

SECOND SUPPLEMENT TO THE GIBRALTAR GAZETTE

No. 5247 GIBRALTAR Thursday 14th August 2025

LEGAL NOTICE NO. 221 OF 2025

FINANCIAL SERVICES ACT 2019

FINANCIAL SERVICES (INSURANCE COMPANIES) (AMENDMENT No. 4) REGULATIONS 2025

In exercise of the powers conferred on the Minister by sections 55C, 620, 621, 626A and 627 of the Financial Services Act 2019, the Minister has made these Regulations–

Title.

1. These Regulations may be cited as the Financial Services (Insurance Companies) (Amendment No. 4) Regulations 2025.

Commencement.

2. These Regulations come into operation on the day of publication.

Amendment of the Financial Services (Insurance Companies) Regulations 2020.

- 3.(1) The Financial Services (Insurance Companies) Regulations 2020 are amended as follows–

- (2) In regulation 3(1)–

- (a) after the definition of “insurer”, insert–

“”internal model requirements” means the requirements in regulations 103A and 108 to 114;”;

- (b) in the definition of “internal model safeguard”, after “its internal model approval” insert “or otherwise”.

- (3) In regulation 14(8), in the second place it appears, for “with” substitute “which”.

- (4) For regulation 39(5), substitute–

- “(5) In the cases set out in sub-regulation (1)(b) and (c)–

- (a) the GFSC must ensure that the undertaking makes every effort to remedy the deficiencies that led to the imposition of the capital add-on; and

- (b) the undertaking must be able to submit a progress report to the GFSC, at its request, setting out the measures taken, and the progress made, to remedy the deficiencies that led to the imposition of the capital add-on.”.

(5) In regulation 56D(2)(d)(i), for “and reinsurance” substitute “or reinsurance”.

(6) In regulation 70–

- (a) in sub-regulation (1), after “given” insert “under this regulation and”;

- (b) after sub-regulation (1), insert–

“(1A) An application for approval under sub-regulation (1) must–

- (a) be made in the form and manner the GFSC directs; and
- (b) contain or be accompanied by any information the GFSC may reasonably require.

(1B) The GFSC may–

- (a) give approval;
- (b) give approval subject to conditions; or
- (c) refuse approval.

(1C) The GFSC may at any time vary or revoke an approval given under sub-regulation (1).”.

(7) In regulation 84–

- (a) in sub-regulation (1A), after “GFSC” insert “under this regulation and”;

- (b) after sub-regulation (1A), insert–

“(1AA) An application for ancillary own funds approval must–

- (a) be made in the form and manner the GFSC directs; and
- (b) contain or be accompanied by any information the GFSC may reasonably require.

(1AB) The GFSC may–

- (a) give approval;
- (b) give approval subject to conditions; or

(c) refuse approval.

(1AC) The GFSC may at any time vary or revoke an ancillary own funds approval.”.

(c) omit sub-regulation (5).

(8) In regulation 87–

(a) in sub-regulation (4), after “GFSC” insert “under this regulation and”;

(b) after sub-regulation (4), insert–

“(5) An application for classification of own funds approval must–

(a) be made in the form and manner the GFSC directs; and

(b) contain or be accompanied by any information the GFSC may reasonably require.

(6) The GFSC may–

(a) give approval;

(b) give approval subject to conditions; or

(c) refuse approval.

(7) The GFSC may at any time vary or revoke a classification of own funds approval.”.

(9) In regulation 101–

(a) in sub-regulation (3), after “undertaking” insert “under this regulation and”;

(b) after sub-regulation (3), insert–

“(4) An application for internal model approval must–

(a) be made in the form and manner the GFSC directs; and

(b) contain or be accompanied by any information the GFSC may reasonably require.

(5) The GFSC may–

(a) give approval;

- (b) give approval subject to conditions; or
- (c) refuse approval.

(6) The GFSC may at any time vary or revoke an internal model approval.”.

(10) In regulation 101A(1)(a), for “its” substitute “the”.

(11) In regulation 109(4), after “structured” insert “manner”.

(12) In regulation 113(2)(a), for “regulations 108 to 112 and article 239 of the Technical Standards” substitute “regulations 103A and 108 to 112”.

