

FINAL REPORT

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on Guidelines on exclusion of undertakings from  
the scope of group supervision

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# 1. EXECUTIVE SUMMARY

## INTRODUCTION

On 3 April 2025, EIOPA launched a public consultation on draft Guidelines on exclusion of undertakings from the scope of group supervision. This final report sets out the final text of the Guidelines, explanatory text, impact assessment and a feedback statement on the public consultation.

## CONTENT

These Guidelines are developed in the context of the review of the Solvency II Directive. The amended Article 214(3) of the Solvency II Directive requires the group supervisor to consult with EIOPA and the other supervisory authorities concerned before deciding to exclude one or more undertakings from the scope of group supervision where that would not trigger the application of group supervision under Article 213(2)(a) to (c) of the Solvency II Directive and when deciding to exclude the ultimate parent undertaking from group supervision. These decisions can only be taken in exceptional circumstances and shall be duly justified to EIOPA and, where applicable, to the other supervisory authorities concerned. The Guidelines aim to promote convergence of the practices of national competent authorities thus safeguarding a similar and adequate level of protection to all policyholders.

## PUBLIC CONSULTATION

EIOPA conducted a public consultation on the draft Guidelines between 3 April 2025 and 26 June 2025. A stakeholder event was held on 16 May 2025 to discuss the consultation paper. Six stakeholders provided feedback on the consultation paper. Based on the stakeholder feedback, the drafting of the Guidelines was refined. In particular, the relevance of dividends payments to the ultimate parent undertaking in case of application of group supervision at the level of an intermediate participating undertaking was clarified.

## NEXT STEPS

The Guidelines on exclusion of undertakings from the scope of group supervision will be published on EIOPA's website. They will become applicable on 30 January 2027.

## 2. BACKGROUND

### AMENDMENTS TO THE SOLVENCY II DIRECTIVE

The Solvency II Directive<sup>1</sup> was reviewed.<sup>2</sup> As a result, Directive (EU) 2025/2<sup>3</sup> introduces particular changes to Article 214 to promote convergence of the group supervisors' decisions to exclude undertakings where that results in a waiver of group supervision or on group supervision at the level of an intermediate participating undertaking. In particular, the amendments aim at clarifying that such decisions should only be made in exceptional circumstances and subject to consultation with EIOPA and, where applicable, the other supervisory authorities concerned. The group supervisor shall reassess at least annually whether its decision leading to inapplicability of group supervision remains appropriate.

### MANDATE FOR GUIDELINES

In accordance with Article 214(3) of the Solvency II Directive, EIOPA shall issue guidelines in accordance with Article 16 of Regulation (EU) No 1094/2010 to further specify the exceptional circumstances for exclusion of one or more undertakings from the scope of group supervision where such would result in a case that would not trigger the application of group supervision under Article 213(2), points (a), (b), and (c) of the Solvency II Directive, or the cases where it may be justified to exclude the ultimate parent undertaking, including insurance holding companies, from the scope of group supervision.

### APPROACH TO THE GUIDELINES

The Guidelines provide guidance as regards the circumstances under which undertakings should not be eligible for exclusion based on Article 214(2) of the Solvency II Directive where such exclusion would lead to non-application of group supervision under Article 213(2), points (a), (b), and (c) of the Solvency II Directive. Depending on whether exclusions are made on the basis of Article 214(2)(a), (b) or (c), and where group supervision is to be performed at the level of an intermediate participating undertaking, additional conditions apply as described in the Guidelines. When reassessing decisions, the group supervisor should confirm whether all the conditions justifying the exclusion are still applicable and monitor regularly the intra-group transactions between the individual insurance and reinsurance undertakings and the excluded undertakings including their related undertakings.

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<sup>1</sup> Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), OJ L 335, 17.12.2009, p. 1–155.

<sup>2</sup> European Commission, [Reviewing EU insurance rules: encouraging insurers to invest in Europe's future](#), Press release, 22 September 2021.

