

Comments Template on EIOPA-CP-14-048 Draft proposal for Level 3 Guidelines on the supervision of branches of third-country insurance undertakings		Deadline 02.Mar.2015 23:59 CET
Company name:	Insurance Europe	
Disclosure of comments:	EIOPA will make all comments available on its website, except where respondents specifically request that their comments remain confidential. Please indicate if your comments on this CP should be treated as confidential, by deleting the word Public in the column to the right and by inserting the word Confidential.	Public
<p>Please follow the instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ <u>Do not change the numbering</u> in column "Reference". ⇒ Please fill in your comment in the relevant row. If you have <u>no comment</u> on a paragraph, keep the row <u>empty</u>. ⇒ Our IT tool does not allow processing of comments which do not refer to the specific paragraph numbers below. <ul style="list-style-type: none"> ○ If your comment refers to multiple paragraphs, please insert your comment at the first relevant paragraph and mention in your comment to which other paragraphs this also applies. ○ If your comment refers to sub-bullets/sub-paragraphs, please indicate this in the comment itself. <p>Please send the completed template to Consultation_Set2@eiopa.europa.eu, in MSWord Format, (our IT tool does not allow processing of any other formats).</p> <p>The paragraph numbers below correspond to Consultation Paper No. EIOPA-CP-14-048.</p>		
Reference	Comment	
General Comment	Insurance Europe appreciates the opportunity to provide comments on the draft guidelines. We support EIOPA's intention to ensure a level playing field within the EEA and we recognise the need to strike a balance between not overburdening third country branches disproportionately whilst not giving third country branches a competitive advantage over EEA undertakings subject to Solvency II requirements. We welcome the references to the principle of proportionality with	

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regards to reporting requirements. However, the principle of proportionality should apply throughout the entire guidelines, to reflect appropriately the nature, scale, and complexity of the risks presented by third country branches.

We acknowledge the efforts EIOPA is making to ensure that policyholder protection is achieved in branch supervision. However, we are concerned that the requirements imposed in the EIOPA guidance go beyond the level necessary to ensure an adequate level of policyholder protection provided by third country branches. Overly burdensome requirements of branches may hollow out the diversity of legal structures which undertakings currently employ. Accordingly, we have the following concerns:

Use of guidelines as legislative instruments

Chapter IX of Title I of the Solvency II Directive sets out requirements for third country branches. Guidelines issued under Article 16 of Regulation 1094/2010 should aim to ensure the common, uniform and consistent application of "Union law". However, this set of Guidelines imposes significant additional requirements, not mentioned in the Directive, for example by adding additional conditions for authorisation, specifying additional contents for a branch scheme of operations and imposing reporting requirements on third country branches. We question whether EIOPA Guidelines should be used effectively as legislative provisions imposing new requirements on undertakings (since the "comply or explain" process leaves Member States little option but to implement Guidelines). Article 16 gives EIOPA the power to provide guidance and advice on how to apply provisions in EU legal provisions, such as Directives and Regulations, uniformly and consistently. We do not think it should be used to add further regulatory requirements to those appearing in Directives and Regulations.

Retaliation by third country jurisdictions

We believe that the extensive nature of these requirements may lead to retaliation by third country authorities against branches of EU undertakings in their jurisdictions. In view of the international presence of EU undertakings, such action would be damaging to the EU's insurance industry. EU undertakings with branches in third countries will incur significant extra costs if the authorities in those countries follow the precedent set by EIOPA and impose onerous regulatory obligations, such

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	as extensive annual and quarterly reporting and demanding authorisation conditions..	
1.1.		
1.2.		
1.3.		
1.4.		
1.5.		
1.6.	<p>Third country branches are not within the scope of the equivalence assessments as set out in Article 227 and 260 of the Directive. This paragraph says that supervisory authorities may have regard to equivalence decisions where they are relevant to assessing the solvency of the whole third-country undertaking. Our understanding is that no such assessment is required. Guideline 1 requires the third-country undertaking to have an adequate solvency margin under its home jurisdiction rules, not under Solvency II rules (or their equivalent). Hence, there is no need for a supervisory authority to have regard to equivalence decisions in assessing whether this condition is met.</p> <p>It should also be noted that the assessment of the solvency of the whole third-country undertaking, irrespective of whether local rules are equivalent or not, is not a prerequisite to granting authorization to the branch according to Article 162.</p>	
1.7.		
1.8.		
1.9.	It is not clear what the spreadsheet mentioned in this paragraph refers to, as what is currently available on the EIOPA website is Technical Annexes III and IV. Please clarify the name of this spreadsheet and where it can be found.	
1.10.		
1.11.		
1.12.		
Guideline 1 - 1.13	The conditions that a third country undertaking must meet in order for its branch to be granted an authorisation are specified in Article 162(2) of the Solvency II Directive. As noted earlier, we have	