(13) After regulation 191, insert–

“Classification of parent undertakings.

191A.(1) This regulation applies where, as a result of changes to a parent undertaking or within its group, a parent undertaking which is classified as–

- (a) an insurance holding company considers that it should be re-classified as a mixed-activity insurance holding company; or
- (b) a mixed-activity insurance holding company considers that it should be re-classified as an insurance holding company.

(2) A parent undertaking to which sub-regulation (1) may apply to the GFSC for re-classification by submitting an application–

- (a) in the form and manner the GFSC directs; and
- (b) which contains or is accompanied by any information the GFSC may reasonably require.

(3) The GFSC, acting under this regulation and in accordance with regulation 276A, may–

- (i) give approval for re-classification;
- (ii) give approval subject to conditions; or
- (ii) refuse approval.

(4) The GFSC may at any time vary or revoke an approval given under sub-regulation (3).

(5) Nothing in the regulation limits the GFSC's power, on its own initiative, to reclassify a parent undertaking where the GFSC considers that it is appropriate to do so. ”.

(14) After regulation 193(2), insert–

“(2A) An undertaking within a group may be excluded from group supervision if and to the extent that the GFSC–

- (a) has on its own initiative so decided; or
- (b) on application by the relevant insurance group undertaking, has approved under this regulation and in accordance with regulation 276A.

(2B) An application for approval under sub-regulation (2A)(b) must–

- (a) be made in the form and manner the GFSC directs; and
- (b) contain or be accompanied by any information the GFSC may reasonably require.

(2C) The GFSC may–

- (i) give approval;
- (ii) give approval subject to conditions; or
- (ii) refuse approval.

(2D) The GFSC may at any time vary or revoke an approval given under sub-regulation (2A)(b).”.

(15) In regulation 199–

- (a) in sub-regulation (4), after “(3)” insert “or (7)”;
- (b) after sub-regulation (6), insert–

“(7) A group for which the GFSC is the group supervisor may apply to the GFSC for approval to use Method 2 or a combination of Methods 1 and 2.

(8) An application for approval under sub-regulation (7) must–

- (a) be made in the form and manner the GFSC directs; and
- (b) contain or be accompanied by any information the GFSC may reasonably require.

(9) The GFSC, acting in accordance with regulation 276A, may–

- (a) give approval;
- (b) give approval subject to conditions; or
- (c) refuse approval.

(10) The GFSC may at any time vary or revoke an approval given under sub-regulation (7).”.

(16) In regulation 201(5), for “Where” substitute “Subject to Article 330(3) and (4) of the Solvency 2 Technical Standards, where”.

(17) In regulation 205–

- (a) in sub-regulation (4), after “GFSC” insert “under this regulation and”;
- (b) after sub-regulation (4), insert–

“(5) An application for approval under sub-regulation (4) must–

- (a) be made in the form and manner the GFSC directs; and
- (b) contain or be accompanied by any information the GFSC may reasonably require.

(6) The GFSC may–

- (a) give approval;
- (b) give approval subject to conditions; or
- (c) refuse approval.

(7) The GFSC may at any time vary or revoke an approval given under sub-regulation (4).”.

(18) In regulation 206–

- (a) in sub-regulation (2), after “GFSC” insert “, on its own initiative or on application by the relevant insurance group undertaking,”;
- (b) after sub-regulation (2), insert–

“(3) An application for permission under sub-regulation (2) must–

- (a) be made in the form and manner the GFSC directs; and

- (b) contain or be accompanied by any information the GFSC may reasonably require.

(4) The GFSC, acting under sub-regulation (2) and in accordance with regulation 276A, may–

- (a) give permission;
- (b) give permission subject to conditions; or
- (c) refuse permission.

(5) The GFSC may at any time vary or revoke a permission given under sub-regulation (2).”.

(19) After regulation 209(4), insert–

“(4A) The GFSC, on application, may give permission for a group, on a temporary basis, to use more than one calculation approach when calculating its consolidated group Solvency Capital Requirement under Method 1–

- (a) during the interim period before a new or enlarged group internal model has been granted permission; or
- (b) before new group-specific parameters have been approved for an enlarged group.

