

Comments Template on Consultation Paper on on the Proposal for Guidelines on the System of Governance		Deadline 19 June 2013 12:00 CET
Name of Company:		
Disclosure of comments:	Please indicate if your comments should be treated as confidential:	Confidential/Public
<p>Please follow the following instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ Do not change the numbering in the column "reference"; if you change numbering, your comment cannot be processed by our IT tool ⇒ Leave the last column <u>empty</u>. ⇒ Please fill in your comment in the relevant row. If you have <u>no comment</u> on a paragraph or a cell, keep the row <u>empty</u>. ⇒ Our IT tool does not allow processing of comments which do not refer to the specific numbers below. <p>Please send the completed template, in Word Format, to CP-13-008@eiopa.europa.eu. Our IT tool does not allow processing of any other formats.</p> <p>The numbering of the paragraphs refers to this Consultation Paper, the numbering of cells refers to the Technical Annexes II and III.</p>		
Reference	Comment	Resolution
General Comment	FEE welcomes this paper as useful guidance to firms and supervisors. These new guidelines seems to be a significant step towards improving understanding of the governance requirements arising from Solvency II, building on prior consultations and guidance released by EIOPA. So, we believe that the early adoption of these principles will be of benefit to policyholders and shareholders. But, compared with the other new consultations released by EIOPA, this one is particularly vague about what they expect to be in place by the end of 2014. In order to clarify the priorities additional guidance is needed.	

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	As this Paper is addressed to, with the adopted version primarily intended to assist, national supervisors/regulators implement Solvency II detailed requirements in a harmonised and practical manner, the comments by the FEE - apart from an expression of support for that aim - may not be particularly "granular".	
Introduction General Comment		
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Section I. General Comments		
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Section II. General Comments		
Chapter I General Comments		
1.16		
1.17	It appears that there is the overlap between Paragraphs 1.17 and 1.20	
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1.19	We propose to change the wording in line 3 of this paragraph to the following "changes to the group's structure affect the undertaking's ability to fulfil that role and makes...".	
1.20	Please refer to our comment in paragraph 1.17.	
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1.26	We question if Paragraph 1.26 is necessary if requirement already so stated in Article 41 of the "Framework Directive".	
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Chapter II General Comments		

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Chapter III General Comments		
1.37	It appears that there an overlap between Paragraphs 1.37 and 1.42	
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1.42	Please refer to our comment in paragraph 1.37.	
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Chapter IV General Comments		
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1.54	We question if "complex products" should be dealt with in Paragraph 1.54 (or separately immediately thereafter) instead of as a reference in Paragraph 1.58.	
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1.58	Please refer to our comment in papagraph 1.54.	
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1.61	We consider that "Paragraph 1.61 test" could also apply to securitised instruments.	
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Chapter V General Comments		
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Chapter VI General Comments		

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Chapter VII General Comments		
1.70	The audit function interacts with different functions. So, we consider that the independence of an auditor can be different according to different tasks. In our view Paragraph 1.70 should also refer to adequate resources made available to enable internal audit fulfil its role.	
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1.75	Please refer to our comment in Paragraph 1.87.	
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Chapter VIII General Comments		
1.77	The actuarial function interacts with different functions. So, we consider that the independence of actuarial person can be different according to different tasks.	
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1.86	The sharing of responsibilities between the actuarial and risk functions has not received any significant further clarification. So, maybe, the smaller companies may have expected more information about the degree to which it is acceptable to combine certain roles or functions.	
1.87	It could be anticipated that the actuary would propose one or more time periods within which the insurer could remedy the deficiency. In this case, the text of Paragraph 1.87 should be aligned with that of Paragraph 1.75.	
Chapter IX General Comments		
1.88	We would like to ask for more clarity regarding the implication of criteria "this function is essential" within Paragraph 1.88 which addressed "critical or important function". It appears that it is implied, but not explicitly stated in the Introduction to the Guidelines, that similar proposals/adopted requirements of the European Banking Authority and the International Association of Insurance Supervisors have been taken into account. If that happened, and (a level of) consistency has been achieved, the adopted guidelines should state that fact.	
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Section III. General Comments		
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Compliance and Reporting Rules General Comments		
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Impact Assessment – General Coments		
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