<sup>3</sup> Directive (EU) 2025/2 of the European Parliament and of the Council of 27 November 2024 amending Directive 2009/138/EC as regards proportionality, quality of supervision, reporting, long-term guarantee measures, macro-prudential tools, sustainability risks and group and cross-border supervision, and amending Directives 2002/87/EC and 2013/34/EU, OJ L, 2025/2, 8.1.2025

### 3. GUIDELINES ON EXCLUSION OF UNDERTAKINGS FROM THE SCOPE OF GROUP SUPERVISION

#### INTRODUCTION

1. In accordance with Article 16 of Regulation (EU) No 1094/2010 (EIOPA Regulation)<sup>4</sup> and Article 214(3) of Directive 2009/138/EC (Solvency II Directive)<sup>5</sup>, EIOPA issues these Guidelines to further specify the exceptional circumstances where the exclusion of one or more undertakings from the scope of group supervision in accordance with Article 214(2) would result in a case that would not trigger the application of group supervision under Article 213(2), points (a), (b), and (c) of the Solvency II Directive and the cases where it may be justified to exclude the ultimate parent undertaking, including insurance holding companies, from the scope of group supervision.
2. These Guidelines are addressed to supervisory authorities as defined in the Solvency II Directive.
3. If not defined in these Guidelines, the terms have the meaning defined in the legal acts referred to in the introduction.
4. The Guidelines apply from 30 January 2027.

#### GUIDELINE 1 – CIRCUMSTANCES UNDER WHICH UNDERTAKINGS SHOULD NOT BE ELIGIBLE FOR EXCLUSION BASED ON ARTICLE 214(2) WHERE EXCLUSION WOULD LEAD TO NON-APPLICATION OF GROUP SUPERVISION

5. The group supervisor should not exclude an undertaking from the scope of group supervision where it leads to non-application of group supervision under Article 213(2), points (a) to (c) of the Solvency II Directive in any of the following circumstances:
  - (a) there are material intra-group transactions, including the provision of ancillary services, between the undertaking or its related undertakings and any insurance or reinsurance undertakings in the group;
  - (b) the undertaking coordinates financial or investment decisions or exercises significant influence over the operations or processes of any other insurance or reinsurance undertakings in the group;
  - (c) the application of Articles 229 or 229a of the Solvency II Directive to the undertaking would allow a better understanding of the risks that could possibly affect the other insurance or reinsurance undertakings in the group instead of non-application of group supervision.

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<sup>4</sup> Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pension Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC (OJ L 331, 15.12.2010, p. 48).

<sup>5</sup> Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), (OJ L 335, 17.12.2009, p. 1).

## GUIDELINE 2 – ADDITIONAL CIRCUMSTANCES TO EXCLUDE UNDERTAKINGS BASED ON ARTICLE 214(2)(A) WHERE EXCLUSION WOULD LEAD TO NON-APPLICATION OF GROUP SUPERVISION

6. The group supervisor should consider the exclusion of one or more undertakings from the scope of group supervision based on legal impediments to information exchange between authorities in accordance with Article 214(2)(a) of the Solvency II Directive, leading to non-application of group supervision under Article 213(2), points (a) to (c) of the Solvency II Directive, only where the following conditions apply:
  - (a) the undertaking is located in a third country with no equivalence decision under Articles 227 and 260 of the Solvency II Directive;
  - (b) the third country supervisory authority of the undertaking is not a party to the IAIS Multilateral Memorandum of Understanding;
  - (c) based on available information the size of the undertaking in terms of total assets, and of technical provisions, where applicable, taken individually and collectively, is small in comparison with that of other undertakings of the group and the group as a whole;
  - (d) all risks that might be posed by the undertaking and its related undertakings, based on the available information, are adequately identified and managed at the level of the individual insurance and reinsurance undertakings of the group, in particular they are reflected in the own risk and solvency assessment and in the solvency position of those insurance and reinsurance undertakings.
7. Where the conditions listed above apply, the group supervisor should consider the possibility of signing a memorandum of understanding with the third country supervisory authority of the non-equivalent jurisdiction instead of applying Article 214(2)(a) of the Solvency II Directive.

