

**Question for written answer E-002216/2016  
to the Commission**  
Rule 130  
**Sander Loones (ECR)**

Subject: Guarantees by regional authorities in connection with Solvency II

The Solvency II framework distinguishes between guarantees from central government and from regional authorities.

If an investment is guaranteed by one of the parties referred to in points (a) to (d) of Article 180 of Delegated Regulation (EU) 2015/35, a risk factor of 0% is assigned to the investment (Article 180(2)). The same does not apply to investments covered by guarantees from regional authorities. Despite the special Belgian institutional provisions and the scope for the Flemish Government to raise capital (for example by levying taxes), a Flemish guarantee is therefore worth less than a federal guarantee.

As a result of these provisions, Flemish insurers are saddled with extra capital costs and decide against investing, inter alia, in important infrastructure projects.

Is the Commission aware of the possible problems which this has caused and is still causing in Flanders and other European regions?

What is the Commission's rationale for this distinction between central and regional authorities as regards risk weightings of investments covered by guarantees?

Will the Commission tackle this distinction in connection with the planned review of the Solvency II standard formula (before the end of 2018)?