

EIOPA-BoS-17/230  
18 June 2017

# Impact Assessment of draft amendment of ITS on Reporting

## Section 1: Procedural issues and consultation of interested parties

* 1. According to Article 15 and Article 16 of the EIOPA Regulation, EIOPA conducts analysis of costs and benefits in the policy development process. The analysis of costs and benefits are undertaken according to an impact assessment methodology.
  2. The assessment of the potential related costs and benefits from the draft corrections and amendments to the technical standards and guidelines developed by EIOPA, builds upon experience from previous and current impact assessments undertaken by the European Commission.
  3. The proposed corrections and amendments and their impact assessment were subject to consultation with stakeholders. Considering the low impact of the corrections/amendments and the convenience of including them in the Taxonomy publication planned for 15 July the consultation was done through the EIOPA IRSG and the organisation of an open public event that occurred in April 2017. In the public event, EIOPA communicated to the relevant stakeholders (mainly industry and other stakeholders) the process and the detailed content of the corrections/amendments. After the event, the relevant documentation was made available in EIOPA’s website and stakeholders provide comments. EIOPA received comments from main industry associations but also from one individual company and some individuals.
  4. It should be noted that the draft amendments focus mostly on corrections, even if some of them will be considered as amendments. They aim to improve the understanding of the current requirements, the consistent application of technical standard and to facilitate the reporting as well as improving the quality of the information reported. The corrections proposed do not reflect a detailed review of the requirements, which should be planned for the next years and be done in close cooperation with the industry reflecting the lessons learned from the annual submission of information and from the use of information by supervisors in the Supervisory Review Process.
  5. The consultation included specific questions to stakeholders regarding some of the amendments due to their importance.

## Section 2: Problem Definition

* 1. On the last months, EIOPA has received a number of inputs addressing mistakes found in the Commission Implementing Regulation (EU) 2015/2450 with regard to the templates for the submission of information to the supervisory authorities and in the Commission Implementing Regulation (EU) 2015/2452 of 2 December 2015, laying down implementing technical standards with regard to the procedures, formats and templates of the solvency and financial condition report (ITS on Reporting and ITS on Disclosure). The mistakes are mostly on the instructions (Annexes 2 and 3). These inputs have arrived to EIOPA through the Q&A tool on regulation, direct e-mails to relevant experts, e-mails to 'info@eiopa.europa.eu', e-mails to the 'xbrl' dedicated mailbox and others.
  2. When it comes to Reporting and Disclosure the transparency, awareness and swift amendments of the mistakes is very important as any mistake, even if minor, affects implementation.
  3. From a legal perspective, the Q&A tool is a proper tool to be used during an interim period when the mistakes have not yet been amended, however the legal text (in this case the ITS) is binding and prevails over other non-binging type of texts.
  4. In the area of reporting legal certainty and correctness are crucial. Reflecting the corrections in the legal text will facilitate the reporting, strengthen the role of the Q&A tool while increasing the quality of the reporting. It is also important to note that mistakes identified have to be addressed by undertakings, sometimes with provisional updates of the IT solutions but frequently to overcome them by manual processes for every report, which implies costs to undertakings.
  5. Considering that some corrections identified impact the XBRL taxonomy, the Governance of Taxonomy Releases[[1]](#footnote-2) should be taken into account. The Governance of Taxonomy aims to provide to undertakings and other stakeholders certainty about the process and schedule of the XBRL taxonomy updates in order that can be foreseen and plan in advance when the IT reporting systems need to be updated. As a general rule, in case of business changes, the taxonomy is updated only once a year and in July.
  6. This impact assessment needs to be read considering the fact that version 2.2.0 of the Taxonomy will be released in July 2017 as announced by EIOPA at the end of 2016. The decision of this release is not affected by the decision to include in the ITS the corrections subject to this Impact Assessment.
  7. In fact, the release of the Taxonomy announced for July 2017 provided a window of opportunity for the correction of the legal text.