## GUIDELINE 3 – ADDITIONAL CIRCUMSTANCES TO EXCLUDE UNDERTAKINGS BASED ON ARTICLE 214(2) POINT (B) OR (C) WHERE EXCLUSION WOULD LEAD TO NON-APPLICATION OF GROUP SUPERVISION

8. The group supervisor should consider the exclusion of one or more undertakings from the scope of group supervision in accordance with Article 214(2), points (b) or (c) of the Solvency II Directive, leading to non-application of group supervision under Article 213(2), points (a) to (c) of the Solvency II Directive, only where the following conditions apply:
  - (a) the undertaking fulfils the conditions set out in Guideline 2, points (c) and (d);
  - (b) where the undertaking is a parent undertaking, the risks that the parent undertaking is exposed to stem almost exclusively from the risks of the insurance or reinsurance undertakings that are part of the group.

## GUIDELINE 4 – APPLICATION OF GROUP SUPERVISION AT THE LEVEL OF AN INTERMEDIATE PARTICIPATING UNDERTAKING WHEN EXCLUDING THE ULTIMATE PARENT UNDERTAKING

9. The group supervisor should consider the exclusion of the ultimate parent undertaking from the scope of group supervision in accordance with Article 214(2) of the Solvency II Directive and apply group supervision at the level of an intermediate participating undertaking, only where the following conditions apply:
  - (a) the ultimate parent undertaking is not in any of the circumstances set out in Guideline 1, with the exception that dividend payments to the ultimate parent undertaking should not be regarded as material intra-group transactions for the purposes of Guideline 1, point (a);
  - (b) all the relevant group risks arising from all other undertakings, which could possibly affect the insurance or reinsurance undertakings, and all the interconnections and intra-group transactions with all other undertakings, which could possibly affect the insurance or reinsurance undertakings, are properly captured at the level of the intermediate participating undertaking;
  - (c) the group supervisor has sufficient information on the intra-group transactions between the ultimate parent undertaking or its related undertakings and the other undertakings in the group, that could possibly affect the insurance or reinsurance undertakings.

## GUIDELINE 5 – REASSESSMENT OF EXCLUSIONS

10. When reassessing the decision to exclude one or more undertakings from the scope of group supervision as required under Article 214(3) of the Solvency II Directive, the group supervisor should confirm whether all the conditions justifying the exclusion are still applicable.
11. For the purpose of reassessing exclusions, the group supervisor should monitor regularly the intra-group transactions between the individual insurance and reinsurance undertakings and the excluded undertakings and their related undertakings through existing or additional reporting.

## COMPLIANCE AND REPORTING RULES

12. This document contains Guidelines issued under Article 16 of the EIOPA Regulation. In accordance with Article 16(3) of the EIOPA Regulation, competent authorities and financial institutions are required to make every effort to comply with guidelines and recommendations.
13. Competent authorities that comply or intend to comply with these Guidelines should incorporate them into their regulatory or supervisory framework in an appropriate manner.
14. Competent authorities are to confirm to EIOPA whether they comply or intend to comply with these Guidelines, with reasons for non-compliance, within two months after the issuance of the translated versions.
15. In the absence of a response by this deadline, competent authorities will be considered as non-compliant to the reporting and reported as such.

## FINAL PROVISION ON REVIEWS

16. These Guidelines will be subject to a review by EIOPA.



## 4. EXPLANATORY TEXT

### **GUIDELINE 1 – Circumstances under which undertakings should not be eligible for exclusion based on Article 214(2) where exclusion would lead to non-application of group supervision**

The group supervisor should not exclude an undertaking from the scope of group supervision where it leads to non-application of group supervision under Article 213(2), points (a) to (c) of the Solvency II Directive in any of the following circumstances:

- a) there are material intra-group transactions, including the provision of ancillary services, between the undertaking or its related undertakings and any insurance or reinsurance undertakings in the group;
- b) the undertaking coordinates financial or investment decisions or exercises significant influence over the operations or processes of any other insurance or reinsurance undertakings in the group;
- c) the application of Articles 229 or 229a of the Solvency II Directive to the undertaking would allow a better understanding of the risks that could possibly affect the other insurance or reinsurance undertakings in the group instead of non-application of group supervision.

