

Legislation and regulations relevant to the application for Solvency II authorisation

This document contains an overview of the relevant sections of the law governing applications for Solvency II authorisation.

DeNederlandscheBank

EUROSYSTEEM

Category	Authorisation	Legal basis	Link to relevant section of the law (Dutch only)
Solvency II	No person domiciled in the Netherlands may pursue the business of a life insurer or non-life insurer without an authorisation issued by De Nederlandsche Bank (DNB).	Section 2:27(1) of the Financial Supervision Act (Wet op het financieel toezicht – Wft)	http://wetten.overheid.nl/jcih.3:c:BWBR0020368&titel-deel=2&hoofdstuk=2.2&afdeling=2.2.3&paragraaf=2.2.3.1a&artikel=2:27&z=2016-09-03&g=2016-09-03
Solvency II	On application, DNB grants authorisation to pursue the business of a life insurer or non-life insurer under Section 2:27(1) of the Wft if the applicant demonstrates that it satisfies the provisions set out in Section 2:31(1), under a to k, of the Wft (the requirements, see below).	Section 2:31(1) of the Wft	http://wetten.overheid.nl/jcih.3:c:BWBR0020368&titel-deel=2&hoofdstuk=2.2&afdeling=2.2.3&paragraaf=2.2.3.1a&artikel=2:31&z=2016-09-03&g=2016-09-03
Reinsurer ¹	No person domiciled in the Netherlands may pursue the business of a reinsurer without an authorisation issued by De Nederlandsche Bank (DNB).	Section 2:26a(1) of the Wft	http://wetten.overheid.nl/jcih.3:c:BWBR0020368&titel-deel=2&hoofdstuk=2.2&afdeling=2.2.2a&paragraaf=2.2.2a.1&artikel=2:26a&z=2016-09-03&g=2016-09-03
Reinsurers	On application, DNB grants authorisation to pursue the business of a reinsurer under Section 2:26a(1) of the Wft if the applicant demonstrates that it satisfies the provisions set out in Section 2:26b(1), under a to k, of the Wft (the requirements, see below).	Section 2:26b(1) of the Wft	http://wetten.overheid.nl/jcih.3:c:BWBR0020368&titel-deel=2&hoofdstuk=2.2&afdeling=2.2.2a&paragraaf=2.2.2a.1&artikel=2:26b&z=2016-09-03&g=2016-09-03
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Information to be provided

Solvency II	The application for authorisation must include a statement of the relevant class or classes and the data specified below: a. a statement of the insurer's name, address, telephone number and fax number; b. a statement of the insurer's legal form; c. a statement of the insurer's registered office, name under the articles of association, and trade name or trade names; d. if the insurer is listed in the Trade Register: a statement of the registration number; e. a certified copy of the insurer's articles of association.	Section 12(1), under a to e, of the Decree on Market Access for Financial Undertakings under the Wft (Besluit Markttoegang financiële ondernemingen Wft – BMfo)	http://wetten.overheid.nl/jcih.3:c:BWBR0020413&hoofdstuk=2&paragraaf=2.3&artikel=12&z=2016-07-14&g=2016-07-14
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¹ As the law provides a specific basis for reinsurers, we have included it separately in this overview. Reinsurers must nonetheless apply for Solvency II authorisation. For more information, see the flow chart for insurers

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Reinsurer	<p>The application for authorisation must include a statement of the relevant class or classes and the data specified below:</p> <ol style="list-style-type: none"> a statement of the reinsurer's name, address, telephone number and fax number; a statement of the reinsurer's legal form; a statement of the reinsurer's registered office, name under the articles of association, and trade name or trade names; if the reinsurer is listed in the Trade Register: a statement of the registration number; a certified copy of the reinsurer's articles of association. 	Section 11a(1), under a to e , of the BMfo	http://wetten.overheid.nl/jci.3:c:BWBR0020413&hoofd-stuk=2&paragraaf=2.2a&artikel=11a&z=2016-07-14&g=2016-07-14
Business plan			
Solvency II – non-life insurer	<p>The programme of operations submitted by the party applying for authorisation to pursue the business of non-life insurer must include the following:</p> <ol style="list-style-type: none"> a statement of the nature of the risks the non-life insurer intends to cover; a description of the leading principles with respect to reinsurance; an estimate of the costs involved in setting up the administrative organisation and the production network, showing that the non-life insurer has the required financial means to cover these costs, and, in the event that one of the risks to be covered comes under the Assistance class, a statement of the means available to the non-life insurer to provide the agreed assistance; an estimate for the first three financial years of the administration costs other than those listed under c, in particular overhead and commissions; an estimate for the first three financial years of the premiums and claims; an estimate for the first three financial years of the liquidity position; and an estimate for the first three financial years of the financial means to cover the liabilities and the solvency capital requirement as meant in Section 3:57(3) of the Wft. 	Section 14(1) of the BMfo	http://wetten.overheid.nl/jci.3:c:BWBR0020413&hoofd-stuk=2&paragraaf=2.3&artikel=13&z=2016-07-14&g=2016-07-14
Solvency II – non-life insurer	<p>If the non-life insurer intends to cover risks under the Assistance class, the programme of operations must also include a statement of the means available to the insurer to provide the agreed assistance.</p>	Section 14(2) of the BMfo	http://wetten.overheid.nl/jci.3:c:BWBR0020413&hoofd-stuk=2&paragraaf=2.3&artikel=14&z=2016-07-14&g=2016-07-14