(4B) An application for permission under sub-regulation (4A) must–

- (a) be made in the form and manner the GFSC directs; and
- (b) contain or be accompanied by any information the GFSC may reasonably require.

(4C) The GFSC, acting under sub-regulation (4A) and in accordance with regulation 276A, may–

- (a) give permission;
- (b) give permission subject to conditions; or
- (c) refuse permission.

(4D) The GFSC may at any time vary or revoke a permission given under sub-regulation (4A).”.

(20) In regulation 210–

(a) after sub-regulation (1), insert–

“(1A) An application for permission under sub-regulation (1) must–

- (a) be made in the form and manner the GFSC directs; and
- (b) contain or be accompanied by any information the GFSC may reasonably require.”.

(b) for sub-regulation (2), insert–

“(2) The GFSC–

- (a) may–
 - (i) give permission;
 - (ii) give permission subject to such terms and conditions as it may determine; or
 - (iii) refuse permission; and
- (b) must provide the applicant with a document setting out its fully reasoned decision.

(2A) A permission under this regulation must be given by the GFSC in accordance with regulation 276A.

(2B) The GFSC may at any time vary or revoke a permission given under sub-regulation (2).”.

(21) In regulation 276A(1)–

- (a) in paragraph (b)(i), after “estimate” insert “or to give such approval subject to conditions”;
- (b) in paragraph (c)(i), after “approval” insert “or to give such approval subject to conditions”;
- (c) in paragraph (d)(i), after “approval” insert “or to give such approval subject to conditions”;
- (d) in paragraph (e)(i), in the second place it appears, after “internal model” insert “, or to give such approval subject to conditions”;
- (e) after paragraph (e), insert–

- “(ea) under regulation 191A–
 - (i) to give approval for the re-classification of a parent undertaking or to or to give such approval subject to conditions; or
 - (ii) to refuse, vary or revoke such an approval;
- (eb) under regulation 193(2A)(b)–
 - (i) to give approval for an undertaking to be excluded from group supervision or to give such approval subject to conditions; or
 - (ii) to refuse, vary or revoke such an approval;
- (ec) under regulation 199–
 - (i) to give approval for the use of Method 2 or a combination of Methods 1 and 2 or to give such approval subject to conditions; or
 - (ii) to refuse, vary or revoke such an approval;”;
- (f) after paragraph (f), insert–
 - “(fa) under regulation 206–
 - (i) to give permission for a third country undertaking to be taken into account on an equivalence basis, in accordance with sub-regulation (2);
 - (ii) to give such permission subject to conditions; or
 - (iii) to refuse, vary or revoke such permission;
 - (fb) under regulation 209–
 - (i) to give permission, on a temporary basis, for a group to use more than one calculation approach when calculating its consolidated group Solvency Capital Requirement under Method;
 - (ii) to give such permission subject to conditions; or
 - (iii) to refuse, vary or revoke such permission;
 - (fc) under regulation 210–
 - (i) to give permission for the consolidated group Solvency Capital Requirement and the Solvency Capital Requirement of group undertakings to be calculated on the basis of an internal model;

- (ii) to give such permission subject to terms and conditions; or
 - (iii) to refuse, vary or revoke such permission;”;
 - (g) in paragraph (g)(i), after “obligations” insert “or to give such approval subject to conditions”;
 - (h) in paragraph (ga)–
 - (i) in sub-paragraph (i), after paragraph (bb), omit “or”;
 - (ii) after sub-paragraph (i), insert–
 - “(ia) to give such approval subject to conditions; or”;
 - (i) in paragraph (gb)–
 - (i) in sub-paragraph (i), after paragraph (bb), omit “or”;
 - (ii) after sub-paragraph (i), insert–
 - “(ia) to give such approval subject to conditions; or”;
 - (j) in paragraph (gc)–
 - (i) in sub-paragraph (i), after paragraph (bb), omit “or”;
 - (ii) after sub-paragraph (i), insert–
 - “(ia) to give such approval subject to conditions; or”;
 - (k) in paragraph (h)(i), after “(“USP approval”)” insert “or to give such approval subject to conditions”;
 - (l) in paragraph (i)(i), after “(“GSP approval”)” insert “or to give such approval subject to conditions”.
- (22) After regulation 276A(4), insert–
- “(5) The GFSC, on the application or with the consent of a person who is given an approval in accordance with this regulation, may specify within that approval provisions of these Regulations, the Solvency 2 Technical Standards or the Reporting Technical Standards which the person–
- (a) is not required to apply; or
 - (b) is to apply subject to modifications specified in the approval,

