

Solvency II Directive applicable in Romania from 1 January 2016

On 8 July 2014 the Romanian Financial Supervisory Authority (the “FSA”) issued a press release (the “**Press Release**”) regarding the implementation in Romania of the Solvency II Directive (i.e. Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance).

As per the Press Release, within the second half of July 2014, the FSA intends to publish the draft of the Law regulating the authorisation and supervision of insurers in Romania (the “**Draft Law**”) for public debate. A deadline of 31 May 2015 is set for the approval of this law by the Parliament, with an expected entry into force of the law on 1 January 2016. From this date, the Solvency II Directive will be applicable in Romania in the form implemented by the Draft Law.

The Press Release further indicates that in order to better respond to the challenges arising from the implementation of the Solvency II Directive, the FSA will be in constant dialogue with the insurance market and will prepare impact studies based on the financial results of 2013 and 2014. It is expected the Draft Law, once entered into force, will increase the level of protection offered to the insureds by diminishing the likelihood of losses in case of insurers’ distress.

Upon implementation of the Solvency II Directive, an increase of insureds’ confidence is expected, as well as a strengthening of real and correct competition between insurers.

The full form of the Press Release can be accessed in Romanian [here](#).

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