. 9837/22

III. CONCLUSION

6. The Permanent Representatives Committee is therefore invited to:

   (a) confirm agreement on the final compromise legal text on Daisy Chains as set out in document ST 5481/24 accompanying this note with a view to reaching an agreement at first reading with the European Parliament;

   (b) authorise the Chair of the Permanent Representatives Committee to send a letter to inform the Chair of the European Parliament's ECON Committee that, should the European Parliament adopt its position at first reading on the text of the proposal in the exact form as set out in document ST 5481/24 accompanying this note, and subject to revision of that text by the lawyer-linguists of both institutions, the Council will approve the European Parliament's position and the act will be adopted in the wording which corresponds to the European Parliament's position.

7. In accordance with the approach to legislative transparency endorsed by Coreper on 14 July 2020[5], and in full consistency with Regulation (EC) 1049/2001 and the Council's Rules of Procedure, the text of the mandate thus agreed will be made public unless the Permanent Representatives Committee objects.

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[5] Doc. 9493/20.

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