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concerns over whether it is appropriate for EIOPA to add to this list – agreed by EU institutions – by way of Guidelines. If, nevertheless, EIOPA is determined to pursue this course of action the paragraph should read less ambiguously. We suggest the following:

When authorising or continuing authorisation of a branch of a third-country insurance undertaking, a host supervisory authority should be satisfied that the third-country insurance undertaking meets the conditions specified in Directive Article 162(2). In addition, a host supervisory authority should:

- a) Be satisfied that the third-country insurance undertaking has the solvency margin required by its home jurisdiction rules. The undertaking may demonstrate this by providing recent confirmation of its solvency position from its home supervisory authority.*

Receive written confirmation from the undertaking that it will provide any information that the host supervisory authority may reasonably need for supervision purposes.

As it is currently written, this paragraph, which consists of a single lengthy sentence, and the succeeding paragraph 1.14, require clarification. It is unclear what is meant by an “adequate” solvency margin and how a host supervisory authority should determine adequacy. It is also unclear precisely what information the undertaking should agree to provide to the host supervisor. Our understanding of these paragraphs is that:

- 1) A host supervisor should be satisfied that the undertaking meets the solvency margin required by its home jurisdiction prudential requirements.
- 2) The undertaking should:
 - a. Agree to provide any information which the host supervisor may need for supervision purposes.
 - b. Provide confirmation that it has an adequate solvency margin under its home

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	<p>jurisdiction rules.</p> <p>c. Provide written confirmation from its home supervisor that it meets its home jurisdiction rules.</p> <p>This appears duplicative. Requirement b could be removed and presumably a host supervisor is not required to make its own assessment of whether the undertaking meets home solvency rules, but can rely on a statement provided by the home supervisor.</p>	
Guideline 1 - 1.14	<p>This paragraph should be deleted as it goes beyond the Directive and the requirements it sets out are hardly manageable. It is unrealistic to expect that the host supervisor will possess the experience necessary to apply the home jurisdiction's solvency regime.</p> <p>The host supervisory authority should rely on the assessment of the home supervisory authority, when the home jurisdiction's solvency regime has been deemed equivalent with Solvency II as described under paragraph 1.6 of the introduction.</p>	
Guideline 2 - 1.15	<p>This guideline should be deleted as it goes beyond the Directive. The guideline asks that third country undertakings provide analyses of the differences between their home jurisdiction's solvency rules and those of Solvency II and then justify those differences. This is an inappropriate request, requiring an undertaking to carry out an academic exercise as a condition for regulatory approval. How well it hands the request will have little bearing on whether its application should be approved.</p> <p>This would be an inefficient way of collecting information about solvency regimes worldwide. Many undertakings applying for branch approval will be located in the same jurisdictions, so the preparation and submission of several analyses of the same solvency regimes and their assessment by EU supervisory authorities will be a waste of time and resources. Insurance undertakings are not responsible for the solvency regimes under which they operate and it is unreasonable to impose a regulatory obligation on them to justify the differences between such regimes and Solvency II.</p>	
Guideline 3 - 1.16		

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Guideline 4 - 1.17	This paragraph should be deleted as it goes beyond the requirements set by the Directive.	
Guideline 4 - 1.18	The language is unclear. The guideline speaks of the country where the head office of a branch is located. Rather, it should refer to the undertaking's home jurisdiction.	
Guideline 5 - 1.19		
Guideline 6 - 1.20		
Guideline 7 - 1.21		
Guideline 7 - 1.22		
Guideline 7 - 1.23		
Guideline 8 - 1.24	This guideline should be deleted as it duplicates the Solvency II Directive. The Directive automatically allows supervisory authorities to apply Articles 34, 35, 36, 37, 84, 85, 110, 118 and 119.	
Guideline 9 - 1.25		
Guideline 10 - 1.26		
Guideline 11 - 1.27		
Guideline 12 - 1.28	<p>We understand this guideline as aiming to ensure that a third country undertaking informs a host supervisory authority of changes in the location of a branch in the host supervisory authority's jurisdiction. It can be read as requiring a third country undertaking to inform a host supervisory authority of changes in the locations of branches in other countries as well, which would serve no obviously useful purpose. We therefore suggest that paragraph 1.28 is re-worded to read:</p> <p>"The third country insurance undertaking should inform the relevant host supervisory authority of changes in the location of its branch office in the host supervisory authority's member state."</p>	
Guideline 13 - 1.29		
Guideline 14 - 1.30		
Guideline 15 - 1.31	This guideline should be deleted as it duplicates the Solvency II Directive. Branches of third-country insurance undertakings are automatically subject to the supervisory review process of Article 36.	

