



STATUTORY INSTRUMENTS.

**S.I. No. 416 of 2014**

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EUROPEAN UNION (INSURANCE AND REINSURANCE GROUPS  
AND FINANCIAL CONGLOMERATES)(AMENDMENT)  
REGULATIONS 2014

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EUROPEAN UNION (INSURANCE AND REINSURANCE GROUPS  
AND FINANCIAL CONGLOMERATES)(AMENDMENT)  
REGULATIONS 2014

I, MICHAEL NOONAN, Minister for Finance, in exercise of the powers conferred on me by section 3 of the European Communities Act 1972 (No. 27 of 1972) and for the purpose of giving effect to Articles 1 and 2 of Directive 2011/89/EU of the European Parliament and of the Council of 16 November 2011<sup>1</sup> and Articles 38, 63(1) and 72 of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013<sup>2</sup>, hereby make the following regulations:

1. These Regulations may be cited as the European Union (Insurance and Reinsurance Groups and Financial Conglomerates)(Amendment) Regulations 2014.

2. (1) The European Communities (Insurance and Reinsurance Groups Supplementary Supervision) Regulations 2007 (S.I. No. 366 of 2007) are amended as set out in Schedule 1.

(2) The European Communities (Financial Conglomerates) Regulations 2004 (S.I. No. 727 of 2004) are amended as set out in Schedule 2.

(3) The European Communities (Capital Requirements) Regulations 2014 (S.I. No. 158 of 2014) are amended as set out in Schedule 3.

(4) The Central Bank Act 1971 (No. 24 of 1971) is amended as set out in Schedule 4.

(5) The Building Societies Act 1989 (No. 17 of 1989) is amended as set out in Schedule 5.

<sup>1</sup>OJ No. L 326, 18.12.2011, p. 113

<sup>2</sup>OJ No. L 176, 27.6.2013, p. 338

*Notice of the making of this Statutory Instrument was published in  
"Iris Oifigiúil" of 26th September, 2014.*

## Schedule 1

## Amendment of the European Communities (Insurance and Reinsurance Groups Supplementary Supervision) Regulations 2007 (S.I. No. 366 of 2007)

Item	Provision Amended	Amendment
1	Regulation 3	<p>(a) Insert the following definition:</p> <p>“ ‘alternative investment fund manager’ means a manager of alternative funds (within the meaning of Article 4(1)(b), (l) and (ab) of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011<sup>3</sup>, or an undertaking the registered office of which is not in a Member State and which would require authorisation under that Directive if its registered office were within a Member State;”;</p> <p>(b) Delete the definition of “Credit Institutions Directive”;</p> <p>(c) Amend paragraph (b)(i) of the definition of “insurance holding company” by inserting “alternative investment fund managers,” after “asset management companies,”;</p> <p>(d) Substitute the following for the definition of “Group Consolidated Accounts Directive”:</p> <p>“ ‘Group Consolidated Accounts Directive’ means Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013<sup>4</sup>,”</p> <p>(e) Substitute the following for the definition of “insurer”:</p> <p>“ ‘insurer’ means —</p> <p>(a) the holder of an authorisation within the meaning of Regulation 2(1) of the Non-Life Insurance (Framework) Regulations or Regulation 2(1) of the Life Assurance Framework Regulations, or</p> <p>(b) the holder of an official authorisation to undertake insurance in Iceland, Liechtenstein and Norway under the Agreement on the European Economic Area<sup>5</sup> signed at Oporto on 2 May 1992 (as adjusted by the Protocol<sup>6</sup> signed at Brussels on 17 March 1993) as amended;”;</p> <p>(f) Amend the definition of “mixed activity insurance holding company” by inserting “an alternative investment fund manager,” after “an asset management company,”;</p> <p>(g) Substitute the following for the definition of “prescribed credit institution”:</p> <p>“prescribed credit institution” means a credit institution within the meaning of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013<sup>2</sup>;”;</p> <p>(h) Amend the definition of “undertaking” by inserting “alternative investment fund manager,” after “an asset management company,”.</p>

