

PRA RULEBOOK: GLOSSARY (SOLVENCY II) AMENDMENT INSTRUMENT 2022

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137G (The PRA’s general rules);
 - (2) section 137T (General supplementary powers).
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instrument) of the Act.

Pre-conditions to making

- C. In accordance with section 138J of the Act (Consultation by the PRA), the PRA consulted the Financial Conduct Authority. After consulting, the PRA published a draft of the proposed rules and had regard to representations made.

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- D. The PRA makes the rules in the Annex to this instrument.

Commencement

- E. This instrument comes into force on 7 July 2023.

Citation

- F. This instrument may be cited as the PRA Rulebook: Glossary (Solvency II) Amendment Instrument 2022.

By order of the Prudential Regulation Committee

27 June 2022

Annex

Amendments to the Glossary

In this Annex new text is underlined and deleted text is struck through.

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ancillary insurance services undertaking

- (1) (in the Financial Conglomerates Part of the PRA Rulebook) has the meaning given in Financial Conglomerates 1.4;
- (2) (in relation to the Group Supervision Part of the PRA Rulebook) means, in relation to any undertaking in a group, an undertaking complying with the following conditions:
- (a) its principal activity consists of:
- (i) owning or managing property;
 - (ii) managing data-processing services;
 - (iii) providing health and care services; or
 - (iv) any other similar activity;
- (b) the activity in (a) is ancillary to the principal activity of one or more insurance undertakings; and
- (c) those insurance undertakings are also members of that group.

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insurance holding company

means a *parent undertaking*, other than a *UK Solvency II firm* and a *mixed financial holding company*, the main business of which is to acquire and hold *participations* in *subsidiary undertakings* and which fulfils the following conditions:

- (1) its subsidiary undertakings are either exclusively or mainly UK Solvency II firms, third country insurance undertakings or, third country reinsurance undertakings or ancillary insurance services undertakings: the subsidiary undertakings of a parent undertaking are mainly UK Solvency II firms, third country insurance undertakings, third country reinsurance undertakings or ancillary insurance services undertakings where more than 50% of two or more of:
- (a) the parent undertaking's consolidated assets;
 - (b) the parent undertaking's consolidated revenues;
 - (c) the group SCR (as if calculated at the level of the parent undertaking),
- are derived from subsidiaries that are UK Solvency II firms, third country insurance undertakings, third country reinsurance undertakings or ancillary insurance services undertakings; and
- (2) at least one of those subsidiary undertakings is a UK Solvency II firm.

[Note: Art. 212(1)(f) of the Solvency II Directive]

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