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Guideline 16 - 1.32		
Guideline 16 - 1.33		
Guideline 17 - 1.34		
Guideline 17 - 1.35		
Guideline 18 - 1.36		
Guideline 18 - 1.37	This should be deleted because it is unnecessary. the location of branch assets is sufficiently captured in the QRTs: S.06.02, Country of custody C0110 A1.	
Guideline 18 - 1.38		
Guideline 19 - 1.39	This should be deleted as it duplicates article 166(4) of the Directive and is therefore unnecessary. Furthermore, as stated above, the location of branch assets is already sufficiently captured in the QRTs.	
Guideline 20 - 1.40		
Guideline 20 - 1.41		
Guideline 21 - 1.42		
Guideline 22 - 1.43	This guideline should be deleted as it duplicates Articles 165 and 166 of the Directive.	
Guideline 23 - 1.44	This guideline should be deleted as it duplicates the Directive. Article 166 already states that "However, for the purpose of calculating the Solvency Capital Requirement and the Minimum Capital Requirement, both for life and non-life insurance, account shall be taken only of the operations effected by the branch concerned."	
Guideline 24 - 1.45	This guideline should be deleted as it duplicates the Directive. Compliance with the branch SCR is already mentioned under article 166 of the Directive.	
Guideline 25 - 1.46	This guideline should be deleted as it duplicates the Directive. Compliance with the branch MCR is already mentioned under article 166 of the Directive.	
Guideline 26 - 1.47		
Guideline 27 - 1.48		
Guideline 28 - 1.49		
Guideline 29 - 1.50		

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Guideline 30 - 1.51		
Guideline 31 - 1.52		
Guideline 32 - 1.53	Guideline 32 and 33 should be combined as they deal with the same matter. The current paragraph 1.54 should be the initial paragraph followed by 1.53	
Guideline 33 - 1.54		
Guideline 34 - 1.55		
Guideline 35 - 1.56		
Guideline 36 - 1.57		
Guideline 37 - 1.58		
Guideline 38 - 1.59		
Guideline 38 - 1.60		
Guideline 38 - 1.61		
Guideline 39 - 1.62	Please amend the title to "Own Risk and Solvency Assessment Supervisory Report".	
Guideline 39 - 1.63		
Guideline 40 - 1.64		
Guideline 40 - 1.65		
Guideline 40 - 1.66		
Guideline 40 - 1.67		
Guideline 41 - 1.68		
Guideline 42 - 1.69		
Guideline 43 - 1.70		
Guideline 44 - 1.71		
Guideline 44 - 1.72		
Guideline 45 - 1.73	Paragraph ss) the specific reference to non-life catastrophe risk is not in line with the RSR ITS (Implementing Technical Standards on the templates for the submission of information to the supervisory authorities), article 8(1)ww. Paragraph 1.73 ss). The reference to the use of a partial	

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	<p>internal model should be generalized, and the paragraph should therefore be redrafted to "When a partial internal model is used in relation to the non-life catastrophe risk, this template information defined in subparagraph qq. shall only be reported in relation to the standard formula unless otherwise decided on the basis of Guideline 48."</p> <p>Paragraph 1.73 tt) This paragraph is not perfectly in line the RSR ITS (Implementing Technical Standards on the templates for the submission of information to the supervisory authorities) article 8(1)xx. Paragraph 1.73 tt) should therefore be redrafted to "When a full internal model is used, this template information defined in sub-paragraph qq. shall not be reported."</p>	
Guideline 45 - 1.74		
Guideline 46 - 1.75	1.75j) please change "Annex x" into "Annex I"	
Guideline 46 - 1.76	<p>This guideline would benefit from a more explicit reflection of where supervisors should expect to apply proportionality and materiality principles. Similar to article 7 of the reporting ITS (Implementing Technical Standards on the templates for the submission of information to the supervisory authorities), the following paragraphs should be added:</p> <ul style="list-style-type: none"> • Under section c) S.02.01.o: "When submitting the information for template S.02.01.o insurance and reinsurance undertakings may apply proportionality and materiality principles. In making assessments of materiality, it may be recognised that quarterly measurements may rely on estimates and estimation methods to a greater extent than measurements of annual financial data. The measurement procedures for the quarterly reporting shall be designed to ensure that the resulting information is reliable and complies with the Solvency II standards and that all material information that is relevant for the understanding of the data is reported." • Under section j) S.12.01.o: "When submitting the information for template S.12.01.o insurance and reinsurance undertakings may apply simplified methods in the calculation of 	

