



EUROPEAN COMMISSION

DIRECTORATE-GENERAL FOR FINANCIAL STABILITY, FINANCIAL SERVICES AND CAPITAL
MARKETS UNION

Banking, Insurance and Financial Crime
Insurance and pensions

Brussels,
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EIOPA
Ms Ana Teresa Moutinho
Head of Supervisory Processes
Department
Westhafentower
Westhafenplatz 1
60327 Frankfurt
GERMANY

Via email:
AnaTeresa.Moutinho@eiopa.europa.eu

Subject: Request to modify the techniques, data specifications and parameters used for determining the technical information on the relevant risk-free interest rate term structure

Dear Ms Moutinho,

I acknowledge the receipt of your letter of 10 August 2022 in which you informed us, pursuant to Article 43 of the Delegated Regulation (EU) 2015/35, of substantial changes in the data used for determining the technical information on the relevant risk-free interest term structure occurred, due to changes in the depth, liquidity and/or transparency of the financial markets for the potential instruments to derive the basic risk-free interest rates. Against this background, you propose the following changes:

1. A change of input instruments in the case of the Japanese Yen (from bonds to swaps), of the Swiss Franc (from bonds to swaps) and of the US Dollar (from LIBOR-to-fixed swaps to SOFR-to-fixed swaps);
2. The change of the Last Liquid Points (LLP) used for the calculation of the risk-free rate term structures of the Icelandic króna (from 8 years to 9 years) and the Pound Sterling (from 30 years to 50 years);
3. The change of an index version used in the calculation of the volatility adjustment for the Danish Krone (as identified by Refinitiv RIC pairs from .NYKROYT/.NYKRRYTM to .NYKROAY2/.NYKROAD2).

You also explain there would be limited impact from those proposals on the EU insurance sector and you reference documents demonstrating that.

After having carefully reviewed the proposals and the justification provided, I hereby request EIOPA to proceed with the changes listed above.

These modifications shall be used by EIOPA, pursuant to Article 77e(1) of Directive 2009/138/EC, for laying down and publishing technical information for the calculation of technical provisions and basic own funds for reporting with reference date starting as from 1 January 2023.

The team of my unit remains at your disposal for further queries, if any.

Yours sincerely,

(e-signed)

Didier Millerot
Head of Unit

Contact: Robert HINTZE, Robert.HINTZE@ec.europa.eu, +32 2 29 557 64