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WORKING DOCUMENT

From: General Secretariat of the Council
To: Financial Services Committee
Financial Services Attachés

Subject: FSC VTC 8.10.2025 Item 6: EIOPA's update on Solvency II and IRRD

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UPDATE ON SOLVENCY II AND IRRD

Financial Services Committee (FSC) meeting

Presenter: [REDACTED]

Date: 8 October 2025

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SOLVENCY II – UPDATE

EIOPA REGULAR USE

1. OVERVIEW OF THE WORK ON SOLVENCY II INSTRUMENTS (1)

- Amended Solvency II Directive mandates EIOPA to **develop 15 instruments** (draft RTS/ITS, guidelines and reports).
- EIOPA is also **reviewing 18 existing instruments** to ensure that they are up to date and not in conflict with amended legal framework.
 - ❖ Review aims to reduce number of existing guidelines that are relevant for the industry by 25%.
 - ❖ Review will also be used to significantly reduce the reporting burden for the industry: our consultation proposal includes a reduction of templates for solo entities by 26%.
- On 12 instruments the work is finalised. On other 18 instruments we published consultation proposals (or will do so in the next days).

2. OVERVIEW OF THE WORK ON SOLVENCY II INSTRUMENTS (2)

- **Level 2 deprioritisation:**

Three RTS/ITS on Solvency II are included in COM's deprioritisation proposal of L2 acts in financial services. While COM's approach to dealing with empowerments in upcoming legislative procedures is useful, some further clarifications might be needed with regard to some specific RTS.

- **Review of Solvency II Level 2:**

EIOPA provided **technical advice for the review of level 2** of Solvency II, in particular on the implementation of the new proportionality framework, capital requirements for direct exposures to central counterparties and capital requirements for crypto-assets.

New instruments		
	Public consultation	Finalisation
Report on the prudential treatment of ESG factors	Jan-Mar 2024	Oct 2024
Draft RTS on exceptional sector-wide shocks *[D]	Oct-Dec 2024	Jun 2025
Draft RTS on applicability criteria for macroprudential analysis in ORSA and PPP	Oct-Dec 2024	Sep 2025
Draft ITS on methodology for prudent deterministic valuation *[D]	Oct-Dec 2024	Jun 2025
Draft RTS on factors for identifying undertakings under dominant or significant influence and undertakings managed on a unified basis	Oct-Dec 2024	Jun 2025
Draft RTS on liquidity risk management plans	Oct-Dec 2024	Sep 2025
Draft RTS on determining relevant undertakings in respect to host Member State's market	Oct-Dec 2024	Jun 2025
Draft RTS on sustainability risk management and transition plans *[D]	Dec 2024-Feb 2025	Jan 2026
Report on biodiversity	Dec 2024-Feb 2025	Jun 2025
Guidelines on the notion of diversity	Dec 2024-Feb 2025	Sep 2025
Guidelines on exclusion of undertakings from the scope of group supervision	Apr-Jun 2025	Jan 2026
Guidelines on supervisory powers to remedy liquidity vulnerabilities	Oct-Dec 2025	Jun 2026
Joint Guidelines on ESG stress testing	Jul-Sep 2025	Dec 2025
Report on integrated data collection	Mar-May 2026	Dec 2026
Report on composites	tbd	tbd

Review of existing instruments		
	Public consultation	Finalisation
Draft ITS on the list of regional governments and local authorities	Dec 2024-Feb 2025	Jun 2025
Guidelines on treatment of market and counterparty risk exposures in the standard formula	Dec 2024-Feb 2025	Nov 2025
Guidelines on undertaking-specific parameters	Dec 2024-Feb 2025	Jun 2025
Guidelines on supervisory review process	Jul-Sep 2025	Jan 2026
Guidelines on methods for determining the market share for reporting	Feb-Apr 2025	Sep 2025
Draft ITS on procedures for the approval of the matching adjustment	Oct-Dec 2025	Jun 2026
Guidelines on treatment of related undertakings, including participations	Apr-Jun 2025	Mar 2026
Guidelines on reporting and disclosures	Dec-Feb 2025	Jun 2026
Guidelines on valuation of technical provisions	Oct-Dec 2025	Jun 2026
Guidelines on group solvency	Oct-Dec 2025	Jun 2026
Guidelines on ring fenced funds	Oct-Dec 2025	Jun 2026
Draft ITS on regular supervisory reporting	Jul-Sep 2025	Mar 2026
Draft ITS on public disclosure	Jul-Sep 2025	Mar 2026
Guidelines on financial stability reporting	Jul-Sep 2025	Mar 2026
Guidelines on supervision of branches of third-country insurance undertakings	Jul-Sep 2025	Mar 2026
Guidelines on exchange of information within colleges	Jul-Sep 2025	Mar 2026
Opinion on the supervisory assessment of internal models including a dynamic volatility adjustment	Apr-Jun 2025	Nov 2025
Draft ITS on disclosure templates for supervisory authorities	Oct-Dec 2025	Jun 2026