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	<p>the technical provisions”</p> <ul style="list-style-type: none"> Under section k) S.17.01.o: “When submitting the information for templates S.17.01.o insurance and reinsurance undertakings may apply simplified methods in the calculation of <i>the technical provisions</i>” 	
Guideline 47 - 1.77	<p>1.77 f) the specific reference to non-life catastrophe risk is not in line the RSR ITS (Implementing Technical Standards on the templates for the submission of information to the supervisory authorities) article 8(2)f.</p> <p>Paragraph 1.77 f) should therefore be redrafted to:</p> <p><i>“When a partial internal model is used in relation to the non-life catastrophe risk this template information defined in paragraph e), should only be reported in relation to the standard formula unless otherwise decided on the basis of Guideline 48.”</i></p> <p>1.77 g) This paragraph is slightly misaligned with the RSR ITS (Implementing Technical Standards on the templates for the submission of information to the supervisory authorities) article 8(2)g.</p> <p>Paragraph 1.77 g) should therefore be redrafted to</p> <p><i>“When a full internal model is used this template information defined in paragraph e), shall not be reported.”</i></p>	
Guideline 47 - 1.78		
Guideline 47 - 1.79		
Guideline 48 - 1.80	<p>We propose that guideline 48 regarding proportionality reporting is moved to the beginning of the “quantitative reporting requirements for third country insurance undertaking” section to emphasise the significance of proportionality.</p>	
Guideline 49 - 1.81		
Guideline 50 - 1.82	<p>Please amend this guideline so it refers to the host supervisory authority and not the national</p>	

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	supervisory authority to use consistent references.	
Guideline 51 - 1.83		
Guideline 52 - 1.84		
Guideline 53 - 1.85		
Guideline 54 - 1.86		
Guideline 55 - 1.87		
Guideline 56 - 1.88		
Guideline 57 - 1.89		
Guideline 58 - 1.90		
Guideline 58 - 1.91		
Guideline 59 - 1.92		
Guideline 60 - 1.93	As there are transitional measures set out in Article 308b of the Directive, it does not seem logical that the guidelines addressing these transitional measures are not at the forefront of the "frequency and deadlines" as these are the deadlines that apply until 2020.	
Guideline 61 - 1.94		
Guideline 62 - 1.95	Please amend heading of the guideline so it refers to transitional deadline for submission to be consistent. Paragraph a) please change "ending on or after 1 September 2016" into "ending on or after 1 January 2016", consistent with the Directive Article 308b(7).	
TA I (1)		
TA I (2)		
TA I (3)		
TA I (4)		
TA I (5)		
TA I (6)		
TA I (7)		

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TA I (8)		
TA I (9)		
TA I (10)		
TA I (11)		
TA I (12)		
TA I (13)		
TA I (14)		
TA I (15)		
TA I (16)		
TA I (17)		
TA I (18)		
TA I (19)		
TA I (20)		
TA I (21)		
TA I (22)		
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TA I (24)		
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TA I (28)		
TA I (29)		
TA I (30)		
TA I (31)		

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TA I (32)		
TA I (33)		
TA I (34)		
TA I (35)		
TA I (36)		
TA I (37)		
TA I (38)		
TA I (39)		
TA I (40)		
TA I (41)		
TA I (42)		
TA I (43)		
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TA I (45)		
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TA I (47)		
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TA I (52)		
TA I (53)		
TA I (54)		
TA I (55)		
TA I (56)		