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Solvency II – life insurer	<p>The programme of operations submitted by the party applying for authorisation to pursue the business of life insurer must include the following:</p> <ol style="list-style-type: none"> a statement of the nature of the agreements the life insurer intends to enter into; a description of the leading principles with respect to reinsurance; an estimate of the cost involved in setting up the administrative organisation and the production network, showing that the insurer has the required financial means to cover these costs; an estimate for the first three financial years of the administration costs other than those listed under c, in particular overhead and commissions; an estimate for the first three financial years of the premiums and claims; an estimate for the first three financial years of the liquidity position; and an estimate for the first three financial years of the financial means to cover the liabilities and the solvency capital requirement as meant in Section 3:57(3) of the Wft 	Section 13 of the BMfo	http://wetten.overheid.nl/jci1.3:c:BWBR0020413&hoofdstuk=2&paragraaf=2.3&artikel=13&z=2016-07-14&g=2016-07-14
Reinsurer	<p>The programme of operations submitted by the party applying for authorisation to pursue the business of reinsurer must include the following:</p> <ol style="list-style-type: none"> a statement of the nature of the risks the reinsurer intends to cover; a description of the leading principles with respect to entering into agreements under which the reinsurer transfers part of the risks it has reinsured to another insurer on payment of a premium; an estimate of the cost involved in setting up the administrative organisation and the production network, showing that the reinsurer has the required financial means to cover these costs; an estimate for the first three financial years of the administration costs other than those listed under c, in particular overhead and commissions; an estimate for the first three financial years of the premiums and claims; an estimate for the first three financial years of the liquidity position; and an estimate for the first three financial years of the financial means to cover the liabilities and the solvency capital requirement as meant in Section 3:57(3) of the Wft. 	Section 11b of the BMfo	http://wetten.overheid.nl/jci1.3:c:BWBR0020413&hoofdstuk=2&paragraaf=2.2a&artikel=11b&z=2016-07-14&g=2016-07-14
	Fitness of policymakers	Section 3:8 of the Wft	http://wetten.overheid.nl/jci1.3:c:BWBR0020368&titel-deel=3&hoofdstuk=3.3&afdeling=3.3.2&paragraaf=3.3.2.1&artikel=3.8&z=2016-09-03&g=2016-09-03

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Solvency II	<p>The data referred to in Section 12(1), under g, are:</p> <ol style="list-style-type: none"> a statement of the policymaker's name, date of birth, place of birth, nationality, home address, telephone number, fax number and position; the policymaker's curriculum vitae; a statement of the policymaker's relevant qualifications; a copy of a valid identity document of the policymaker; and a list of the policymaker's referees. 	Section 12(1), under g, and Section 12(2) of the BMfo	http://wetten.overheid.nl/jci1.3:c:BWBR0020413&hoofdstuk=2&paragraaf=2.3&artikel=12&z=2016-07-14&g=2016-07-14
Reinsurer	<p>The data referred to in Section 11a(1), under g, are:</p> <ol style="list-style-type: none"> a statement of the policymaker's name, date of birth, place of birth, nationality, home address, telephone number, fax number and position; the policymaker's curriculum vitae; a statement of the policymaker's relevant qualifications; a copy of a valid identity document of the policymaker; and a list of the policymaker's referees. 	Section 11a(1), under g, and Section 11a(2) of the BMfo	http://wetten.overheid.nl/jci1.3:c:BWBR0020413&hoofdstuk=2&paragraaf=2.2a&artikel=11a&z=2016-07-14&g=2016-07-14
	Propriety of policymakers and co-policymakers	Section 3:9 of the Wft	http://wetten.overheid.nl/jci1.3:c:BWBR0020368&titeldeel=3&hoofdstuk=3.3&afdeling=3.3.2&paragraaf=3.3.2.1&artikel=3:9&z=2016-09-03&g=2016-09-03
Solvency II	<p>The data referred to in Section 12(1), under h, are:</p> <ol style="list-style-type: none"> a statement of the policymaker's name, date of birth, place of birth, nationality, home address, telephone number, fax number and position; a copy of a valid identity document of the policymaker; a statement of the policymaker's record and history, specified in the annex to the BMfo; and a list of the policymaker's referees. 	Section 12(1), under h, and Section 12(3) of the BMfo	http://wetten.overheid.nl/jci1.3:c:BWBR0020413&hoofdstuk=2&paragraaf=2.3&artikel=12&z=2016-07-14&g=2016-07-14
Reinsurer	<p>The data referred to in Section 11a(1), under h, are:</p> <ol style="list-style-type: none"> a statement of the policymaker's name, date of birth, place of birth, nationality, home address, telephone number, fax number and position; a copy of a valid identity document of the policymaker; a statement of the policymaker's record and history, specified in the annex to the BMfo; and a list of the policymaker's referees. 	Section 11a(1), under h, and Section 11a(3) of the BMfo	http://wetten.overheid.nl/jci1.3:c:BWBR0020413&hoofdstuk=2&paragraaf=2.2a&artikel=11a&z=2016-07-14&g=2016-07-14
Solvency II and reinsurer	Policy to safeguard ethical business operations	Section 3:10 of the Wft	http://wetten.overheid.nl/jci1.3:c:BWBR0020368&titeldeel=3&hoofdstuk=3.3&afdeling=3.3.2&paragraaf=3.3.2.1&artikel=3:10&z=2016-09-03&g=2016-09-03