<sup>3</sup>OJ No. L 174, 1.7.2011, p. 1

<sup>4</sup>OJ No. L 182, 29.6.2013, p. 19

<sup>5</sup>OJ No. L 1, 03.01.1994, p. 3

<sup>6</sup>OJ No. L 1, 03.01.1994, p. 572

Item	Provision Amended	Amendment
2	Regulation 4	<p>(a) In paragraph (1)(b), insert “alternative investment fund manager,” after “asset management company,”;</p> <p>(b) In paragraph (2)(b), substitute “a mixed financial holding company, an asset management company, an alternative investment fund manager,” for “an asset management company,”;</p> <p>(c) In paragraph (4), insert “Non-Life Insurance (Framework) Regulations, Life Assurance Framework Regulations” after “the Life Assurance Regulations,”.</p>
3		<p>After Regulation 4, insert:</p> <p>“Level of application with regard to mixed financial holding companies</p> <p>4A. (1) Where a mixed financial holding company is subject to equivalent provisions in both these Regulations and the European Communities (Financial Conglomerates) Regulations 2004 (S.I. No. 727 of 2004), in particular in terms of risk-based supervision, the Bank may decide, after consulting the other competent authorities concerned, to apply only the provision of the European Communities (Financial Conglomerates) Regulations 2004 to the mixed financial holding company in question.</p> <p>(2) Where a mixed financial holding company is subject to equivalent provisions in both these Regulations and the European Communities (Capital Requirements) Regulations 2014 (S.I. No. 158 of 2014) (or Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013<sup>7</sup>), in particular in terms of risk-based supervision, the Bank may decide, in agreement with the consolidating supervisor in the banking and investment services sector, to apply only the provision of the Regulations relating to the most important sector as determined in accordance with Regulation 4 of the European Communities (Financial Conglomerates) Regulations 2004.</p> <p>(3) Where the Bank is responsible for exercising supplementary supervision, it shall inform the European Banking Authority and the European Insurance and Occupational Pensions Authority of the decisions taken under paragraphs (1) and (2).”.</p>
4	Regulation 5	<p>(a) Substitute the following for paragraph (1):</p> <p>“(1) The Bank’s role in exercising supplementary supervision of insurers and reinsurers to which Regulation 4 applies does not imply that the Bank is required to undertake a supervisory role in relation to a third country insurer, a third country reinsurer, an insurance holding company, a mixed financial holding company, a mixed activity insurance holding company, an asset management company or an alternative investment fund manager.”;</p> <p>(b) Insert the following after paragraph (4):</p> <p>“(5) If an asset management company is part of a group that is subject to these Regulations, the rules that apply to and in respect of reinsurance undertakings because of the relevant insurance sector legislation also apply, with necessary modifications, to and in respect of the asset management company.”.</p>

<sup>7</sup>OJ No. L 176, 27.06.2013, p. 1

Item	Provision Amended	Amendment
5	Regulation 6	<p>Substitute the following for paragraph (2):</p> <p>“(2) If—</p> <ul style="list-style-type: none"> <li>(a) an insurance holding company, mixed financial holding company, alternative investment fund manager, asset management company, third country insurer, third country reinsurer or mixed activity insurance holding company is the parent undertaking of an insurer or a reinsurer that is the holder of an authorisation issued by the Bank, and</li> <li>(b) that parent undertaking is also the parent undertaking of an insurer or a reinsurer that is the holder of an authorisation issued by the competent authority of another Member State,</li> </ul> <p>the Bank may enter into an agreement with that authority as to which of them will be responsible for exercising supplementary supervision.”.</p>
6	Regulation 13	<p>Substitute the following for paragraph (2):</p> <p>“(2) The calculation referred to in paragraph (1) shall include all undertakings related to—</p> <ul style="list-style-type: none"> <li>(a) the insurance holding company,</li> <li>(b) the mixed financial holding company,</li> <li>(c) the third country insurer,</li> <li>(d) the third country reinsurer,</li> <li>(e) the asset management company, and</li> <li>(f) the alternative investment fund manager.”. </li></ul>
7	Schedule 1	<ul style="list-style-type: none"> <li>(a) In paragraph 7, substitute “the Life Assurance Framework Regulations, the Non-Life Insurance (Framework) Regulations” for “the Non-Life Insurance Regulations, the Life Assurance Regulations”;</li> <li>(b) In paragraph 9, substitute the following for subparagraph (b): <ul style="list-style-type: none"> <li>“(b) if—</li> <ul style="list-style-type: none"> <li>(i) the insurer or reinsurer is a related undertaking of an insurance holding company, a mixed financial holding company, alternative investment fund manager or an asset management company,</li> <li>(ii) the insurance holding company, mixed financial holding company, alternative investment fund manager or asset management company has its registered office in the State, and</li> <li>(iii) the insurer or reinsurer is taken into account when calculating the adjusted solvency of the insurance holding company, mixed financial holding company, alternative investment fund manager or asset management company.”;</li> </ul> </ul> </li> </ul>

