

SECOND SUPPLEMENT TO THE GIBRALTAR GAZETTE

No. 5271 GIBRALTAR Thursday 18th December 2025

LEGAL NOTICE NO. 274 OF 2025

FINANCIAL SERVICES ACT 2019

FINANCIAL SERVICES (SOLVENCY 2) (TECHNICAL STANDARDS) (AMENDMENT) REGULATIONS 2025

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

Title.

1. These Regulations may be cited as the Financial Services (Solvency 2) (Technical Standards) (Amendment) Regulations 2025.

Commencement.

2. These Regulations come into operation on 2nd January 2026.

Amendment of the Solvency 2 Technical Standards.

3.(1) The Financial Services (Solvency 2) (Technical Standards) Regulations 2025 are amended as follows.

(2) In the Annex, after Article 71(17), insert-

“(18) Paragraph (19) applies where an insurance or reinsurance undertaking has legacy paid-in preference shares in issue.

(19) For a period of up to 25 years from 2nd January 2026, for the purposes of paragraphs (1)(d) and (n), and (3)(c) in the case of basic own funds items referred to Article 69(a)(i), an undertaking may disregard-

- (a) the terms of those legacy paid-in preference shares; and
- (b) for basic own funds items referred to in Article 69(a)(i), any terms governing the basic own funds items which prevent or cancel the declaration or payment of distributions where distributions on legacy paid-in preference shares are in arrears.

(20) In this Article “legacy paid-in preference shares” means paid-in preference shares that meet the following conditions-

- (a) the instruments were issued before 18th January 2015;
- (b) on 31st December 2015 the instruments could be used as—
 - (i) core tier one capital;
 - (ii) perpetual non-cumulative preference shares;
 - (iii) innovative tier one capital; or
 - (iv) upper tier two capital,to meet the technical reserves and margin of solvency requirements of the Financial Services (Insurance Companies) Act as it applied on 31st December 2015; and
- (c) the instruments are not otherwise included as Tier 1 own funds, Tier 2 own funds, or Tier 3 own funds in accordance with regulations 86 and 87 of the Insurance Companies Regulations.”.

Dated 18th December 2025.

N FEETHAM KC
Minister with responsibility for financial services

EXPLANATORY MEMORANDUM

These Regulations amend the Financial Services (Solvency 2) (Technical Standards) Regulations 2025, to provide a long-term transitional arrangement for the inclusion of legacy paid-in preference shares by insurance and reinsurance undertakings in meeting own funds requirements.