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Solvency II and reinsurer	The institution must systematically analyse the integrity risks of its activities.	Section 10(1) of the Decree on Prudential Rules for Financial Undertakings (Besluit prudentiële regels Wft – Bpr)	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=3&artikel=10&z=2016-04-01&g=2016-04-01
Solvency II and reinsurer	The institution must ensure that the policy is translated into adequate procedures and measures.	Section 10(2) of the Bpr	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=3&artikel=10&z=2016-04-01&g=2016-04-01
Solvency II and reinsurer	The institution must inform all relevant business units of said policy, procedures and measures.	Section 10(3) of the Bpr	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=3&artikel=10&z=2016-04-01&g=2016-04-01
Solvency II and reinsurer	The institution is responsible for implementing and systematically testing the policy, procedures and measures.	Section 10(4) of the Bpr	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=3&artikel=10&z=2016-04-01&g=2016-04-01
Solvency II and reinsurer	The institution must provide for independent monitoring of the implementation of the policy, procedures and measures to safeguard ethical business operations and must have procedures in place to ensure that identified shortcomings or deficiencies are reported to the officers entrusted with that duty (independent compliance function).	Section 10(5) of the Bpr	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=3&artikel=10&z=2016-04-01&g=2016-04-01
Solvency II and reinsurer	The institution must have procedures in place to ensure that identified shortcomings or deficiencies relating to ethical business operations are appropriately remedied under the supervision of the independent compliance function.	Section 10(6) of the Bpr	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=3&artikel=10&z=2016-04-01&g=2016-04-01
Solvency II and reinsurer	The institution must have procedures and measures in place to prevent conflicts between its own interests or those of its customers and the private interests of <ul style="list-style-type: none"> a. persons responsible for determining the financial enterprise's policy; b. group directors; c. members of the body responsible for supervising the financial enterprise's general course of business; or d. other staff members or individuals who permanently work for it at its request. 	Section 11(1) of the Bpr	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=3&artikel=11&z=2016-04-01&g=2016-04-01
Solvency II and reinsurer	The institution must have procedures and measures in place for handling and recording incidents.	Section 12(1) of the Bpr	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=3&artikel=12&z=2016-04-01&g=2016-04-01
Solvency II and reinsurer	The institution must make a substantiated assessment of the propriety of any individual it intends to appoint to an integrity-sensitive position.	Section 13(1) of the Bpr	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=3&artikel=13&z=2016-04-01&g=2016-04-01
Solvency II and reinsurer	Sound remuneration policy	Section 1:117 of the Wft	http://wetten.overheid.nl/jci1.3:c:BWBR0020368&titeldeel=1&hoofdstuk=1.7&afdeling=1.7.2&artikel=1:117&z=2016-09-03&g=2016-09-03

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Solvency II and reinsurer	A financial enterprise governed by Section 3:17 of the Wft must pursue a sound remuneration policy that must be recorded in writing, as part of its sound operational management referred to in that Section.	Section 1:117(1) of the Wft	http://wetten.overheid.nl/jci1.3:c:BWBR0020368&titel-deel=1&hoofdstuk=1.7&afdeling=1.7.2&artikel=1:117&z=2016-09-03&g=2016-09-03
Solvency II and reinsurer	The remuneration policy must be appropriate to the size and organisation of the enterprise and to the nature, scope and complexity of its activities.	Section 1:117(2) of the Wft	http://wetten.overheid.nl/jci1.3:c:BWBR0020368&titel-deel=1&hoofdstuk=1.7&afdeling=1.7.2&artikel=1:117&z=2016-09-03&g=2016-09-03
Solvency II and reinsurer	The enterprise must have procedures and measures in place for implementing, executing and maintaining the remuneration policy.	Section 1:117(3) of the Wft	http://wetten.overheid.nl/jci1.3:c:BWBR0020368&titel-deel=1&hoofdstuk=1.7&afdeling=1.7.2&artikel=1:117&z=2016-09-03&g=2016-09-03
Solvency II and reinsurer	The supervisory authority may impose further rules specifying: a. how the enterprise must draw up, adopt or approve, execute, evaluate and amend the remuneration policy; b. how the enterprise must set up remuneration components and remuneration structures and how it must control and mitigate risks ensuing from the policy and its execution.	Section 1:117(4) of the Wft	http://wetten.overheid.nl/jci1.3:c:BWBR0020368&titel-deel=1&hoofdstuk=1.7&afdeling=1.7.2&artikel=1:117&z=2016-09-03&g=2016-09-03
Solvency II and reinsurer	The remuneration policy of a financial enterprise governed by Section 3:17 of the Wft must describe the remuneration components and remuneration structures that could cause the enterprise to take risks in excess of its risk tolerance limits, and the procedures and measures that must be implemented to prevent and control such remuneration components and remuneration structures. The remuneration policy must be commensurate with the enterprise's business strategy, objectives, values and long-term interests, and must be consistent with and promote sound and effective risk management.	Section 1:118(1) of the Wft	http://wetten.overheid.nl/jci1.3:c:BWBR0020368&titel-deel=1&hoofdstuk=1.7&afdeling=1.7.2&artikel=1:118&z=2016-09-03&g=2016-09-03
Solvency II and reinsurer	The remuneration policy must at any rate include the following elements: a. the applied fixed-to-variable remuneration ratios appropriate to the enterprise; b. the ratio between awarded remuneration and distributed variable remuneration; c. the composition of variable remuneration; d. the criteria and performance on which variable remuneration is based, including the performance of natural persons working under the enterprise's responsibility, the business unit and the enterprise as a whole.	Section 1:118(2) of the Wft	http://wetten.overheid.nl/jci1.3:c:BWBR0020368&titel-deel=1&hoofdstuk=1.7&afdeling=1.7.2&artikel=1:118&z=2016-09-03&g=2016-09-03
Solvency II and reinsurer	The assessment of the performance referred to in Section 1:118(2), under d, of the Wft must be based on both financial and non-financial criteria. At least 50% of variable remuneration must be based on non-financial criteria.	Section 1:118(3) of the Wft	http://wetten.overheid.nl/jci1.3:c:BWBR0020368&titel-deel=1&hoofdstuk=1.7&afdeling=1.7.2&artikel=1:118&z=2016-09-03&g=2016-09-03

