

# Q&A

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## Question

Do dividend pushers on subordinated debt, requiring interest to be paid on the next contractual payment date in case any distribution or payment is made in respect of any class of share, affect the Solvency II classification of ordinary share capital and preference shares ?

## EIOPA answer

Contractual arrangements that require a distribution to be made on subordinated debt on the next contractual payment date in case any distribution is made on an item referred to in Article 69(a)(i) or (v) of Commission Delegated Regulation (EU) 2015/35 should not be considered to result in non-compliance of this item with the requirement set out in Article 71(1)(n). But unless there are provisions to "switch-off" the pusher in case of non-compliance with the Solvency Capital Requirement (Minimum Capital Requirement) or if the distribution would lead to such non-compliance the subordinated debt does not meet the requirement set out in Article 73(1)(g) respectively 77(1)(g).