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TA I (57)		
TA I (58)		
TA I (59)		
TA I (60)		
TA II		
TA III – S.01.02 Opening submission	<p>There are inconsistencies in the LOGs and between QRTs and LOGs: Cell C0010/R0080 Country of authorisation is missing in the LOG S.01.02.o.p.u. This creates incorrect cell referencing for the remaining fields in the template and the LOG. For example, Cell C0010/R0090 should be Language of reporting whereas in the LOG it is reported as Reporting submission date.</p>	
TA III – S.02.01 Opening submission	<p>There may be possible issues related to obtaining the information for the new item "Reinsurance recoverables not recognised for TP calculation". Undertakings might have to take special care to define what is meant by reinsurance recoverables when not related to a specific claims file or event, where agreement may potentially be sought between accounting/finance, legal and management teams. This might trigger additional unnecessary burdensome operational effort to setup a process and appropriate governance to obtain this figure. Therefore, we suggest that further guidance is required on the content of these new items: "Reinsurance recoverables not recognised for TP calculation" and "Other technical provisions". This is also unclear in Article 41 of the Delegated Acts regarding recoverables from reinsurance contracts.</p> <p>We also suggest the following amendments to the templates:</p> <ul style="list-style-type: none"> • The heading "Participations and related undertakings" should be changed to "Related undertakings, including participations". This is consistent with the terminology in the EIOPA Set 1 Guidelines <i>Treatment of related undertakings, including participations</i>, and would correspond to the definitions of the Directive (Articles 1(20) and 212(1)) where participations are a sub-category of related undertakings. • Column "Solvency I – C0030", should correspond instead to C0020 ("Statutory accounts value") just as for the regular balance sheet templates, meaning that statutory balance 	

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sheet figures would be provided. Furthermore, the reference C0030 is absent from the corresponding LOG. In case this is not a mistake, we urge EIOPA to align day one reporting on balance sheet information with those requirements for regular reporting. Otherwise, undertakings have to set up their systems just for one time reporting in case Solvency I information differs from the "Statutory accounts value" used for regular reporting. Moreover, data from day one reporting would not be comparable with the future data on balance sheet.

In addition to the above comments, the following analysis of the updated LOGs and templates, the following questions arise:

- Regarding overdrafts, these are normally netted off against positive balances where both legal right of offset and intention to settle net exist - why does EIOPA disagree with this treatment?
- We would like confirmation that the new Asset Category created for "Other Assets not elsewhere shown" corresponds to Balance Sheet Item C0010-C0020/R0430 (A29) rather than the "Other Investments" line on the Balance Sheet (C0010-C0020/R0210 (A11))?
- We assume that template BS-S.02.01.u contains a typographical error in the column label. Thus, we ask EIOPA to change the title from "Solvency I" into "Statutory accounts value"? In case this is not a mistake, we urge EIOPA to align day one reporting on balance sheet information with those requirements for regular reporting. Otherwise, undertakings have to set up their systems just for one time reporting in case Solvency I information differ from "Statutory accounts value" used for regular reporting. Moreover, data from day one reporting would not be comparable with the future data on balance sheet.
For example:
When reporting the opening balance, reporting of the group should be made by Solvency II value and Solvency I value. Since the "Deduction and aggregation method" is the main method in Sweden until 2015, it is not possible to report the Solvency I values. Clarification is needed in the LOG that there is no need for reporting of Solvency I values when using the "Deduction and aggregation method" in the regular reporting.

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TA III – S.23.01 Opening submission	<p>We disagree with the new reference to the reconciliation reserve and the related LOG. Only some given participations in credit and financial institutions have to be deducted at solo level, and this is normally done directly from some given Tier 1, 2 or 3 items. This should be precised in the LOG, in order to be aligned with the Delegated Acts (Article 70). Besides, this is normally already included (and aligned with the DAs) in S.24.01.b in RSR (CP 14/052).</p> <p>Besides, the fact to require a reconciliation of differences between accounting valuation and valuation according to article 75 of Directive 2009/138/EC is odd and goes beyond the existing legislation. Indeed, Solvency II and accounting valuations are not aimed to lead to identic balance sheet amounts. Therefore this part of the sentence should be removed.</p>	
TA III – S.01.01		
TA III – S.01.02		
TA III – S.02.01	<p>There may be possible issues related to obtaining the information for the new item "Reinsurance recoverables not recognised for TP calculation". Undertakings might have to take special care to define what is meant by reinsurance recoverables when not related to a specific claims file or event, where agreement may potentially be sought between accounting/finance, legal and management teams. This might trigger additional unnecessary burdensome operational effort to setup a process and appropriate governance to obtain this figure. Therefore, we suggest that further guidance is required on the content of these new items: "Reinsurance recoverables not recognised for TP calculation" and "Other technical provisions". This is also unclear in Article 41 of the Delegated Acts regarding recoverables from reinsurance contracts.</p> <p>We also suggest the following amendments to the templates:</p> <ul style="list-style-type: none"> • We suggest that the heading "Participations and related undertakings" should be changed to "Related undertakings, including participations". This is consistent with the terminology in the EIOPA Set 1 Guidelines <i>Treatment of related undertakings, including participations</i>, and would correspond to the definitions of the Directive (Articles 1(20) and 212(1)) where participations are a sub-category of related undertakings. • The LOG file refers to cell Z0100 Fund Number. This cell is irrelevant for this template, and 	