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Solvency II and reinsurer	Minimum number of day-to-day policymakers and the location from which they operate	Section 3:15 of the Wft	http://wetten.overheid.nl/jci.3:c:BWBR0020368&titel-deel=3&hoofdstuk=3.3&afdeling=3.3.3&paragraaf=3.3.3.1&artikel=3:15&z=2016-09-03&g=2016-09-03
Solvency II and reinsurer	Governance structure	Section 3:16 of the Wft	http://wetten.overheid.nl/jci.3:c:BWBR0020368&titel-deel=3&hoofdstuk=3.3&afdeling=3.3.3&paragraaf=3.3.3.1&artikel=3:16&z=2016-09-03&g=2016-09-03
Solvency II and reinsurer	Operational management structure with respect to ethical business operations	Section 3:17 of the Wft	http://wetten.overheid.nl/jci.3:c:BWBR0020368&titel-deel=3&hoofdstuk=3.3&afdeling=3.3.3&paragraaf=3.3.3.1&artikel=3:17&z=2016-09-03&g=2016-09-03
Solvency II and reinsurer	The institution must have in place an effective system of governance which provides for sound and prudent management of the business. That system must at least include an adequate transparent organisational structure with a clear allocation and appropriate segregation of responsibilities and an effective system for ensuring the transmission of information. The system of governance must be subject to regular internal review.	Article 41(1) of the Solvency II Directive (2009/138/EC)	http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32009L0138&
Solvency II and reinsurer	The system of governance must be proportionate to the nature, scale and complexity of the operations of the insurance or reinsurance undertaking.	Article 41(2) of Directive 2009/138/EC	http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32009L0138&
Solvency II and reinsurer	Insurance and reinsurance undertakings must have written policies in relation to at least risk management, internal control, internal audit and, where relevant, outsourcing. They must ensure that those policies are implemented. Those written policies must be reviewed at least annually. They must be subject to prior approval by the administrative, management or supervisory body and be adapted in view of any significant change in the system or area concerned.	Article 41(3) of Directive 2009/138/EC	http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32009L0138&
Solvency II and reinsurer	Insurance and reinsurance undertakings must take reasonable steps to ensure continuity and regularity in the performance of their activities, including the development of contingency plans. To that end, the undertaking must employ appropriate and proportionate systems, resources and procedures.	Article 44(1) of Directive 2009/138/EC	http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32009L0138&

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Solvency II and reinsurer	<p>Insurance and reinsurance undertakings must have in place an effective risk-management system comprising strategies, processes and reporting procedures necessary to identify, measure, monitor, manage and report, on a continuous basis, the risks, at an individual and at an aggregated level, to which they are or could be exposed, and their interdependencies.</p> <p>That risk-management system must be effective and well integrated into the organisational structure and in the decision-making processes of the insurance or reinsurance undertaking with proper consideration of the persons who effectively run the undertaking or have other key functions.</p>	Article 44(1) of Directive 2009/138/EC	http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32009L0138&
Solvency II and reinsurer	<p>The risk-management system must cover the risks to be included in the calculation of the solvency capital requirement (SCR) as set out in Article 101(4) as well as the risks which are not or not fully included in the calculation of the SCR.</p> <p>The risk-management system must cover at least the following areas:</p> <ul style="list-style-type: none"> a. underwriting and reserving; b. asset-liability management; c. investment, in particular derivatives and similar commitments; d. liquidity and concentration risk management; e. operational risk management; f. reinsurance and other risk-mitigation techniques. <p>The written policy on risk management referred to in Article 41(3) must comprise policies relating to points (a) to (f) of the second subparagraph of this paragraph.</p>	Article 44(2) of Directive 2009/138/EC	http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32009L0138&
Solvency II and reinsurer	As regards investment risk, insurance and reinsurance undertakings must demonstrate that they comply with Chapter VI, Section 6 of Directive 2009/138/EC.	Article 44(3) of Directive 2009/138/EC	http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32009L0138&
Solvency II and reinsurer	Insurance and reinsurance undertakings must provide for a risk-management function which must be structured in such a way as to facilitate the implementation of the risk-management system.	Article 44(4) of Directive 2009/138/EC	http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32009L0138&
Solvency II and reinsurer	<p>For insurance and reinsurance undertakings using a partial or full internal model approved in accordance with Articles 112 and 113, the risk-management function must cover the following additional tasks:</p> <ul style="list-style-type: none"> a. to design and implement the internal model; b. to test and validate the internal model; c. to document the internal model and any subsequent changes made to it; d. to analyse the performance of the internal model and to produce summary analysis reports; 	Article 44(5) of Directive 2009/138/EC	http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32009L0138&