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INSURANCE RECOVERY AND RESOLUTION DIRECTIVE (IRR) – UPDATE

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1. THE INSURANCE RECOVERY AND RESOLUTION DIRECTIVE

EIOPA AND NCAs

Develop 19 new technical standards and guidelines

Set up the Resolution Committee

Additional tasks (e.g. analysing recovery and resolution plans, participating in resolution colleges or other more administrative tasks)

Member States and NCAs

Transpose the IRRD in national law within 24 months

Set up RAs

New recovery and resolution planning requirements

Set up resolution colleges

Insurers

Draft pre-emptive recovery plans, if within scope

Support RA in the preparation of resolution plans (incl. provision of information)

Remove impediments to resolution

2. OVERVIEW OF THE WORK ON IRRD' INSTRUMENTS

- EIOPA was mandated to develop **19 instruments** (RTS/ITS/Guidelines and a framework for cooperation agreement) – the work is well on track.
- Instruments were **grouped in 3 batches** that works in parallel, more specifically:
 - ❖ Batch 1:
 - ✓ Public consultation on the first 6 instruments is over – comments received are now under analysis.
 - ✓ 2 other instruments on resolution colleges and resolution reporting are now under public consultation, until the end of October.
 - ❖ Batch 2 instruments continues to develop, with the aim of starting the public consultation in December.
 - ❖ Batch 3 instruments, focused on valuation, are being developed (public consultation expected in H2 2026).
- Simplification approach taken on each new instrument developed – wherever possible, and within the boundaries of Level 1 text.

3. OTHER RELEVANT IRRD ACTIVITIES

- **EIOPA has set up an IRRD Implementation Forum** to support Members in the implementation of IRRD related issues:
 - ✓ Several calls held on setting up resolution authorities, bail-in and around the issue of funding. The Forum is proving to be a useful tool for Members.
- In addition, **EIOPA has engaged constantly with stakeholders**:
 - ✓ A series of public events were organised with very high participation to raise awareness on IRRD.
 - ✓ Workshops with specific stakeholders were also held during the public consultation (e.g. the different types of associations), to gather initial comments regarding the consultation papers.

Batch	Instrument - Deliverables	Start of public consultation	End of public consultation
Batch 1 Part 1	RTS further specifying, the information that an insurance or reinsurance undertaking is to include in the pre-emptive recovery plan, including the remedial actions and their implementation.	April 2025	July 2025
	RTS further specifying the methods to be used when determining the market shares, and the criteria for the scope of recovery plan, in particular as regards to cross-border activity		
	Guidelines to further specify the matters and criteria for the assessment of the resolvability of undertakings or groups		
	Guidelines on measures to remove impediments to resolvability and the circumstances in which each measure may be applied		
	RTS on contents of the resolution plan (incl. group resolution plan, <i>initially a separate RTS</i>)		
Batch 1 Part 2	Guidelines to specify further the criteria for the identification of critical functions	July 2025	October 2025
	RTS on operational functioning of resolution colleges		
Batch 2	ITS on procedures and information (forms and templates) for resolution plans	December 2025	March 2026
	Guidelines to specify further: a) In cooperation with ESRB, the range of scenarios of severe macroeconomic and financial stress b) The qualitative and quantitative indicators contained in the pre-emptive recovery plans		
	Guidelines on how information should be provided in summary or collective form for the purpose of confidentiality requirements		
	Guidelines specifying further details on the criteria for application of simplified obligations		
	RTS on independence of valuers*		
	RTS on contents of the contractual term on recognition of resolution stay powers		
RTS, in consultation with ESMA, specifying methodologies and principles on the valuation of liabilities arising from derivatives			
Batch 3	RTS on methodologies for assessing the value of the assets and liabilities of the (re)insurance undertaking in the context of resolution*	July 2026	October 2026
	RTS on separation of resolution valuation and NCWOL valuation*		
	RTS on the methodology for assessing the treatment that shareholders, policy holders, beneficiaries, claimants, and other creditors, would have received if the undertaking under resolution had entered insolvency proceedings and the methodology for the estimation of the replacement costs		
	RTS on methodology for calculating the buffer for additional losses to be included in provisional valuations		

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