Item	Provision Amended	Amendment
		<p>(c) In paragraph 10, substitute the following for subparagraph (a):</p> <p>“(a) it is related to another insurer or reinsurer, to an insurance holding company or to a mixed financial holding company, that has its registered office in another Member State, and”;</p> <p>(d) Substitute the following for paragraph 13:</p> <p>“Situation of intermediate insurance holding company and intermediate mixed financial holding company to be taken into account in certain cases.</p> <p>13. (1) When calculating the adjusted solvency of an insurer or reinsurer that holds a participation in a related insurer or related reinsurer, or in a third country insurer or third country reinsurer, through an insurance holding company or a mixed financial holding company, the situation of the intermediate insurance holding company or intermediate mixed financial holding company is to be taken into account.</p> <p>(2) For the purpose only of making the calculation referred to in subparagraph (1), the insurance holding company or mixed financial holding company is to be treated as if it were an insurer or reinsurer that has a zero solvency requirement and is subject to the same conditions as those prescribed by Annex II to the Non-Life Insurance (Framework) Regulations, Annex II to the Life Assurance Framework Regulations or Schedule 1 to the Reinsurance Regulations in respect of elements eligible for calculating the solvency margin.”;</p> <p>(e) In paragraph 15, substitute “Life Assurance Framework Regulations” for “Life Assurance Regulations”;</p> <p>(f) In paragraph 19(3), substitute “Life Assurance Framework Regulations” for “Life Assurance Regulations”.</p>
8	Schedule 2	<p>(a) Substitute the following for the heading to Schedule 2:</p> <p>“SCHEDULE 2 SUPPLEMENTARY SUPERVISION OF INSURERS AND REINSURERS THAT ARE SUBSIDIARIES OF AN INSURANCE HOLDING COMPANY, A MIXED FINANCIAL HOLDING COMPANY, A THIRD COUNTRY INSURER, A THIRD COUNTRY REINSURER, AN ASSET MANAGEMENT COMPANY OR AN ALTERNATIVE INVESTMENT FUND MANAGER.”;</p> <p>(b) Substitute the following for paragraph 1:</p> <p>“1. The Bank shall co-operate as necessary with the competent authorities of other Member States to ensure that the method referred to in this Schedule is applied in a consistent manner in cases where an insurance holding company, a mixed financial holding company, a third country insurer, a third country reinsurer, an asset management company or an alternative investment fund manager is the parent undertaking of—</p>

Item	Provision Amended	Amendment
		<p>(a) one, or more than one, insurer or reinsurer referred to in Regulation 4(2), and</p> <p>(b) one, or more than one, insurer or reinsurer that is established in another Member State.”,</p> <p>(c) Substitute the following for paragraph 3:</p> <p>“3. (1) The Bank may waive the calculation provided for by this Schedule in relation to an insurer or reinsurer—</p> <p>(a) if—</p> <p>(i) the insurer or reinsurer is a related undertaking of another insurer or reinsurer, and</p> <p>(ii) the insurer or reinsurer is taken into account in making the calculation for that other insurer or reinsurer, as provided for by this Schedule, or</p> <p>(b) if—</p> <p>(i) the insurer or reinsurer and one or more other insurers or reinsurers that are authorised in the State have as their parent undertaking the same insurance holding company, mixed financial holding company, third country insurer, third country reinsurer, asset management company or alternative investment fund manager, and</p> <p>(ii) the insurer or reinsurer is taken into account in making the calculation for one of those other undertakings, as provided for by this Schedule, or</p> <p>(c) if—</p> <p>(i) the insurer or reinsurer and one or more other insurers or reinsurers authorised in other Member States have as their parent undertaking the same insurance holding company, mixed financial holding company, third country insurer, third country reinsurer, asset management company or alternative investment fund manager, and</p> <p>(ii) an agreement conferring on the competent authority of another Member State responsibility for exercising supplementary supervision of the insurer or reinsurer has been entered into in accordance with Regulation 6(2).</p>

Item	Provision Amended	Amendment
		<p>(2) Where other insurance holding companies, mixed financial holding companies, third country insurers, third country reinsurers, asset management companies or alternative investment fund managers hold participations in the insurance holding company, mixed financial holding company, third country insurer, third country reinsurer, asset management company or alternative investment fund manager the Bank may permit the calculations provided for by this Schedule to be applied only at the level of the ultimate parent undertaking of the insurer or reinsurer that is an insurance holding company, a mixed financial holding company, a third country insurer, a third country reinsurer, an asset management company or an alternative investment fund manager.”.</p> <p>(d) Substitute the following for paragraph 4:</p> <p>“4. (1) The Bank shall ensure that calculations analogous to those specified in Schedule 1 are made at the level of the relevant insurance holding company, mixed financial holding company, third country insurer, third country reinsurer, asset management company or alternative investment fund manager.</p> <p>(2) In making those calculations, the general principles and methods prescribed by Schedule 1 are to be applied at the level of the relevant insurance holding company, mixed financial holding company, third country insurer, third country reinsurer, asset management company or alternative investment fund manager.</p> <p>(3) For the purpose only of making such a calculation, the parent undertaking is to be treated as if it were an insurer or reinsurer that—</p> <p>(a) in the case of an insurance holding company or mixed financial holding company, is subject to a zero solvency requirement,</p> <p>(b) in the case of a third country insurer or a third country reinsurer, is subject to a solvency requirement calculated according to the principles of paragraph 14 of Schedule 1,</p> <p>and, as regards the elements eligible for calculating the relevant solvency margin is subject to the same conditions as those prescribed by—</p> <p>(i) Annex II to the Non-Life Insurance (Framework) Regulations,</p> <p>(ii) Annex II to the Life Assurance Framework Regulations, or</p> <p>(iii) Schedule 1 to the Reinsurance Regulations,</p> <p>as the case requires.”.</p>