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	<p>e. to inform the administrative, management or supervisory body about the performance of the internal model, suggesting areas needing improvement, and updating that body on the status of efforts to improve previously identified weaknesses.</p>		
Solvency II and reinsurer	<p>As part of its risk-management system every insurance undertaking and reinsurance undertaking must conduct its own risk and solvency assessment. That assessment must include at least the following:</p> <ul style="list-style-type: none"> a. the overall solvency needs, taking into account the specific risk profile, approved risk tolerance limits and the business strategy of the undertaking; b. the compliance, on a continuous basis, with the capital requirements, as laid down in Chapter VI, Sections 4 and 5 and with the requirements regarding technical provisions, as laid down in Chapter VI, Section 2; c. the significance with which the risk profile of the undertaking concerned deviates from the assumptions underlying the Solvency Capital Requirement as laid down in Article 101(3), calculated with the standard formula in accordance with Chapter VI, Section 4, Subsection 2 or with its partial or full internal model in accordance with Chapter VI, Section 4, Subsection 3. 	Article 45(1) of Directive 2009/138/EC	http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32009L0138&
Solvency II and reinsurer	<p>For the purposes of Article 45(1)(a) of Directive 2009/138/EC, the undertaking concerned must have in place processes which are proportionate to the nature, scale and complexity of the risks inherent in its business and which enable it to properly identify and assess the risks it faces in the short and long term and to which it is or could be exposed. The undertaking must demonstrate the methods used in that assessment.</p>	Article 45(2) of Directive 2009/138/EC	http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32009L0138&
Solvency II and reinsurer	<p>In the case referred to in paragraph 1(c), when an internal model is used, the assessment must be performed together with the recalibration that transforms the internal risk numbers into the Solvency Capital Requirement risk measure and calibration.</p>	Article 45(3) of Directive 2009/138/EC	http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32009L0138&
Solvency II and reinsurer	<p>The own-risk and solvency assessment must be an integral part of the business strategy and must be taken into account on an ongoing basis in the strategic decisions of the undertaking.</p>	Article 45(4) of Directive 2009/138/EC	http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32009L0138&
Solvency II and reinsurer	<p>Insurance and reinsurance undertakings must perform the assessment referred to in paragraph 1 regularly and without any delay following any significant change in their risk profile.</p>	Article 45(5) of Directive 2009/138/EC	http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32009L0138&
Solvency II and reinsurer	<p>The insurance and reinsurance undertakings must inform the supervisory authorities of the results of each own-risk and solvency assessment as part of the information reported under Article 35.</p>	Article 45(6) of Directive 2009/138/EC	http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32009L0138&

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Solvency II and reinsurer	Insurance and reinsurance undertakings must have in place an effective internal control system. That system must at least include administrative and accounting procedures, an internal control framework, appropriate reporting arrangements at all levels of the undertaking and a compliance function.	Article 46(1) of Directive 2009/138/EC	http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32009L0138&
Solvency II and reinsurer	The compliance function must include advising the administrative, management or supervisory body on compliance with the laws, regulations and administrative provisions adopted pursuant to this Directive. It must also include an assessment of the possible impact of any changes in the legal environment on the operations of the undertaking concerned and the identification and assessment of compliance risk.	Article 46(2) of Directive 2009/138/EC	http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32009L0138&
Solvency II and reinsurer	Insurance and reinsurance undertakings must provide for an effective internal audit function. The internal audit function must include an evaluation of the adequacy and effectiveness of the internal control system and other elements of the system of governance.	Article 47(1) of Directive 2009/138/EC	http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32009L0138&
Solvency II and reinsurer	The internal audit function must be objective and independent from the operational functions.	Article 47(2) of Directive 2009/138/EC	http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32009L0138&
Solvency II and reinsurer	Any findings and recommendations of the internal audit must be reported to the administrative, management or supervisory body which must determine what actions are to be taken with respect to each of the internal audit findings and recommendations and must ensure that those actions are carried out.	Article 47(3) of Directive 2009/138/EC	http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32009L0138&
Solvency II and reinsurer	Insurance and reinsurance undertakings must provide for an effective actuarial function to: <ul style="list-style-type: none"> a. coordinate the calculation of technical provisions; b. ensure the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions; c. assess the sufficiency and quality of the data used in the calculation of technical provisions; d. compare best estimates against experience; e. inform the administrative, management or supervisory body of the reliability and adequacy of the calculation of technical provisions; f. oversee the calculation of technical provisions in the cases set out in Article 82; g. express an opinion on the overall underwriting policy; 	Article 48(1) of Directive 2009/138/EC	http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32009L0138&