The exclusion of undertakings from the scope of the group supervision resulting in a waiver of group supervision under Article 213(2), points (a) to (c) of the Solvency II Directive, should be considered only in exceptional and justifiable circumstances, as the lack of group supervision is considered in principle detrimental to policyholder protection and to level playing field.

To assess the circumstances set out in Guideline 1, the group supervisor should analyse the level of interconnectedness between the undertaking to be excluded, including its related undertakings, and the other undertakings in the group, as well as the level of dependence of those undertakings' operations as regards the undertaking to be excluded and its related undertakings.

The application of Article 214(2) of the Solvency II Directive should only be considered where the adoption of a simplified approach to participations in accordance with Article 229a of the Solvency II Directive or the deduction of the book value of the relevant related undertaking from the own funds eligible for the group solvency pursuant to Article 229 of the Solvency II Directive, are not considered to provide more relevant information on the risks that could possibly affect the insurance or reinsurance undertakings, also considering that when applying Articles 229 and 229a, reporting of group information is still required. The justification to EIOPA and, where applicable, to the other supervisory authorities concerned, required in Article 214(3) of the Solvency II Directive, should include the group supervisor's rationale for the non-application of Articles 229a and 229 of the Solvency II Directive.

Article 214 is not applicable to undertakings falling under Article 213(2)(d). Those undertakings are therefore not covered by this Guideline.

## **GUIDELINE 2 – Additional circumstances to exclude undertakings based on Article 214(2)(a) where exclusion would lead to non-application of group supervision**

The group supervisor should consider the exclusion of one or more undertakings from the scope of group supervision based on legal impediments to information exchange between authorities in accordance with Article 214(2)(a) of the Solvency II Directive, leading to non-application of group supervision under Article 213(2), points (a) to (c) of the Solvency II Directive, only where the following conditions apply:

- a) the undertaking is located in a third country with no equivalence decision under Articles 227 and 260 of the Solvency II Directive;
- b) the third country supervisory authority of the undertaking is not a party to the IAIS Multilateral Memorandum of Understanding;
- c) based on available information the size of the undertaking in terms of total assets, and of technical provisions, where applicable, taken individually and collectively, is small in comparison with that of other undertakings of the group and the group as a whole;
- d) all risks that might be posed by the undertaking and its related undertakings, based on the available information, are adequately identified and managed at the level of the individual insurance and reinsurance undertakings of the group, in particular they are reflected in the own risk and solvency assessment and in the solvency position of those insurance and reinsurance undertakings.

Where the conditions listed above apply, the group supervisor should consider the possibility of signing a memorandum of understanding with the third country supervisory authority of the non-equivalent jurisdiction instead of applying Article 214(2)(a) of the Solvency II Directive.

Where the undertaking(s) to be excluded is located in an equivalent third country or the third country supervisory authority is a party of the IAIS Multilateral Memorandum of Understanding<sup>6</sup>, there is a presumption that there are no legal impediments to information exchange between authorities.

The group supervisor should, based on the available information, identify and assess, before excluding an undertaking from the scope of group supervision, the size of the excluded undertaking(s) and the effects of the qualitative and quantitative risks stemming from all intra-group transactions including any potential contagion risks. Where the excluded undertaking(s) are considered material and/or there are significant interconnectedness or dependencies between those undertakings and the individual insurance or reinsurance undertaking(s), Article 214(2) of the Solvency II Directive should not be applied. An undertaking should be considered material where the impact of its inclusion/exclusion could influence the decision-making or the judgement of the users of group information, including the supervisory authorities.

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<sup>6</sup> [IAIS Multilateral Memorandum of Understanding](#)

Before applying Article 214(2) of the Solvency II Directive, the group supervisor should require the individual insurance or reinsurance undertaking(s) to demonstrate that any risks stemming from the undertaking(s) to be excluded and its related undertakings are adequately identified and managed at the level of the insurance and reinsurance undertakings of the group, in particular they are captured in the own funds and SCR computation as well as properly considered in the own risk and solvency assessment.

