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 (Solvency II) (recast) (Text with EEA relevance)

TITLE I

GENERAL RULES ON THE TAKING-UP AND PURSUIT OF
DIRECT INSURANCE AND REINSURANCE ACTIVITIES

CHAPTER VI

**Rules relating to the valuation of assets and liabilities, technical provisions, own funds,
Solvency Capital Requirement, Minimum Capital Requirement and investment rules**

Section 2

Rules relating to technical provisions

[^{F1}*Article 77a*

Extrapolation of the relevant risk-free interest rate term structure

The determination of the relevant risk-free interest rate term structure referred to in
Article 77(2) shall make use of, and be consistent with, information derived from
relevant financial instruments. That determination shall take into account relevant
financial instruments of those maturities where the markets for those financial
instruments as well as for bonds are deep, liquid and transparent. For maturities where
the markets for the relevant financial instruments or for bonds are no longer deep, liquid
and transparent, the relevant risk-free interest rate term structure shall be extrapolated.

The extrapolated part of the relevant risk-free interest rate term structure shall be based
on forward rates converging smoothly from one or a set of forward rates in relation to
the longest maturities for which the relevant financial instrument and the bonds can be
observed in a deep, liquid and transparent market to an ultimate forward rate.]