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	<p>h. express an opinion on the adequacy of reinsurance arrangements; and</p> <p>i. contribute to the effective implementation of the risk-management system referred to in Article 44 of Directive 2009/138/EC, in particular with respect to the risk modelling underlying the calculation of the capital requirements set out in Chapter VI, Sections 4 and 5, and to the assessment referred to in Article 45.</p>		
Solvency II and reinsurer	The actuarial function must be carried out by persons who have knowledge of actuarial and financial mathematics, commensurate with the nature, scale and complexity of the risks inherent in the business of the insurance or reinsurance undertaking, and who are able to demonstrate their relevant experience with applicable professional and other standards.	Article 48(2) of Directive 2009/138/EC	http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32009L0138&
Solvency II and reinsurer	Number of supervisory board members	Section 3:19 of the Wft	http://wetten.overheid.nl/jci1.3:c:BWBR0020368&titel-deel=3&hoofdstuk=3.3&afdeling=3.3.3&paragraaf=3.3.3.1&artikel=3:19&z=2016-09-03&g=2016-09-03
Solvency II and reinsurer	Legal form	Section 3:20 of the Wft	http://wetten.overheid.nl/jci1.3:c:BWBR0020368&titel-deel=3&hoofdstuk=3.3&afdeling=3.3.3&paragraaf=3.3.3.1&artikel=3:20&z=2016-09-03&g=2016-09-03
Solvency II and reinsurer	Minimum own funds	Section 3:53 of the Wft	http://wetten.overheid.nl/jci1.3:c:BWBR0020368&titel-deel=3&hoofdstuk=3.3&afdeling=3.3.5&paragraaf=3.3.5.1&artikel=3:53&z=2016-09-03&g=2016-09-03
Solvency II and reinsurer	The Minimum Capital Requirement must be calculated in a clear and simple manner, and in such a way as to ensure that the calculation can be audited.	Article 129(1)(a) of Directive 2009/138/EC	http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32009L0138&
Solvency II and reinsurer	<p>The Minimum Capital Requirement must have an absolute floor of:</p> <p>a. EUR 2,500,000 for non-life insurance undertakings not operating in classes 10 to 15;</p> <p>b. EUR 3,700,000 for non-life insurance undertakings operating in classes 10 to 15;</p> <p>c. EUR 3,700,000 for life insurance undertakings;</p> <p>d. EUR 3,600,000 for reinsurance undertakings excluding captive reinsurance undertakings;</p> <p>e. EUR 1,200,000 for captive reinsurance undertakings.</p>	Article 129(1)(d) of Directive 2009/138/EC	http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32009L0138&
Solvency II and reinsurer	Solvency	Section 3:57 of the Wft	http://wetten.overheid.nl/jci1.3:c:BWBR0020368&titel-deel=3&hoofdstuk=3.3&afdeling=3.3.6&paragraaf=3.3.6.1&artikel=3:57&z=2016-09-03&g=2016-09-03

Category	Authorisation	Legal basis	Link to relevant section of the law (Dutch only)
Solvency II and reinsurer	An insurer within the meaning of Section 3:57(1), 3:58(1), 3:58(2), 3:59(1), 3:61(1), 3:61(2) or 3:62(1), not being an insurer with limited risk, must calculate the solvency capital requirement applicable to it or its branch established in the Netherlands at least once a year and must recalculate it if its risk profile deviates significantly from the assumptions underlying the most recent calculation or if De Nederlandsche Bank requires a recalculation in response to evidence suggesting that the risk profile has altered significantly since the most recent calculation. The insurer must report the outcome of an interim recalculation to De Nederlandsche Bank without delay.	Section 65(1) of the Bpr	http://wetten.overheid.nl/jci.3:c:BWBR0020420&hoofd-stuk=10&paragraaf=10.1&artikel=65&z=2016-04-01&g=2016-04-01
Solvency II and reinsurer	The insurer must make the calculation referred to in Section 65(1) of the Bpr using the standard formula referred to in Article 103 of the Solvency II Directive or a full or partial internal model as referred to in Article 112(1) of the Directive.	Section 65(2) of the Bpr	http://wetten.overheid.nl/jci.3:c:BWBR0020420&hoofd-stuk=10&paragraaf=10.1&artikel=65&z=2016-04-01&g=2016-04-01
Solvency II and reinsurer	An insurer using the standard formula referred to in Section 65(2) of the Bpr must calculate the solvency capital requirement in accordance with Title I, Chapter VI, Section 4, Subsection 2 of the Solvency II Directive, observing Title I, Chapter V of the Solvency II Regulation (Commission Delegated Regulation (EU) 2015/35).	Section 65(3) of the Bpr	http://wetten.overheid.nl/jci.3:c:BWBR0020420&hoofd-stuk=10&paragraaf=10.1&artikel=65&z=2016-04-01&g=2016-04-01
Solvency II and reinsurer	Pursuant to Article 104(7) of the Solvency II Directive, De Nederlandsche Bank may grant an insurer applying the standard formula approval for the use of parameters specific to the undertaking concerned referred to in that paragraph when calculating the life, non-life and health underwriting risk modules. In that case, the insurer must meet the requirements set out in Article 104(7).	Section 65(4) of the Bpr	http://wetten.overheid.nl/jci.3:c:BWBR0020420&hoofd-stuk=10&paragraaf=10.1&artikel=65&z=2016-04-01&g=2016-04-01
Solvency II and reinsurer	Insurers must only use an internal model that has been approved by De Nederlandsche Bank in accordance with Articles 112 to 115 of the Solvency II Directive. Insurers must comply with the requirements of Articles 116 and 120 to 126 of the Solvency II Directive, observing Title I, Chapter VI of the Solvency II Regulation.	Section 65(5) of the Bpr	http://wetten.overheid.nl/jci.3:c:BWBR0020420&hoofd-stuk=10&paragraaf=10.1&artikel=65&z=2016-04-01&g=2016-04-01
Solvency II and reinsurer	De Nederlandsche Bank may require that an insurer as referred to in Section 65(1) of the Bpr uses an internal model to calculate the solvency capital requirement or relevant risk modules if its risk profile deviates significantly from the assumptions underlying the standard formula referred to in Section 65(2).	Section 65(6) of the Bpr	http://wetten.overheid.nl/jci.3:c:BWBR0020420&hoofd-stuk=10&paragraaf=10.1&artikel=65&z=2016-04-01&g=2016-04-01
Solvency II en verzekeraar	Having obtained approval for the use of an internal model, an insurer must not revert to using the standard formula referred to in Section 65(2) of the Bpr unless it has justified reasons to do so and De Nederlandsche Bank has granted approval.	Section 65(7) of the Bpr	http://wetten.overheid.nl/jci.3:c:BWBR0020420&hoofd-stuk=10&paragraaf=10.1&artikel=65&z=2016-04-01&g=2016-04-01