Where the conditions set out in Guideline 2 apply, the group supervisor should consider the feasibility of signing a Memoranda of Understanding establishing a framework for information exchange and mutual assistance in the field of insurance regulation and supervision with the non-equivalent third country supervisory authority instead of excluding the undertaking(s) from the scope of group supervision.

**GUIDELINE 3 – Additional circumstances to exclude undertakings based on Article 214(2) point (b) or (c) where exclusion would lead to non-application of group supervision**

The group supervisor should consider the exclusion of one or more undertakings from the scope of group supervision in accordance with Article 214(2), points (b) or (c) of the Solvency II Directive, leading to non-application of group supervision under Article 213(2), points (a) to (c) of the Solvency II Directive, only where the following conditions apply:

- a) the undertaking fulfils the conditions set out in Guideline 2, points (c) and (d);
- b) where the undertaking is a parent undertaking, the risks that the parent undertaking is exposed to stem almost exclusively from the risks of the insurance or reinsurance undertakings that are part of the group.

The group supervisor should pay particular attention to exclusions of parent undertakings where the only subsidiary is an insurance or reinsurance undertaking. Even where the group balance sheet is very close to the balance sheet of the insurance or reinsurance undertaking, it needs to be paid attention to other factors such as high dividend payments by the subsidiary.

Another structure that should be considered cautiously is where the ultimate parent undertaking is a private equity firm or fund. In this case a shift in the investment strategy of the insurance or reinsurance undertakings can occur which may not be necessarily in the best interest of policyholders. Moreover, among other risks, additional pressure can be put on the liquidity of insurance or reinsurance undertakings where private equity firms use a leveraged buyout model which requires intensive cash flows to service the debt.

**GUIDELINE 4 – Application of group supervision at the level of an intermediate participating undertaking when excluding the ultimate parent undertaking**

The group supervisor should consider the exclusion of the ultimate parent undertaking from the scope of group supervision in accordance with Article 214(2) of the Solvency II Directive and apply

group supervision at the level of an intermediate participating undertaking, only where the following conditions apply:

- a) the ultimate parent undertaking is not in any of the circumstances set out in Guideline 1, with the exception that dividend payments to the ultimate parent undertaking should not be regarded as material intra-group transactions for the purposes of Guideline 1, point (a);
- b) all the relevant group risks arising from all other undertakings, which could possibly affect the insurance or reinsurance undertakings, and all the interconnections and intra-group transactions with all other undertakings, which could possibly affect the insurance or reinsurance undertakings, are properly captured at the level of the intermediate participating undertaking;
- c) the group supervisor has sufficient information on the intra-group transactions between the ultimate parent undertaking or its related undertakings and the other undertakings in the group, that could possibly affect the insurance or reinsurance undertakings.

Before excluding the ultimate parent undertaking from group supervision, the group supervisor needs to assess the impact of exercising group supervision at the level of an intermediate participating undertaking on the solvency position of the group as required under Article 214(3) of the Solvency II Directive.

#### **GUIDELINE 5 – Reassessment of exclusions**

When reassessing the decision to exclude one or more undertakings from the scope of group supervision as required under Article 214(3) of the Solvency II Directive, the group supervisor should confirm whether all the conditions justifying the exclusion are still applicable.

For the purpose of reassessing exclusions, the group supervisor should monitor regularly the intra-group transactions between the individual insurance and reinsurance undertakings and the excluded undertakings and their related undertakings through existing or additional reporting.

The reporting of intra-group transactions is important to capture any potential increase of interconnectedness and dependencies. Some supervisory authorities currently monitor intra-group transactions of undertakings not required to report under Solvency II the quantitative reporting templates on intra-group transactions (S.36) through accounting information or have extended the scope of reporting requirements under local law.

