

Structure and Guidelines for Solvency Capital Requirement Approval and Internal Model Evaluation by the Swiss Financial Commission (SFC)

Article 74

(1) When the SFC is the group supervisor, in consultation with the other relevant supervisory bodies, it draws up a work plan for the assessment and approval of an internal model and communication rules to be followed by these bodies during the process of assessment and approval of the internal model for the group.

(2) When necessary, the SFC, as the group supervisor, in consultation with the other relevant supervisors, updates the work plan for the internal model.

(3) In relation to the evaluation of the internal model, the SFC, as the group supervisor, ensures that the work plan covers the schedule, the main steps, and the results for this evaluation. In the case of an internal model of a group according to Art. 252 of the Insurance Code (IC), the SFC, as the group supervisor or another relevant supervisory body, considers the inclusion in the work plan of specific provisions between them. When the SFC is the group supervisor, the work plan shall at least:

- 1. Establish when and how to consult and engage in the assessment the other participating supervisors under Art. 343, paragraph 2 of Regulation (EU) 2015/35.**
- 2. Establish when and how the other supervisors within the college of supervisors under Art. 344, paragraph 2 of Regulation (EU) 2015/35 shall participate in the evaluation.**
- 3. Identify the priorities for the assessment, taking into account the scope of the internal model, the specific features of each related undertaking within the group, the risk profile of the group and related undertakings within the group, and the available and relevant information about the internal model.**
- 4. Establish when and how to report the results of the assessment made by the relevant supervisory authorities to the other relevant supervisory authorities.**

(4) In relation to the decision on the application (request) under Art. 252 of the IC, the SFC, as the group supervisor, shall, in consultation with the other supervisors concerned, ensure that the work plan covers the timetable for all steps and results to reach a joint decision as set out in Implementing Regulation (EU) 2015/461.

Article 75

Where the SFC, in its capacity as a participating supervisor, identifies a significant consideration regarding the approval process, it shall notify the group supervisor and the other participating supervisors as soon as possible.

Article 76

(1) The SFC, when it is a group supervisor or a participating supervisor, may request and coordinate the organization of joint on-site inspections with other participating supervisors to confirm information regarding the assessment of an internal model for a group to ensure process efficiency.

(2) The SFC, when it is the supervisor of the group, shall notify the other relevant supervisors, the European Authority, and, where necessary, the other members and participants of the college who may be affected or interested in the participation or in the outcome of the joint on-site inspection.

(3) When the SFC participates in a joint on-site inspection, it shall discuss and agree on the final scope, purpose, structure, distribution of tasks, and the head of the inspection with the other supervisors.

(4) The SFC, if it is not the group supervisor, shall inform the respective supervisor of the progress and findings of a joint on-site inspection.

(5) When the SFC leads the on-site inspection, if it is not the group supervisor, it shall provide the relevant documentation to the group supervisor. The SFC, as the group supervisor, shall provide the relevant available documentation received from the relevant supervisors to the other supervisors participating in the joint on-site inspection and to the European Authority. The SFC, as the group supervisor, shall provide the other members of the college and the participants with a list of the relevant documentation received and provide them with documents upon specific request.

(6) On the basis of a report containing the main findings of the joint on-site inspection, when the SFC is the supervisor leading the on-site inspection, it shall discuss with the participating supervisors the result of it and the actions to be taken.

(7) Where the SFC is the group supervisor, it shall notify the other members of the college and the participants of the outcome and actions as part of the agreed communication within the college.

Article 77

(1) The SFC, when it is a participating supervisor, shall exchange and discuss with the participating supervisors the main findings of the activities carried out remotely and on-site.

(2) The SFC, when it is a participating supervisor, shall inform the participating supervisors of the approach it applies in verifying the elements of the internal model with the group supervisor and the other participating supervisors.

(3) If as a result of the exchange under paragraph 2, the SFC, when it is a participating supervisor, identifies significant differences in the applied approaches, it shall discuss

and agree with the participating supervisory authorities a process to create consistent approaches when they consider such alignment appropriate.

(4) If appropriate, the SFC, when it is a participating supervisor, shall discuss the tools and techniques used to review the elements of the internal model with the other participating supervisory authorities.

Article 78

(1) The SFC, when it is the group supervisor, together with the other participating supervisory authorities, decides whether and which third-country supervisory authorities to consult.

(2) Before consulting a third-country supervisor, the SFC, when it is a group supervisor, together with the other participating supervisory authorities, shall take the necessary measures to ensure that the confidentiality legislative provisions of the jurisdiction where the third-country supervisor is located are equivalent to the requirements for professional secrecy according to Directive 2009/138/EC of the European Parliament and of the Council on the initiation and pursuit of insurance and reinsurance business.

Article 79

In connection with the evaluation of the application (request) for approval of a significant change to the internal model of a group under Art. 252 of the IC, the SFC, when it is the group supervisor, together with the other participating supervisors, jointly decides whether to delegate the assessment of the changes to the supervisor of a related undertaking.

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