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Solvency II and reinsurer	If an insurer no longer complies with the requirements of Articles 120 to 126 of the Solvency II Directive, it must promptly submit to De Nederlandsche Bank a plan to restore compliance. If the insurer fails to implement the plan, De Nederlandsche Bank may require it to calculate the solvency capital requirement using the standard formula referred to in Section 65(2) of the Bpr.	Section 65(8) of the Bpr	http://wetten.overheid.nl/jci1.3:c:BWBR0020420&hoofdstuk=10&paragraaf=10.1&artikel=65&z=2016-04-01&g=2016-04-01
Solvency II and reinsurer	Financial year	Section 3:70 of the Wft	http://wetten.overheid.nl/jci1.3:c:BWBR0020368&titel-deel=3&hoofdstuk=3.3&afdeling=3.3.9&paragraaf=3.3.9.1&artikel=3:70&z=2016-09-03&g=2016-09-03
Life insurer (Solvency II)	Anti-Money Laundering and Anti-Terrorist Financing Act (Wet ter voorkoming van witwassen en financieren van terrorisme – Wwft)		
Life insurer (Solvency II)	With a view to preventing money laundering and terrorist financing, institutions must perform customer due diligence.	Section 3(1) of the Wwft	http://wetten.overheid.nl/jci1.3:c:BWBR0024282&hoofdstuk=2&paragraaf=2.1&artikel=3&z=2016-08-11&g=2016-08-11
Life insurer (Solvency II)	The purpose of customer due diligence is to enable the institution: <ul style="list-style-type: none"> a. to identify its customers and verify their identity; b. to identify the customer's ultimate beneficial owner (UBO), to take risk-based and adequate measures to verify the UBO's identity and, if the customer is a legal entity, to take risk-based and adequate measures to gain an understanding of the customer's ownership and control structures; c. to establish the purpose and the intended nature of the business relationship; d. to continuously monitor its business relationships and the transactions conducted during their existence so as to ensure that these match the institution's knowledge of its customers and their risk profiles, where necessary carrying out further investigations into the origin of the funds used in the relevant business relationship or transaction; e. to establish whether the natural person representing the customer is authorised to do so; f. to take risk-based and adequate measures to verify whether the customer is acting on its own behalf or on behalf of a third party; g. to establish and verify, where applicable, the identity of the natural person referred to under e. 	Section 3(2) of the Wwft	http://wetten.overheid.nl/jci1.3:c:BWBR0024282&hoofdstuk=2&paragraaf=2.1&artikel=3&z=2016-08-11&g=2016-08-11
Life insurer (Solvency II)	Institutions must perform customer due diligence in the situations described in Section 3(5) of the Wwft.	Section 3(5) of the Wwft	http://wetten.overheid.nl/jci1.3:c:BWBR0024282&hoofdstuk=2&paragraaf=2.1&artikel=3&z=2016-08-11&g=2016-08-11

Category	Authorisation	Legal basis	Link to relevant section of the law (Dutch only)
Life insurer (Solvency II)	Without prejudice to the provisions of Sections 3(2), (3) and (4) of the Wwft, an institution must perform enhanced customer due diligence if and to the extent that a business relationship gives rise to an increased risk of money laundering or terrorist financing due to the nature of the customer's business or in connection with the state in which it is domiciled, resides, or has its registered office.	Section 8(1) of the Wwft	http://wetten.overheid.nl/jci1.3:c:BWBR0024282&hoofd-stuk=2&paragraaf=2.3&artikel=8&z=2016-08-11&g=2016-08-11
Life insurer (Solvency II)	Without prejudice to Section 8(1) of the Wwft, if customers are not physically present for identification purposes, institutions must take measures to offset the associated higher risk. Institutions can comply with the provision of the preceding sentence by: <ul style="list-style-type: none"> a. verifying the customer's identity on the basis of additional documents, data or information; b. checking the submitted documents for authenticity; or c. ensuring that the first payment related to the business relationship or transaction is made to or from the customer's account with a bank having its registered office in an EU Member State or a state designated by the Dutch Minister of Finance, which bank is authorised to pursue the business of a bank in that state or Member State. 	Section 8(2) of the Wwft	http://wetten.overheid.nl/jci1.3:c:BWBR0024282&hoofd-stuk=2&paragraaf=2.3&artikel=8&z=2016-08-11&g=2016-08-11
Life insurer (Solvency II)	Institutions must have risk-based procedures in place to determine whether a customer, the natural person referred to in Section 3(4), under b, of the Wwft, or the ultimate beneficial owner is a politically exposed person (PEP) who resides outside the Netherlands or does not have Dutch nationality.	Section 8(4) of the Wwft	http://wetten.overheid.nl/jci1.3:c:BWBR0024282&hoofd-stuk=2&paragraaf=2.3&artikel=8&z=2016-08-11&g=2016-08-11
Life insurer (Solvency II)	Without prejudice to Section 8(1) of the Wwft, institutions that enter into business relationships with, or conduct transactions for, customers referred to in the first sentence must also: <ul style="list-style-type: none"> a. ensure that any decision to enter into such a relationship or conduct such a transaction is taken or approved by staff members authorised to do so by the institution; b. take risk-based and adequate measures to verify the origin of the assets of the PEP and the funds used in the business relationship or transaction; and c. monitor the business relationship on an ongoing basis. 	Section 8(4) of the Wwft	http://wetten.overheid.nl/jci1.3:c:BWBR0024282&hoofd-stuk=2&paragraaf=2.3&artikel=8&z=2016-08-11&g=2016-08-11
Life insurer (Solvency II)	Reporting of unusual transactions	Section 15 of the Wwft Section 16 of the Wwft	http://wetten.overheid.nl/jci1.3:c:BWBR0024282&hoofd-stuk=3&paragraaf=3.2&artikel=15&z=2016-08-11&g=2016-08-11