where the GFSC is satisfied that requiring the specified provisions to apply (either at all or without modification) is incompatible with the approval.

(6) In sub-regulations (2) to (5), references to “approval” include permission under sub-regulation (1)(fa), (fb) or (fc).”.

(23) In Schedule 1, in paragraph 2–

(a) in sub-paragraph (1), after “given” insert “under this paragraph and”;

(b) after sub-paragraph (1), insert–

“(1A) An application for approval under sub-paragraph (1) must–

(a) be made in the form and manner the GFSC directs; and

(b) contain or be accompanied by any information the GFSC may reasonably require.

(1B) The GFSC may–

(a) give approval;

(b) give approval subject to conditions; or

(c) refuse approval.

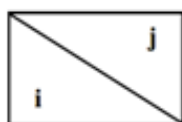
(1C) The GFSC may at any time vary or revoke an approval given under sub-paragraph (1).”.

(24) In Schedule 4–

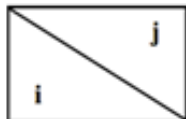
(a) in paragraph 3(1), for the formula, substitute–

$$SCR_{life} = \sqrt{\sum_{i,j} Corr_{i,j} \cdot SCR_i \cdot SCR_j}$$

(b) in paragraph 3(3), in the correlation matrix, for the first entry in the first line, substitute–



- (c) in paragraph 4(2), in the correlation matrix, for the first entry in the first line, substitute–



Amendment of the Solvency 2 Technical Standards.

4.(1) The Annex to the Financial Services (Solvency 2) (Technical Standards) Regulations 2025 is amended as follows.

(2) Omit Articles 62 to 67.

(3) In Article 71–

- (a) in paragraph (12), in the closing words, after “given” insert “under this Article and”;
- (b) in paragraph (14), after “given” insert “under this Article and”;
- (c) after paragraph (14), insert–

“(15) An application for approval under paragraph (12) or (14) must–

- (a) be made in the form and manner the GFSC directs; and
- (b) contain or be accompanied by any information the GFSC may reasonably require.

(16) The GFSC may–

- (a) give approval;
- (b) give approval subject to conditions; or
- (c) refuse approval.

(17) The GFSC may at any time vary or revoke an approval given under paragraph (12) or (14).”.

(4) In Article 73–

- (a) in paragraph (6), in the closing words, after “given” insert “under this Article and”;
- (b) in paragraph (7), in the closing words, after “given” insert “under this Article and”;

(c) after paragraph (7), insert–

“(8) An application for approval under paragraph (6) or (7) must–

- (a) be made in the form and manner the GFSC directs; and
- (b) contain or be accompanied by any information the GFSC may reasonably require.

(9) The GFSC may–

- (a) give approval;
- (b) give approval subject to conditions; or
- (c) refuse approval.

(10) The GFSC may at any time vary or revoke an approval given under paragraph (6) or (7).”.

(5) In Article 77(7)–

- (a) in paragraph (6), in the closing words, after “given” insert “under this Article and”;
- (b) in paragraph (7), in the closing words, after “given” insert “under this Article and”;
- (c) after paragraph (7), insert–

“(8) An application for approval under paragraph (6) or (7) must–

- (a) be made in the form and manner the GFSC directs; and
- (b) contain or be accompanied by any information the GFSC may reasonably require.

(9) The GFSC may–

- (a) give approval;
- (b) give approval subject to conditions; or
- (c) refuse approval.

(10) The GFSC may at any time vary or revoke an approval given under paragraph (6) or (7).”.

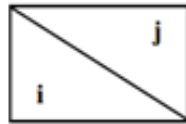
(6) Omit Article 79.

