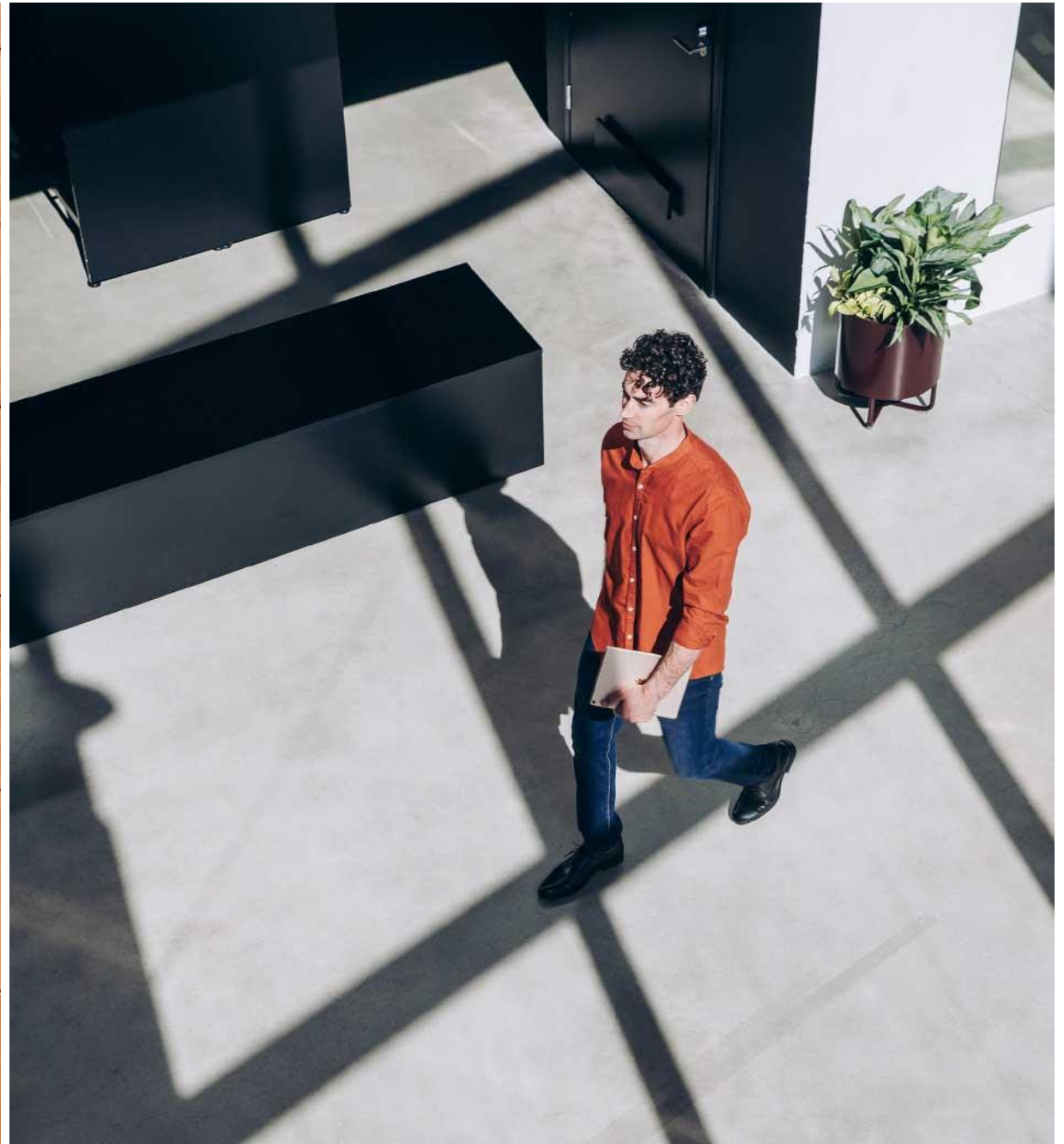


Solvency II treatment of bonds issued by MuniFin

20.11.2020

MuniFin



Solvency II treatment of bonds issued by MuniFin

- Based on the Commission Delegated Regulation (EU) 2019/981 amending the Solvency II regulation, MuniFin interprets its bonds, being fully guaranteed by the Municipal Guarantee Board, to meet the requirements of Article 180 and to be treated as exposures to the central government (risk factor of 0%). However, any investor being regulated by Solvency II is responsible for evaluating independently treatment of MuniFin's bonds when calculating risk factors of its assets.
- *"(38) Article 180 is amended as follows: (a) in paragraph 2, the following subparagraph is added: 'For the purposes of point (b) of the first subparagraph, exposures in the form of bonds and loans that are fully, unconditionally and irrevocably guaranteed by regional governments and local authorities listed in Article 1 of Commission Implementing Regulation (EU) 2015/2011 (*), where the guarantee meets the requirements set out in Article 215 of this Regulation, shall be treated as exposures to the central government.'"*
- **Commission delegated regulation (EU) 2019/981:**
<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32019R0981>