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	<p>we suggest to remove it for all of the S.02.01 templates.</p> <p>Following analysis of the updated LOGs and templates, the following questions arise:</p> <ul style="list-style-type: none"> • Is it correct that the investment funds analysis in this QRT has gone (the July 2012 version of public disclosure BS-C1 required investment funds to be analysed by type of underlying asset type, however this has now disappeared)? • Regarding overdrafts, these are normally netted off against positive balances where both legal right of offset and intention to settle net exist - why does EIOPA disagree with this treatment? • Regarding when a collective investment undertaking is also a related undertaking, where should it go on the balance sheet - under "Participations and related undertakings" (A6/R0090) or "Collective investment undertaking" (A9/R0180), or elsewhere? <p>It is unclear as to what the dotted lines below cells A7B, A8E, A14, A17A, A19B, LS0, LS6F and L15E mean. If for instance more granular information for equities split by listed (A7) and unlisted (A7A) under a statutory accounts reporting basis is unavailable, would it therefore be correct to report on a total basis in cell A7B? In addition, if the split was available, would it be correct to report the listed and unlisted equities in cells A7 and A7A respectively, leaving the total value for equities A7B blank?</p>	
TA III – S.02.03		
TA III – S.06.02	<p>We further note that there is a potential (unintended discrepancy) between the most recent version of this form and the previous version from 2012. Cell C0290 uses CIC codes to classify assets, whereas the previous version of the templates, the CIC code classification was aligned with the underlying asset category classification on the look through template. These codes are no longer</p>	

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aligned as CIC category 4 is "Investment Funds" but asset category 4 in cell C0060 on S.06.03 (RSR CP 14/052) is now "Unlisted equity" and category 5 is now "Collective Investment Undertakings".

The following comments and questions arise:

- C0160/A25: for consistency purposes, explicit reference to a weighted average acquisition price would be useful (instead of simply average acquisition price); It would be useful to have a column reflecting the "unit percentage of par amount Solvency II price", similar to the column in the "information on assets table", i.e. C0380.
- In C0200/A8 the definition of issuer name is ambiguous ("Name of the issuer, defined as the entity that offers assets for sale to investors") and could be interpreted as the seller of a security in general, not necessarily the issuer. The issuer is also the seller only on the primary market, so we suggest redefining name of the issuer.
- If the detailed information such as the industry class split according to the LOG Files is required for statistical purposes, we propose to ask for this information rather in a separate survey but not as part of the regular supervisory reporting. Otherwise a best effort approach should be supported with allowing for the class "other" where the information might anyway not provided in a reliable way.

Following analysis of the updated LOGs and templates, the following questions arise:

- C0170: Clarification is needed as to how to calculate the total SII amount for foreign currency items.
- C0350 refers to internal ratings only "to the extent that the external ratings are used in their internal modelling" - does this mean that an undertaking using the standard formula does not need to report internally generated credit ratings, even in the case of assets that do not have an external rating and an internal one would be used for SCR calculation?