The request for additional supervisory reporting can be supported by Article 35 of the Solvency II Directive which requires insurance and reinsurance undertakings to submit to the supervisory authorities the information which is necessary for the purposes of supervision, taking into account the objectives of supervision laid down in Articles 27 and 28 and the general principles of supervision laid down in Article 29 of the Solvency II Directive, in particular the principle of proportionality. The application of the principle of proportionality is considered reflected on the reduction of burden derived from the “replacement” of the application of the requirements of Articles 218 to 258 of the Solvency II Directive by only the reporting of intra-group transactions. The monitoring of intra-group

transactions is considered a minimum to assess on a continuous basis the appropriateness of exclusions.

For the purposes of the annual reassessment, the group supervisor should consider on a case-by-case basis if additional information from the insurance and reinsurance undertakings is necessary.

## ANNEX 1 – IMPACT ASSESSMENT

### OBJECTIVES

In accordance with Article 29 of the EIOPA Regulation, EIOPA carries out, where relevant, analyses of costs and benefits during the policy development process. The analysis of costs and benefits is undertaken according to an impact assessment methodology.

This impact assessment covers EIOPA's draft Guidelines on exclusion of undertakings from the scope of group supervision. This impact assessment is based on a qualitative assessment done by EIOPA.

In drafting these guidelines, EIOPA sticks to the general objectives of the Solvency II Directive, as agreed by the legislators in 2009. These general objectives are:

- ▶ adequate protection of policyholders and beneficiaries, being the main objective of supervision;
- ▶ financial stability;
- ▶ proper functioning of the internal market.

In view of the specific purpose of this draft Guidelines, the following more specific objectives were identified:

- ▶ effective and efficient supervision of insurance and reinsurance undertakings and groups;
- ▶ ensuring a level playing field through sufficiently harmonised rules.

### POLICY ISSUES

#### POLICY ISSUE: Reporting requirements for the reassessment of exclusions

##### Policy option 0: No change

This option means that no guidelines are in place. It is a hypothetical baseline that is only introduced as a benchmark against which the impact of the other policy options is compared.

Under option 0, the guidance defined in Article 214 of the Solvency II Directive is considered sufficient to specify the exceptional circumstances where the exclusion of one or more undertakings from the scope of group supervision in accordance with Article 214(2) of the Solvency II Directive would result in a case that would not trigger the application of group supervision under Article 213(2) points (a), (b), and (c) of the Solvency II Directive.

This option is not considered as a viable option given the specific mandate to EIOPA in Article 214(3) of the Solvency II Directive.

### Policy option 1: The group supervisor should request at least annually that undertakings report an own assessment on the compliance with the Guidelines 1 to 4

On the basis of Article 214(3) of the Solvency II Directive, the group supervisor shall reassess at least annually whether the exclusion's decision remains appropriate.

Under option 1, in order to perform such reassessment, the group supervisor shall always request that undertakings provide a comprehensive assessment of their compliance with the Guidelines 1 to 4.

Option 1 provides for a fully harmonised approach, where all group supervisors would review the undertakings' own assessment. However, considering that the group supervisor monitors regularly the intra-group transactions between the individual insurance or reinsurance undertaking(s) and the excluded undertaking(s) and its related undertakings through existent or additional reporting, requiring always the reporting of a full reassessment may in certain cases be a duplication of the regular reporting and put unnecessary burden on the industry.

### Policy option 2: The group supervisor requires on a case-by-case basis undertakings to report an own assessment for the annual reassessment

Under option 2, when reassessing the appropriateness of exclusions as required under 214(3) of the Solvency II Directive, the group supervisor decides on a case-by-case basis in which cases it is necessary to request the undertakings to perform an own assessment.

While these may reduce the burden in some cases where the only changes are captured in the regular reporting of the intra-group transactions, it risks creating different supervisory practices across jurisdictions.

## POLICY OPTIONS

### Policy option 0: No change

The current Level 1 text is considered sufficient guidance to ensure convergence in case of the exclusion of one or more undertakings from the scope of group supervision in accordance with Article 214(2) of the Solvency II Directive resulting in the non-application of group supervision under Article 213(2) points (a), (b), and (c) of the Solvency II Directive.

