

## FLASH NEWS INSURANCE - NATIONAL BANK OF BELGIUM PUBLISHED THE MULTILATERAL MEMORANDUM OF UNDERSTANDING ON SUPERVISORY COOPERATION AND EXCHANGE OF INFORMATION

*Recognising the need and the benefit of mutual assistance in ongoing supervision and on-site inspections and in the exchange of information concerning (re)insurance undertakings with cross-border establishments in the UK and the EEA, the UK authorities and EEA authorities responsible for the supervision of the insurance industry have agreed on the establishment of cooperation agreements between the UK authorities and each single EEA authority, subject to the Multilateral Memorandum of Understanding (MMoU).*

The MMoU, being a statement of intent and hence not legally binding on the signatory UK authorities and EEA authorities, serves to establish a formal basis for cooperation between the UK authorities, on the one hand, and each single EEA authority, on the other hand. The MMoU is therefore not intended to create commitments for the UK Authorities in relation to each other, nor for the EEA Authorities in relation to each other. The supervisory cooperation includes the exchange of supervisory information (where permitted or not prevented under applicable law) and supervisory assistance in order to ensure adequate levels of policyholder protection and to promote the prudential soundness of the insurance industry and the financial stability in their respective countries.

Although it does not create directly or indirectly any legally enforceable rights or obligations for the signatory authorities or third parties, this MMoU shows the intent to safeguard prudential supervision of (re)insurance undertakings with cross-border establishments in the UK and the EEA after the finalisation of the Brexit. This ensures that the prudential supervision of those undertakings does not merely fall back on the regime for supervision regarding (re)insurance undertakings established in or with cross-border establishments in third countries as is provided by the Law of 13 March 2016 on the status and supervision of insurance or reinsurance undertakings. Also, this memorandum and the cooperation agreements that will normally follow may have an impact with regard to supervisory activities on outsourcing arrangements between such (re)insurance companies and undertakings in third countries.

The MMoU enters into force on the date the European Treaties and EU secondary legislation have ceased to apply in the UK. To view or read the MMoU in full, please click [here](#).

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