

# Bank of England

## Prudential Regulation Authority

### Matching adjustment

Firms may apply to the PRA for permission to apply a matching adjustment to the relevant risk-free interest term structure to calculate the best estimate of a portfolio of eligible insurance obligations, pursuant to regulation 42 of the Financial Services and Markets (The Solvency 2 Regulations 2015) (“the Statutory Instrument”), where the conditions set out in regulation 42 are satisfied.

Further requirements relating to the matching adjustment are set out in directly applicable EU Regulations adopted in accordance with the Solvency II Directive.

Firms wishing to apply the matching adjustment should complete the Solvency II approval application form available on the Solvency II approvals page together with the following supplementary information.

[Supplementary information for applications to apply matching adjustment](#)

[MA calculation spreadsheet](#)

[Matching adjustment cash flow tests](#)

The deadlines for assessing matching adjustment applications are set out in the relevant implementing technical standard.

Firms should also refer to the PRA’s previous publications on matching adjustment when submitting an application – refer to the [Solvency II materials page](#) for links to all relevant publications.

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