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- The rationale is sought as to why forms such as this are requested multiple times for each reporting period (quarterly, financial stability and annually)?
- Clearer guidance is needed on which fields apply to deposits with cedants. The CIC that applies to deposits with cedants could be "Other Investments", which are not reported on this template, but rather in the Balance Sheet for item: C0010-C0020/R0210 (A11). This may become clear once validation rules for data submissions are available.
- How should net current assets of unit linked funds be treated on S.06.02? In order for the total on S.06.02 to agree with unit linked assets on the balance sheet QRT (S.02.01), net current assets will have to be included in S.06.02. A possible option includes leaving a reconciling item between S.06.02 and S.02.01, or including under CIC code 79: "cash/other".
- CIC 0/09 has been introduced for "Other Assets not elsewhere shown" (Balance Sheet line ref: C0010-C0020/R0430 (A29)), and would now bring these assets into scope for template S.06.02. Is this CIC actually intended to capture "Other Investments," which are still not reported on S.06.02 (i.e. S.02.01 balance sheet item Ref: C0010-C0020/R0210 (A11))?
- The cells for the following items have been recodified with "numbers and letters", unlike for the QRTs for preparatory phase, where "letters" were only used. This change will result in increased operational costs. What is the motivation behind the change? Particularly:
 - C0060 (A1) Letters Numbers or numbers and letters
 - C0090 (A3) Letters Numbers or numbers and letters
 - C0100 (A6) Letters Numbers or numbers and letters
 - C0150 (A24) Letters Numbers or numbers and letters
 - C0220 (A33) Letters Numbers or numbers and letters
 - C0260 (A33) Letters Numbers or numbers and letters
 - C0310 (A16) Letters Numbers or numbers and letters
- For the cell C0310 (A16) "Participation", the LOG states "identify if an equity and other share is a participation included in group supervision." This has been written as if the

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	undertaking prepares group reporting. How should it be written in the case of individual undertaking?	
TA III – S.23.01	<p>We disagree with the new reference to the reconciliation reserve and the related LOG. Only some given participations in credit and financial institutions have to be deducted at solo level, and this is normally done directly from some given Tier 1, 2 or 3 items. This should be precise in the LOG, in order to be aligned with the Delegated Acts (Article 70). Besides, this is normally already included (and aligned with the DAs) in S.24.01.b (RSR CP 14/052).</p> <p>Besides, the fact to require a reconciliation of differences between accounting valuation and valuation according to article 75 of Directive 2009/138/EC is odd and goes beyond the existing legislation. Indeed, Solvency II and accounting valuations are not aimed to lead to identic balance sheet amounts. Therefore this part of the sentence should be removed.</p> <p>As the EPIFP is not used in this QRT, we see no additional value in keeping this in this QRT and would therefore propose it to be removed and included instead in the templates related to Technical provisions since it makes more sense in our opinion.</p> <p>Finally, some cells are not included in the template, however they are mentioned in the validation sheet: R0730/C0020; R0760/C0020; R0790/C0020. Only the columns C0010 seems to apply for those cells, the other ones are crossed and therefore are not reported in our understanding.</p>	
TA III – S.23.03		
TA III – S.29.01	<p>Following analysis of the updated LOGs and templates, the following comments and questions arise:</p> <ul style="list-style-type: none"> • The Variation analysis is based on two different methods, results based and cash flow based. In our opinion it is not possible to get structured information out of an analysis if it is based on two different methods. • Please include the formulas (where applicable) in the log files or QRT for fields that can be derived from other information already included in the QRT. As also the case in the previous Log files. 	

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	<ul style="list-style-type: none"> • Under "Variation of components of reconciliation reserve _Items reported in 'Own Funds' "there are the elements: <ul style="list-style-type: none"> ◦ "Excess of assets over liabilities (Variation of BOF explained by Variation Analysis Templates). In which template is this Variations of BOF explained? ◦ Restricted own funds items due to ring fencing must this be changed into Restricted own funds items due to ring fencing and matching • What is the relation between "Summary Analysis of Variation of Excess of Assets over liabilities" sum of V17 till V23 and Excess of assets over liabilities V12? • We would suggest that EIOPA consider using industry standard reports such as cash flow statements for reporting of the analysis of movements in balance sheet positions, except where EIOPA identifies a specific need to deviate from established movement overviews, and provides a set of standards to achieve the stated purpose. • Why the cells (R0120, C0010):(R240, C0020) are not filled. Filling would make the reading and checking easier. 	
TA IV – S.01.02 Opening submission		
TA IV – S.02.01 Opening submission		
TA IV – S.23.01 Opening submission		
TA IV – S.01.01 Regular		
TA IV – S.01.02 Regular		
TA IV – S.02.01 Regular		
TA IV – S.02.03 Regular		
TA IV – S.06.02		

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Regular		
TA IV – S.23.01 Regular		
TA IV – S.23.03 Regular		
TA IV – S.29.01 Regular		

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