Policy option 0		
Costs	Policyholders	Risks to policyholder protection due to potential lack of guidance on exclusions leading to non-application of group supervision.
	Industry	Risk of different supervisory practices across jurisdictions.
	Supervisors	Different supervisory practices across jurisdictions.
	Other	No material impact.

<b>Benefits</b>	Policyholders	No material impact.
	Industry	Neutral impact. Industry applies the rules in the Directive.
	Supervisors	No benefits as supervisors will continue facing uncertainties.
	Other	No material impact.

**Policy option 1: The group supervisor should request at least annually that undertakings report an own assessment on the compliance with the Guidelines 1 to 4**

The group supervisor shall request at least once a year that undertakings provide a comprehensive assessment of their compliance with the guidelines 1 to 4 for the purposes of reassessing the appropriateness of exclusions, in addition to the regular reporting on intra-group transactions.

Policy option 1		
<b>Costs</b>	Policyholders	No material impact.
	Industry	Eventual burden if no relevant changes in circumstances and criteria considering the regular reporting on intra-group transactions.
	Supervisors	Eventual burden if no relevant changes in circumstances and criteria considering the regular reporting on intra-group transactions.
	Other	No material impact.
<b>Benefits</b>	Policyholders	No material impact.
	Industry	Harmonised supervisory practices across jurisdictions.
	Supervisors	Harmonised supervisory practices across jurisdictions.
	Other	No material impact.

**Policy option 2: The group supervisor requires on a case-by-case basis undertakings to report an own assessment for the annual reassessment**

The group supervisor shall decide on a case-by-case basis in which cases the undertakings need to perform a comprehensive own assessment.

Policy option 2		
<b>Costs</b>	Policyholders	No material impact.
	Industry	Risk of different supervisory practices across jurisdictions.
	Supervisors	Different supervisory practices across jurisdictions.
	Other	No material impact.
<b>Benefits</b>	Policyholders	No material impact.



	Industry	Proportional approach as undertakings are only required to provide additional information on specific cases considered relevant by the supervisors.
	Supervisors	Proportional approach as supervisors have discretion to decide in which cases additional reporting is necessary.
	Other	No material impact.

## COMPARISON OF POLICY OPTIONS

The effectiveness and efficiency of the different policy options are compared in the following tables.

EFFECTIVENESS (0,+,++)		
	Effective group supervision	Ensuring a level playing field
Policy option 0	0	0
Policy option 1	++	++
Policy option 2	++	+
EFFICIENCY (0,+,++)		
	Effective group supervision	Ensuring a level playing field
Policy option 0	0	0
Policy option 1	+	+
Policy option 2	++	++

## PREFERRED OPTION

Policy option 2, compared to policy option 1, does not require undertakings to always report on an annual basis an own assessment on the compliance with the guidelines. The group supervisor is expected to request an own assessment from undertakings only in relevant cases where the regular reporting on the intra-group transactions between any individual insurance or reinsurance undertaking(s) part of the group and the excluded undertaking(s) and its related undertakings, is not considered sufficient for performing the annual reassessment of the appropriateness of exclusions.

Policy options 1 and 2 will result in similar outcomes, nevertheless policy option 2 will avoid an additional administrative burden on the industry.

Therefore, policy option 2 is the preferred option as the draft Guidelines enhance efficient group supervision and convergence while ensuring proportionality since it prevents overly burdensome and costly requirements on the industry.

## ANNEX 2 - FEEDBACK STATEMENT

This feedback statement sets out a high-level summary of the consultation comments received and EIOPA's assessment of them. The full list of all the non-confidential comments provided can be found on EIOPA's website.

EIOPA received comments from 6 insurance industry stakeholders. EIOPA's Insurance and Reinsurance Stakeholder Group was consulted and did not provide any comments.

As part of the consultation EIOPA held a workshop with stakeholders to discuss the draft Guidelines on 16 May 2025.

EIOPA would like to express its appreciation for the feedback of the stakeholders during the preparation of the draft Guidelines.