(7) After Article 82(3), insert–

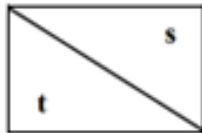
“(4) An insurance or reinsurance undertaking must apply the quantitative limits in this Article to own funds items in respect of which it has received a classification of own funds approval.”.

(8) In Article 91(a), in the opening words, for “year” substitute “year k”.

(9) In Article 144(3), in the correlation matrix, for the first entry in the first line, substitute–



(10) In Article 148A, in the correlation matrix, for the first entry in the first line, substitute–



(11) In Article 218–

(a) in paragraph (1), after “given” insert “under this Article and”;

(b) after paragraph (1), insert–

“(1A) An application for USP approval must–

(a) be made in the form and manner the GFSC directs; and

(b) contain or be accompanied by any information the GFSC may reasonably require.

(1B) The GFSC may–

(a) give approval;

(b) give approval subject to conditions; or

(c) refuse approval.

(1C) The GFSC may at any time vary or revoke a USP approval.”.

(12) In Article 252(11)–

- (a) for the formula, substitute—

$$\text{NSCR}_{\text{nl}} = \frac{\text{NMCR}_{(\text{linear}, \text{nl})}}{\text{NMCR}_{(\text{linear}, \text{nl})} + \text{NMCR}_{(\text{linear}, \text{l})}} \times \text{SCR}$$

- (b) in sub-paragraph (c), for “(X)” substitute “(8)”.

- (13) In Article 272, re-number the opening words as paragraph (1).

- (14) In Article 274, re-number the final paragraph as paragraph (6).

- (15) Omit Article 328.

- (16) Omit Article 330(1) and (2).

- (17) In Article 331—

- (a) in paragraph (1), for “69 to 79” substitute “69 to 78”;

- (b) in paragraph (3), for “69 to 79” substitute “69 to 78”.

- (18) In Article 332(1), for “69 to 79” substitute “69 to 78”.

- (19) In Article 333—

- (a) in paragraph (1), for “69 to 79” substitute “69 to 78”;

- (b) in paragraph (3), for “69 to 79” substitute “69 to 78”.

- (20) In Article 334(2), for “69 to 79” substitute “69 to 78”.

- (21) In Article 338—

- (a) in paragraph (1), after “given” insert “under this Article and”;

- (b) after paragraph (1), insert—

“(1A) An application for GSP approval must—

- (a) be made in the form and manner the GFSC directs; and

- (b) contain or be accompanied by any information the GFSC may reasonably require.

(1B) The GFSC may—

- (a) give approval;
- (b) give approval subject to conditions; or
- (c) refuse approval.

(1C) The GFSC may at any time vary or revoke a GSP approval.”.

(22) Omit Article 376(3).

(23) In Schedule 27, in Table 3, for the first entry in the second line, substitute–

Duration
(duri)

Revocation of retained EU law.

5. The following retained EU law, so far as it forms part of domestic law, is revoked–

- (a) Commission Implementing Regulation (EU) 2015/499 of 24 March 2015 laying down implementing technical standards with regard to the procedures to be used for granting supervisory approval for the use of ancillary own-fund items in accordance with Directive 2009/138/EC of the European Parliament and of the Council; and
- (b) Commission Implementing Regulation (EU) 2015/2012 of 11 November 2015 laying down implementing technical standards with regard to the procedures for decisions to set, calculate and remove capital add-ons in accordance with Directive 2009/138/EC of the European Parliament and of the Council.

Dated: 11th August 2025.

N FEETHAM KC
Minister with responsibility for financial services

EXPLANATORY MEMORANDUM

These Regulations amend the Financial Services (Insurance Companies) Regulations 2020 and the Financial Services (Solvency 2) (Technical Standards) Regulations 2025, and revokes Commission Implementing Regulations (EU) 2015/499 and (EU) 2015/2012. They amend or remove EU-derived provisions relating to own funds which are now addressed in guidance issued by the GFSC, in order to align with UK law and practice. They also harmonise procedural provisions in both Regulations and make an unrelated minor correction to the 2020 Regulations.