## Schedule 2

Amendment of the European Communities (Financial Conglomerates)  
Regulations 2004 (S.I. No. 727 of 2004)

Item	Provision Amended	Amendment
1	Regulation 2	Substitute the following for Regulation 2:  “2. The object of these regulations is to give effect to the Financial Conglomerates Directive.”.
2	Regulation 3(1)	Substitute the following for paragraph (1):  “3. (1) In these Regulations—  ‘alternative investment fund manager’ means a manager of alternative investment funds within the meaning of Article 4(1)(b), (l) and (ab) of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 <sup>3</sup> , or an undertaking the registered office of which is not in a Member State and which would require authorisation under that Directive if its registered office were within a Member State;  ‘ancillary services undertaking’ means ancillary services undertaking as defined in Article 3(1) of the Capital Requirements Directive;  ‘asset management company’ means a management company within the meaning of Article 2(1)(b) of Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 <sup>8</sup> or an undertaking the registered office of which is not in a Member State and which would require authorisation under that Directive if it had its registered office within a Member State;  ‘authorised regulated entity’ means a regulated entity that is the holder of a licence or other authorisation granted by the Bank under a designated enactment or designated statutory instrument;  ‘the Bank’ means the Central Bank of Ireland;  ‘banking sector’ means a sector that comprises or includes one or more credit institutions, financial institutions or ancillary services undertakings;  ‘Capital Requirements Directive’ means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 <sup>2</sup> ;  ‘close links’ means a situation in which two or more natural or legal persons are linked by control or participation, or a situation in which both or all are permanently linked to one and the same person by a control relationship;

<sup>8</sup>OJ No. L 302, 17.11.2009, p.32

Item	Provision Amended	Amendment
		<p>‘competent authority’—</p> <p>(a) in relation to the State, means the Bank, and</p> <p>(b) in relation to every other Member State, means the authority of that State that is empowered by a law of that State to supervise credit institutions, insurance and reinsurance undertakings, investment firms, asset management companies or alternative investment fund managers whether on an individual or a group-wide basis;</p> <p>‘control’, in relation to an undertaking, means the relationship between a parent undertaking and a subsidiary undertaking as set out in paragraphs (1) and (2) of Article 22 of the Group Consolidated Accounts Directive or a similar relationship between a natural or legal person and an undertaking;</p> <p>‘co-ordinator’ means the competent authority appointed under Regulation 12;</p> <p>‘credit institution’ means a credit institution within the meaning of Article 3(1) of the Capital Requirements Directive;</p> <p>‘designated enactment’ has the same meaning as it has in the Central Bank Act 1942;</p> <p>‘designated statutory instrument’ has the same meaning as it has in the Central Bank Act 1942;</p> <p>‘entity’ includes an undertaking and a company and, where appropriate, includes a natural person;</p> <p>‘European Supervisory Authorities’ means the bodies established by Regulation (EU) No. 1093/2010 of the European Parliament and of the Council of 24 November 2010<sup>9</sup>, Regulation (EU) No. 1094/2010 of the European Parliament and of the Council of 24 November 2010<sup>10</sup> and Regulation (EU) No. 1095/2010 of the European Parliament and of the Council of 24 November 2010<sup>11</sup>;</p> <p>‘European Systemic Risk Board’ means the body established pursuant to Regulation (EU) No. 1092/2010 of the European Parliament and of the Council of 24 November 2010<sup>12</sup>;</p>
		<p>‘exposure’ means an exposure arising from a counter-party risk, a credit risk, an investment risk, an insurance risk or a market risk, or any other kind of risk, or from a combination or an interaction of all or any of those kinds of risks;</p> <p>‘financial conglomerate’ means a group, or a subgroup of a group, that complies with the conditions specified in paragraph (3);</p> <p>‘Financial Conglomerates Committee’ means the Committee established by the European Commission in accordance with Article 21 of the Financial Conglomerates Directive;</p>

