



# Tendencias en la regulación: cambios recientes en la regulación y supervisión en Iberoamérica

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Areas of focus during the last year for the Portuguese supervisor

### **Regulatory initiatives at European level**

- **Solvency II** regime revision
- **Insurance Recovery and Resolution** regime creation
- **Digital Finance**, including **digital operational resilience**
- **Sustainable Finance**
- **EU Retail Investment Strategy**

### **Regulatory initiatives at national level**

- **Sismic fund**
  - **Diversity and inclusion** promotion
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Solvency II regime revision and creation of an insurance recovery and resolution regime

## Regulatory Initiatives

- **Solvency II Directive revision**
    - New proportionality requirements – e.g. creation of a new category of undertakings: *small and non-complex* (SNC)
    - Reporting and audit requirements – can be adjusted in times of constraints (e.g. pandemic)
    - New method for the extrapolation of the interest rate risk term structure
    - Introduction of a new design for the volatility adjustment
    - Recalibration of the Solvency Capital Requirement (SCR) calculation
    - New macroprudential requirements (e.g. report to the supervisor of liquidity management plans)
    - Creation of a new register for cross-border activities
    - Inclusion of sustainability requirements
    - New powers for the national competent authorities in the context of group supervision
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Solvency II regime revision and creation of an insurance recovery and resolution regime

## Regulatory Initiatives

- **Insurance Recovery and Resolution Directive (IRRD)**
    - Establishment of national resolution authorities for insurance
    - Requirement to set preventive recovery plans
    - Requirement to create resolution plans (by decision of the national resolution authority, where needed)
    - Definition of the conditions for resolution, applicable principles, assessment, instruments, and financing
  - Political agreement at EU level reached by the end of 2023
  - Next steps (most likely)
    - Endorsement of the political agreement by co-legislators will only happen after the European elections
    - Earliest entry into force would then be in September 2024, earliest date of application in September 2026
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Digital Finance, including digital operational resilience

## Regulatory Initiatives

- **At European Union level:**

- Development of Regulatory Technical Standards (RTS) and Implementing Technical Standards (ITS) that complete Regulation (EU) 2022/2054 of the European Parliament and of the Council of 14 December 2022 (**DORA – Digital Operational Resilience Act**)
    - DORA's main objectives are to harmonise the management of risks associated with information and communication technologies (ICT), the report of major ICT-related incidents, to set new rules on digital resilience testing, to manage the risks associated with ICT third-party providers, and to promote information sharing within the EU
    - DORA will be applicable from 17 January 2025
  - Political agreement on a Directive for the regulation of Artificial Intelligence (**AI Act**)
    - The objective is to ensure that AI systems used in the EU are safe, transparent, traceable, non-discriminatory and environmentally friendly
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Digital Finance, including digital operational resilience

### Regulatory Initiatives

- **At national level (Portugal):**
    - ASF will anticipate the reporting of major ICT-related incidents, before the application of DORA, already in 2024
    - The existing Regulation on ICT security and governance and outsourcing to cloud service providers, currently applicable to insurers only (Regulation 6/2022-R, of 7 June), will be extended to pension funds management entities
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