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Life insurer (Solvency II)	By order in council, transaction category-based indicators are defined for assessing whether a transaction qualifies as unusual.	Section 15(1) of the Wwft	http://wetten.overheid.nl/jci1.3:c:BWBR0024282&hoofd-stuk=3&paragraaf=3.2&artikel=15&z=2016-08-11&g=2016-08-11
Life insurer (Solvency II)	An institution is under a duty to report executed or proposed unusual transactions promptly to the Financial Intelligence Unit (FIU-Netherlands) upon their unusual nature becoming known.	Section 16(1) of the Wwft	http://wetten.overheid.nl/jci1.3:c:BWBR0024282&hoofd-stuk=3&paragraaf=3.2&artikel=16&z=2016-08-11&g=2016-08-11
Life insurer (Solvency II)	When making a report as referred to in Section 16(1), the institution must provide the data listed in Section 16(2) of the Wwft.	Section 16(2) of the Wwft	http://wetten.overheid.nl/jci1.3:c:BWBR0024282&hoofd-stuk=3&paragraaf=3.2&artikel=16&z=2016-08-11&g=2016-08-11
Life insurer (Solvency II)	An institution that has identified a person pursuant to this Act and has verified that person's identity, or to which the customer has been introduced in accordance with the procedure set out in Section 5, must record the data listed in Section 33(1) of the Wwft in a manner allowing retrieval.	Section 33(1) of the Wwft	http://wetten.overheid.nl/jci1.3:c:BWBR0024282&hoofd-stuk=5&paragraaf=5.1&artikel=33&z=2016-08-11&g=2016-08-11
Life insurer (Solvency II)	Institutions must keep the data listed in Sections 33(1), 33(2) and 33(3) of the Wwft in readily accessible form for five years after terminating the business relationship or conducting the transaction in question.	Section 33(4) of the Wwft	http://wetten.overheid.nl/jci1.3:c:BWBR0024282&hoofd-stuk=5&paragraaf=5.1&artikel=33&z=2016-08-11&g=2016-08-11
Life insurer (Solvency II)	Institutions must keep the data referred to in Section 16(2) of the Wwft and record them in readily accessible form for five years after the report was made, allowing the transaction to be reconstructed.	Section 34 of the Wwft	http://wetten.overheid.nl/jci1.3:c:BWBR0024282&hoofd-stuk=5&paragraaf=5.2&artikel=34&z=2016-08-11&g=2016-08-11
Life insurer (Solvency II)	Institutions must ensure that their staff members are familiar with the provisions of the Wwft to the extent relevant for the performance of their duties, and that they are trained periodically to recognise unusual transactions and perform effective and exhaustive customer due diligence.	Section 35 of the Wwft	http://wetten.overheid.nl/jci1.3:c:BWBR0024282&hoofd-stuk=5&paragraaf=5.3&artikel=35&z=2016-08-11&g=2016-08-11
Solvency II and reinsurer	1977 Sanctions Act (Sanctiewet 1977 – Sw)		
Solvency II and reinsurer	Freeze list	Section 2 of the Sw, Regulation on Supervision pursuant to the Sw	http://wetten.overheid.nl/jci1.3:c:BWBR0003296&afdeling=2&artikel=2&z=2015-01-01&g=2015-01-01
Solvency II and reinsurer	Institutions must take measures regarding their internal control structure to ensure compliance with sanctions regulations.	Section 2 of the Regulation on Supervision pursuant to the Sw	http://wetten.overheid.nl/jci1.3:c:BWBR0018806&artikel=2&z=2014-05-09&g=2014-05-09
Solvency II and reinsurer	If an institution finds that a customer's identity matches that of a natural person or legal entity referred to in the sanctions regulations, it must notify the supervisory authority without delay. The notification to the supervisory authorities must include data on the customer's identity.	Section 3 of the Regulation on Supervision pursuant to the Sw	http://wetten.overheid.nl/jci1.3:c:BWBR0018806&artikel=3&z=2014-05-09&g=2014-05-09

Category	Authorisation	Legal basis	Link to relevant section of the law (Dutch only)
Solvency II and reinsurer	Institutions must keep the notifications referred to in Section 3 of the Sw and the data on accounts held by and transactions conducted with the customers involved in the notifications for up to five years after the expiry or abrogation of the sanctions regulations that referred to the natural person or legal entity in question.	Section 4 of the Regulation on Supervision pursuant to the Sw	http://wetten.overheid.nl/jci1.3:c:BWBR0018806&artikel=4&z=2014-05-09&g=2014-05-09
Solvency II and reinsurer	Sanctions against various countries	Section 2 of the Regulation on Supervision pursuant to the Sw , sanctions against various countries	http://wetten.overheid.nl/BWBR0003296/2015-01-01/o/informatie
Solvency II and reinsurer	We draw your attention to sanctions regulations providing for sanctions against specific countries. For more information on sanctions regulations in Dutch, please consult our website (www.dnb.nl , Toezicht, Open Boek Toezicht, Wetten en EU Richtlijnen, Sanctiewet 1977, Gerelateerde regelgeving).	Sanctions against various countries	http://wetten.overheid.nl/BWBR0003296/2015-01-01/o/informatie