<sup>9</sup>OJ No. L 331, 15.12.2010, p. 12

<sup>10</sup>OJ No. L 331, 15.12.2010, p. 48

<sup>11</sup>OJ No. L 331, 15.12.2010, p. 84

<sup>12</sup>OJ No. L 331, 15.12.2010, p. 1

Item	Provision Amended	Amendment
		<p>'Financial Conglomerates Directive' means Directive 2002/87/EC of the European Parliament and of the Council of 16 December 2002<sup>13</sup> on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate;</p> <p>'financial institution' has the meaning given by Article 3(1) of the Capital Requirements Directive;</p> <p>'financial sector' means a sector composed of one or more of the following entities:</p> <ul style="list-style-type: none"> <li>(a) a credit institution, a financial institution or an ancillary services undertaking within the meaning of Article 3(1) of the Capital Requirements Directive;</li> <li>(b) an insurance undertaking, a reinsurance undertaking or an insurance holding company within the meaning of Articles 13(1), (2), (4) or (5) or of 212(1)(f) of the Insurance and Reinsurance Directive;</li> <li>(c) an investment firm within the meaning of Article 3(1) of the Capital Requirements Directive;</li> </ul> <p>'Group Consolidated Accounts Directive' means Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013<sup>4</sup>;</p> <p>'group' means—</p> <ul style="list-style-type: none"> <li>(a) a group of undertakings that consists of a parent undertaking, its subsidiaries and the entities in which the parent undertaking or its subsidiaries hold a participation, or</li> <li>(b) a group of undertakings linked to each other by a relationship within the meaning of Article 22(7) of the Group Consolidated Accounts Directive, and includes any subgroup thereof,</li> </ul> <p>and, if a group comprises an asset management company or an alternative investment fund manager, includes the company or the manager, even if it is not a regulated entity;</p> <p>'Insurance and Reinsurance Directive' means Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009<sup>14</sup>;</p> <p>'insurance holding company' has the meaning given by Article 212(1)(f) of the Insurance and Reinsurance Directive;</p> <p>'insurance sector' means a sector that comprises or includes one or more insurance undertakings, reinsurance undertakings or insurance holding companies;</p> <p>'insurance undertaking' means an insurance undertaking within the meaning of Article 13(1), (2) or (3) of the Insurance and Reinsurance Directive;</p>

<sup>13</sup>OJ No. L 35, 11.2.2003, p. 1

<sup>14</sup>OJ No. L 335, 17.12.2009, p. 1

Item	Provision Amended	Amendment
		<p>‘intra-group transactions’ means transactions by which regulated entities within a financial conglomerate rely either directly or indirectly on other undertakings within the same group or on any natural or legal person linked to the undertakings within that group by close links, for the fulfilment of an obligation, whether or not contractual, and whether or not for payment;</p> <p>‘investment firm’ means an investment firm within the meaning of point 1 of Article 4(1) of Directive 2004/39/EC of 21 April 2004<sup>15</sup>, including the undertakings referred to in Article 3(1) of the Capital Requirements Directive or an undertaking the registered office of which is not in a Member State and which would require authorisation under Directive 2004/39/EC if its registered office were in a Member State;</p> <p>‘investment services sector’ means a sector that comprises or includes one or more investment firms within the meaning of Article 4(1)(2) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013<sup>16</sup>;</p> <p>‘Joint Committee’ means the Joint Committee of the European Supervisory Authorities (ESA) established by Article 54 of Regulation (EU) No. 1093/2010 of the European Parliament and of the Council of 24 November 2010<sup>10</sup>, of Regulation (EU) No. 1094/2010 of the European Parliament and of the Council of 24 November 2010<sup>11</sup> and of Regulation (EU) No. 1095/2010 of the European Parliament and of the Council of 24 November 2010<sup>12</sup>;</p> <p>‘law’ includes a regulation, rule or by-law;</p> <p>‘mixed financial holding company’ means a parent undertaking, other than a regulated entity, which together with its subsidiaries (at least one of which is a regulated entity which has its registered office in a Member State) and other entities constitutes a financial conglomerate;</p> <p>‘parent undertaking’ means a parent undertaking within the meaning of Article 2 of the Group Consolidated Accounts Directive or any undertaking which, in the opinion of the competent authorities, effectively exercises a dominant influence over another undertaking;</p> <p>‘participation’ means a participation within the meaning of the first sentence of Article 2(2) of the Group Consolidated Accounts Directive on the annual accounts of certain types of companies, or the direct or indirect ownership of 20% or more of the voting rights or capital of an undertaking;</p> <p>‘regulated entity’ means a credit institution, an insurance undertaking, a reinsurance undertaking, an investment firm, an asset management company or an alternative investment fund manager;</p>