### SCOPE OF THE GUIDELINES

#### Stakeholder comments

Some stakeholders expressed concerns about the scope of application of the Guidelines namely when applied to parent undertakings that were established under specific national law to serve targeted purposes such as long-term social, cultural or agricultural activities, with a scope of activities strictly limited and excluding in particular (re)insurance activities or ancillary services. Stakeholders propose clarification to avoid supervisors imposing requirements not mandated by the Directive. They also underlined the importance of clarifying the interplay between, on the one hand, Article 214 and, on the other hand, Articles 215 and 216 of the Solvency II Directive.

#### Assessment

In response to these comments no change was made to the Guidelines as the scope of application of the Guidelines is clearly defined. As explained in the background section of these Guidelines, the guidance aims specifying the exceptional circumstances where the exclusion of one or more undertakings from the scope of group supervision would result in a case that would not trigger the application of group supervision under Article 213(2), points (a), (b), and (c) of the Solvency II Directive. Article 214 does not apply to cases covered by Article 213(2)(d) namely where the parent undertaking of an insurance or reinsurance undertakings is a mixed-activity insurance holding company. Additionally, exclusions from scope already clearly defined in Title I, Chapter I, Section 2 of the Solvency II Directive and Article 1 of Directive 2013/34/EU and its Annexes I and II, on which the definition of parent undertaking is based (Article 13 (15) of the Solvency II Directive). The interplay between Article 214 and Articles 215 and 216 is also considered clearly defined.

### EXCEPTIONS FOR CERTAIN INTRA-GROUP TRANSACTIONS

#### Stakeholder comments

Stakeholders underlined that it is standard practice for an ultimate parent undertaking to collect dividends from its subsidiaries. As a result, the exclusion mechanism specified in Guideline 4 would

never be applicable in practice. Stakeholders requested a clarification or a non-discriminatory clause specifying that dividends are not considered intra-group transactions for the purpose of that Guideline. Some stakeholders further proposed that such exemption should extend to other financial transactions commonly applicable to third parties such as loans or bonds.

### Assessment

In response to these comments point a) of Guideline 4 was amended to exclude dividend payments to the ultimate parent undertaking. Other intra-group transactions are not excluded as they may increase risks such as concentration and counterparty risks within the group.

## EXCLUSIONS SUBJECT TO REASSESSMENT AND MONITORING

### Stakeholder comments

Stakeholders stressed that the first paragraph of Article 214(3) only requires an annual reassessment in cases where the exclusion leads to the inapplicability of group supervision. They encouraged EIOPA to exercise caution when introducing expectations that may go beyond the requirements set out in the Directive namely as regards extending reporting obligations beyond the requirements of the legal framework.

### Assessment

In response to these comments no change was made to the Guidelines as Guideline 5 clearly refers to the reassessment of decisions as required under Article 214(3) of the Solvency II Directive. Accordingly, group supervisors shall reassess at least annually the appropriateness of exclusions of one or more undertakings from the scope of group supervision where that would not trigger the application of group supervision. For exclusions of ultimate parent undertakings leading to application of group supervision at the level of an intermediate participating undertaking, the regular supervisory assessment of the level of interconnectedness and risks of a group, facilitated by the Solvency II reporting requirements on intra-group transactions as defined in Article 13(19) of the Solvency II Directive, are part of the group supervisors' supervisory review process. The monitoring of intra-group transactions as opposed to the application of all requirements inherent in group supervision is considered a proportional measure that reduces burden on undertakings and groups, safeguards a similar and adequate level of protection to all policyholders and can be supported on the provisions of Article 35 of the Solvency II Directive.

## INTERPLAY WITH RECITAL 81 OF DIRECTIVE (EU) 2025/2

### Stakeholder comments

Some stakeholders expressed concerns that the Guidelines could compromise recital 81 of Directive (EU) 2025/2 considering that the recital explicitly refers to an exhaustive list of cumulative criteria for the exclusion of ultimate parent undertakings pursuant to Article 214(2)(c).

## Assessment

In response to these comments, no change was made to the Guidelines. The Guidelines are considered to be in line with Recital 81 of Directive (EU) 2025/2. The exclusion of ultimate parent undertakings that have the characteristics set out in recital 81 is consistent with Guideline 4.