<sup>15</sup>OJ No. L 145, 30.4.2004, p. 1

<sup>16</sup>OJ No. L 176, 27.6.2013, p. 1

Item	Provision Amended	Amendment
		<p>'reinsurance undertaking' means—</p> <ul style="list-style-type: none"> <li>(a) a reinsurance undertaking within the meaning of Article 13(4), (5) or (6) of the Insurance and Reinsurance Directive, or</li> <li>(b) a special purpose vehicle within the meaning of Article 13(26) of the Insurance and Reinsurance Directive;</li> </ul> <p>'relevant competent authority' means—</p> <ul style="list-style-type: none"> <li>(a) each competent authority of a Member State that is responsible for the sectoral group-wide supervision of any of the regulated entities within a financial conglomerate, in particular of the ultimate parent undertaking of a sector, and</li> <li>(b) if a competent authority not referred to in paragraph (a) is the co-ordinator of the conglomerate, that competent authority, and</li> <li>(c) any other competent authority that is determined to be a relevant competent authority in accordance with paragraph (4);</li> </ul> <p>'responsible entity', in relation to a financial conglomerate—</p> <ul style="list-style-type: none"> <li>(a) means the regulated entity that is the head of the conglomerate, or</li> <li>(b) if the conglomerate is not headed by a regulated entity, means— <ul style="list-style-type: none"> <li>(i) the relevant mixed financial holding company, or</li> <li>(ii) the regulated entity within the financial conglomerate identified by the co-ordinator of the conglomerate after consultation with the other relevant competent authorities and the conglomerate;</li> </ul> </li> </ul> <p>'risk concentration' means all risk exposures with a loss potential which is large enough to threaten the solvency or the financial position in general of the regulated entities in the financial conglomerate; such exposures may be caused by counterparty risk/credit risk, investment risk, insurance risk, market risk, other risks, or a combination or interaction of these risks;</p> <p>'sectoral rules' means legislation made by the European Union relating to the prudential supervision of regulated entities, in particular Directive 2004/39/EC of 21 April 2004<sup>17</sup>, the Capital Requirements Directive and Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013<sup>17</sup> and the Insurance and Reinsurance Directive;</p>

<sup>17</sup>OJ No. L 176, 27.6.2013, p. 1

Item	Provision Amended	Amendment
		<p>‘subsidiary undertaking’ means a subsidiary undertaking within the meaning of Article 22 of the Group Consolidated Accounts Directive or any undertaking over which, in the opinion of the competent authorities, a parent undertaking effectively exercises a dominant influence and any subsidiary of a subsidiary undertaking shall also be considered to be a subsidiary of the undertaking that is the parent of that subsidiary undertaking;</p> <p>‘third country’ means a country that is not a Member State, and includes a state, province, region or dependent territory of such a country;</p> <p>‘UCITS’ means an undertaking for collective investment in transferable securities.”.</p>
3	Regulation 3(3)	<p>Substitute the following for paragraph (3):</p> <p>“(3) A group, or a subgroup of a group, is a financial conglomerate for the purposes of these Regulations if it satisfies the following conditions in so far as they are relevant to the group or subgroup:</p> <ul style="list-style-type: none"> <li>(a) a regulated entity is the head of the group or subgroup or at least one of the subsidiaries within the group or subgroup is a regulated entity;</li> <li>(b) if a regulated entity is the head of the group or subgroup, the entity is— <ul style="list-style-type: none"> <li>(i) a parent undertaking of an entity in the financial sector, or</li> <li>(ii) an entity that holds a participation in an entity in the financial sector, or</li> <li>(iii) an entity linked with an entity in the financial sector by a relationship within the meaning of Article 22(7) of the Group Consolidated Accounts Directive;</li> </ul> </li> <li>(c) if a regulated entity is not the head of the group or subgroup, the group’s activities are mainly carried on in the financial sector and meet the criterion specified in Regulation 4(1);</li> <li>(d) at least one of the entities within the group or subgroup carries on business in the insurance sector and at least one other carries on business in the banking or investment services sector;</li> <li>(e) the activities of the entities within the group or subgroup that carry on business in the insurance sector, when viewed on a consolidated or aggregated basis, and the activities of the entities that carry on business in the banking and investment services sector, when so viewed, are both significant within the meaning of Regulation 4.”. </li></ul>

Item	Provision Amended	Amendment
4	Regulation 3(4)	<p>Substitute the following for paragraph (4):</p> <p>“(4) The authorities referred to in subparagraphs (a) and (b) of the definition of “relevant competent authority” in paragraph (1) may determine that another competent authority is a relevant competent authority in respect of a financial conglomerate, in particular, pending the entry into force of any regulatory technical standards adopted in accordance with Article 21a(1)(b) of the Financial Conglomerates Directive, taking into account—</p> <p>(a) the market share of the regulated entities of the conglomerate in other Member States (in particular if that share exceeds 5 per cent), and</p> <p>(b) the importance in the conglomerate of any regulated entity established in another Member State.”.</p>
5	Regulation 4	<p>Insert the following after paragraph (5):</p> <p>“(5A) Asset management companies are to be added to the sector they belong to within the group; if they do not belong exclusively to one sector within the group, they are to be added to the smallest financial sector.</p> <p>(5B) Alternative investment fund managers are to be added to the sector they belong to within the group; if they do not belong exclusively to one sector within the group, they are to be added to the smallest financial sector.”.</p>
6	Regulation 4(6)	<p>In paragraph (6) substitute “decide by common agreement” for “agree”.</p>
7	Regulation 4(7)	<p>Substitute the following for paragraph (7):</p> <p>“(7) If the group reaches the threshold referred to in paragraph (2), but the smallest sector does not exceed €6,000,000,000, the Bank and the other relevant competent authorities may decide by common agreement—</p> <p>(a) not to regard the group as a financial conglomerate, or</p> <p>(b) not to apply the provisions of Regulations 8 to 10, if they are of the opinion that such action is unnecessary or would be inappropriate or misleading having regard to the objectives of supplementary supervision.”.</p>
8	Regulation 4(8)	<p>Substitute the following for paragraph (8):</p> <p>“(8) In applying paragraphs (1) to (7), the Bank and other relevant competent authorities may by common agreement decide to do all or any of the following:</p> <p>(a) to exclude an entity when calculating the relevant ratios in the cases referred to in Regulation 8(7) unless the entity moved from a Member State to a third country and there is evidence that the entity changed its location in order to avoid regulation;</p>

Item	Provision Amended	Amendment
		<p>(b) to take into account compliance with the thresholds envisaged in paragraphs (1) and (2) for 3 consecutive years so as to avoid any sudden changes that could result from the application of these Regulations;</p> <p>(c) to disregard such compliance if there are significant changes in the group's structure;</p> <p>(d) to exclude one or more participations in the smaller sector if such participations are determinant for the identification of a financial conglomerate, and are collectively of negligible interest with respect to the objectives of supplementary supervision."</p>
9	Regulation 4(10)	<p>Substitute the following for paragraph (10):</p> <p>"(10) In applying paragraphs (1) to (5), the Bank and the other relevant competent authorities may, in such exceptional cases as they may determine, agree to replace or add one or more of the following parameters to the criterion of balance sheet total if they believe the criteria to be of particular relevance to supplementary supervision under these Regulations:</p> <p>(a) income structure,</p> <p>(b) off-balance sheet activities,</p> <p>(c) total assets under management."</p>
10	Regulation 4(17)	<p>Substitute the following for paragraph (17):</p> <p>"(17) If the Bank takes a decision in accordance with paragraphs (6) or (7) it shall—</p> <p>(a) notify the decision to the other competent authorities concerned, and</p> <p>(b) except in exceptional circumstances, make the decision public."</p>
11	Regulation 4	<p>Insert the following after paragraph (17):</p> <p>"(18) The Bank shall, on an annual basis, reassess waivers of the application of supplementary supervision and shall review the quantitative indicators set out in this Regulation and risk-based assessments applied to financial groups."</p>
12	Regulation 5(2)	<p>Substitute the following for paragraph (2):</p> <p>"(2) In carrying out the obligation imposed by paragraph (1)—</p> <p>(a) the Bank shall co-operate closely with the other competent authorities that have authorised regulated entities in the group, and</p> <p>(b) if the Bank is of the opinion that a regulated entity authorised by it is a member of a group that may be a financial conglomerate that has not already been identified according to these Regulations, it shall communicate its view to the other competent authorities concerned and to the Joint Committee."</p>
13	Regulation 6(4)(b)	<p>In paragraph (4), substitute the following for subparagraph (b):</p> <p>"(b) the parent undertaking of the entity is a regulated entity or a mixed financial holding company that has its head office in a third country,".</p>

Item	Provision Amended	Amendment
14	Regulation 8	<p>(a) In paragraph (4)(a), substitute “ancillary services undertaking” for “ancillary banking services undertaking”;</p> <p>(b) Substitute the following for paragraph (5):</p> <p>“(5) In calculating supplementary capital adequacy requirements with regard to a financial conglomerate by applying method 1 (accounting consolidation method) referred to in Schedule 1, the own funds and the solvency requirements of the entities in the group are to be determined by applying the corresponding sectoral rules on the form and extent of consolidation that are in particular prescribed by Articles 111 to 127 of the Capital Requirements Directive and Article 221 of the Insurance and Reinsurance Directive.”;</p> <p>and</p> <p>(c) Substitute the following for paragraph (6):</p> <p>“(6) In calculating supplementary capital adequacy requirements for a financial conglomerate by applying method 2 (deduction and aggregation method) as referred to in Schedule 1, if the parent undertaking or undertaking holds a participation in another entity of the group, account must be taken of the proportional share that the undertaking holds in the other entity. For the purpose of this paragraph, “proportional share” means the proportion of the subscribed capital that the parent undertaking holds, whether directly or indirectly.”.</p>
15	Regulation 11	<p>Substitute the following paragraphs for paragraph (5):</p> <p>“(5) Every regulated entity within a financial conglomerate shall provide the Bank with details on its legal structure and governance and organisational structure including all regulated entities, non-regulated subsidiaries and significant branches regularly and at least every 12 months.</p> <p>(6) Every regulated entity shall disclose publicly, at the level of the financial conglomerate, on an annual basis, either in full or by way of references to equivalent information, a description of their legal structure and governance and organisational structure.</p> <p>(7) The Bank shall align the application of the supplementary supervision of internal control mechanisms and risk management processes as provided for in this Regulation with the supervisory review processes as provided for by Article 97 of the Capital Requirements Directive and Article 36 of the Insurance and Reinsurance Directive.</p> <p>(8) An undertaking that, without reasonable excuse, fails to comply with paragraph (4), (5) or (6) commits an offence.”.</p>
16	Regulation 16	<p>Insert the following paragraphs after paragraph (5):</p> <p>“(6) The required cooperation under this Part and the exercise of the tasks listed in paragraphs (1) to (5) and in Regulation 17 and, subject to the provisions of Section 33AK of the Central Bank Act 1942 and compatibility with European Union legislation, the appropriate coordination and cooperation with relevant third-country competent authorities, shall where appropriate, be fulfilled through colleges established pursuant to Article 116 of the Capital Requirements Directive or Article 248(2) of the Insurance and Reinsurance Directive.</p>

Item	Provision Amended	Amendment
		(7) The coordination arrangements referred to in paragraphs (1) and (2) shall be separately reflected in the written coordination arrangements in place pursuant to Article 115 of the Capital Requirements Directive or Article 248 of the Insurance and Reinsurance Directive. The coordinator, as Chair of a college established pursuant to Article 116 of the Capital Requirements Directive or Article 248(2) of the Insurance and Reinsurance Directive shall decide which other competent authorities participate in a meeting or in any activity of this college.”.
17	Regulation 17(3)(a)	In paragraph (3) substitute the following subparagraph for subparagraph (a):  “(a) identification of the group’s legal structure and the governance and organisational structure, including all regulated entities, non-regulated subsidiaries and significant branches belonging to the financial conglomerate, the holders of qualifying holdings at the ultimate parent level, and of the competent authorities of the regulated entities in the group;”.
18	Regulation 17A (inserted by Regulation 2 of, and the Schedule to, the European Union (Financial Conglomerates) (European Supervisory Authorities) Regulations 2011 (S.I. No. 638 of 2011).	Insert the following paragraph after paragraph (2):  “(3) Where the Bank has been appointed a co-ordinator in accordance with Regulation 12, it shall provide the Joint Committee with the information as provided by paragraphs (4) to (6) of Regulation 11 and Regulation 17(2)(a).”.
19		After Regulation 20, insert:  “Stress testing  20A. (1) Where the Bank has been appointed to be a co-ordinator in accordance with Regulation 12, it shall undertake appropriate and regular stress testing of the financial conglomerate concerned and shall communicate the results of the stress tests to the Joint Committee.  (2) Where the Bank is a relevant competent authority, it shall cooperate fully with a co-ordinator appointed in accordance with Regulation 12 in the performance of stress tests by that co-ordinator.”.
21	Schedule 1	Delete paragraphs (8) and (9) and substitute:  “Use of method 3(combination of methods 1 and 2)  (8) The co-ordinator of a financial conglomerate may allow the use of a combination of methods 1 and 2.”.

## Schedule 3

Amendment of the European Communities (Capital Requirements)  
Regulations 2014 (S.I. No. 158 of 2014)

Item	Provision Amended	Amendment
1	Regulation 34	Insert the following after Regulation 34:  “34A. Where a credit institution authorised in accordance with the Capital Requirements Directive in another Member State sets up more than one place of business in the State, those places of business in the State shall be regarded as a single branch.”.
2	Regulation 52	Substitute the following for paragraph (2):  “(2) A person referred to in paragraph (1) shall communicate to the Bank any facts or decisions, concerning an institution referred to in that paragraph, of which he or she becomes aware while acting as an auditor of an undertaking having close links resulting from a control relationship with that institution.”.

## Schedule 4

## Amendment of the Central Bank Act 1971 (No. 24 of 1971)

Item	Provision Amended	Amendment
1	Section 9I	After subsection (2), insert:  “(3) A decision under this section to refuse to grant a licence is an appealable decision for the purposes of Part VIIA of the Act of 1942.”.
2	Section 10	After subsection (3), insert:  “(3A) A decision under this section to impose, amend or add a condition to a licence is an appealable decision for the purposes of Part VIIA of the Act of 1942.”.
3	Section 11	After subsection (7), insert:  “(8) A decision to revoke a licence under this section is an appealable decision for the purposes of Part VIIA of the Act of 1942.”.

## Schedule 5

## Amendment of the Building Societies Act 1989 (No. 17 of 1989)

Item	Provision Amended	Amendment
1	Section 17	After subsection (11), insert:  “(12) The following are appealable decision for the purposes of Part VIIA of the Act of 1942:  (a) a decision under this section to refuse to grant an authorisation;  (b) a decision under this section to impose, amend or add a condition to an authorisation.”.



GIVEN under my Official Seal,  
18 September 2014.

MICHAEL NOONAN,  
Minister for Finance.

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