**Baseline**

* 1. When analysing the impact from proposed policies, the Impact Assessment methodology foresees that a baseline scenario is applied as the basis for comparing policy options. This helps to identify the incremental impact of each policy option considered. The aim of the baseline scenario is to explain how the current situation would evolve without additional regulatory intervention.
  2. The baseline scenario is based on the Solvency II supervisory reporting as defined in Implementing Technical Standards on the templates for the submission of information to the supervisory authorities and considering the clarifications provided via Q&A tool.
  3. In particular the baseline scenario includes:
* The content of Directive 2009/138/EC (Solvency II) as amended by Directive 2014/51/EU (Omnibus II);
* The Delegated Regulation 2015/35 and the amendments to it adopted by the European Commission on 30 September 2015;
* Commission Implementing Regulation (EU) 2015/2450 (Reporting ITS) as amended by Commission Implementing Regulation (EU) 2016/1868;
* Commission Implementing Regulation (EU) 2015/2452 (Disclosure ITS);
* EIOPA Guidelines on Reporting and Disclosure;
* Q&A published in EIOPA website (<https://eiopa.europa.eu/regulation-supervision/q-a-on-regulation>).

## Section 3: Objectives Pursued

* 1. The proposed amendment to the technical standard aims at providing legal certainty and reflection in the implementation tools of clarifications/interpretations provided through the Q&A tool, contribute to a better understanding of the current requirements, the consistent application of technical standard and improve the quality of the information reported.
  2. The proposed amendment with the timing proposed also aims to avoid the implementation of a new Taxonomy, which will have costs for all stakeholders, that does not reflect all issues identified until now. This would translate into more costs in a near future.
  3. The corrections that are amendments from a legal perspective aim to:
  4. increase the consistency among the reporting framework (amendment d), f) and g) identified below);
  5. facilitate the undertakings and NCAs processing, validation and analyses of the information (amendment a), b), c) and h) identified below); and
  6. reflect on unintended disproportionate costs regarding the look-through approach of non-material exposures (amendment e) identified below).
  7. Paragraph e) below in particular aims at ensuring that regulatory requirements imposed on undertakings are proportionate to the nature, scale and complexity of the insurer and its operations. Small insurance undertakings play an important role in the economic environment and should be subject to a balanced approach.
  8. These objectives are in line with the objective of the Solvency II Directive of harmonised supervisory methods, tools, power and reporting. It is justified and even expected that this type of minor corrections might be needed regularly due to the nature of the supervisory reporting framework.

## Section 4: Policy options

* 1. The proposals have been divided into 2 types:

Type 1: amendment provisions that might have an impact in implementation;

Type 2: corrective provisions (considered not to have a material impact).

* 1. In the ITS on Disclosure and Guidelines Financial Stability Reporting only Type 2 corrections were identified. The corrections proposed in the Guideline on the supervision of branches of third-country insurance undertakings reflect, when applicable, the ones under analysis for the ITS on Reporting, therefore it is considered that the impact assessment that follows is also applicable to this Guidelines.
  2. For ITS on Reporting, Instructions for solo and group (Annex 2 and Annex 3 of the ITS) are made available in track changes to facilitate the identification of the corrections. In relation to the other documents, only documents in a format similar to ‘Errata’ are available.
  3. The impact assessment was developed for each of the amending provision identified as type 1, and these are:

1. Introduction of new types of undertakings in the close list of S.01.02.C0010/R0040;
2. Introduction of new item in S.01.02 indicating if undertaking has a non-financial year end;
3. Introduction of new options in close list for ad-hoc reporting in S.01.02.C0010/R0100;
4. Inclusion of investment contracts in the scope S.04/S.05;
5. Flexibility in the application of look-through in S.06.03;
6. Alignment between templates S.12 and S.17 and within templates in relation to amounts of TP after use of transitionals and other measures;
7. Consideration of accumulated amounts in S.21.01;
8. Nominated ECAI in several templates: standardisation of data, replace name by a close list including LEI code and name.
   1. The options considered for each amendment are always to include or not to include the amendment. In section 5 the reasons for the amendment and impact of making or not making the amendments are evidenced.

## Section 5: Analysis of Impacts

* 1. In this section EIOPA would like to describe the policy alternatives which were considered. The reasons for the amendment and impact of making or not making the amendments are evidenced.
  2. The different analysed options could have an impact on insurance and reinsurance undertakings, which are subject to reporting requirements, and on the national competent authorities, responsible for the collection, processing and analysis of the reported data, and EIOPA. None of the options is considered to have a material impact on policyholders.
  3. The final conclusions from the analysis of impacts and the preferred policy options are included in Section 6 - Comparison of Options.

1. **Introduction of new types of undertakings in the close list of S.01.02.C0010/R0040**
   1. Mistake identified when answering Q&A1033. In fact the close list misses the identification of reinsurance undertakings.
   2. The identification of these entities separately would be consistent with the Solvency II Directive where several mandatory disclosures to be done by type of undertaking require the disclosure for “reinsurance undertakings” separately (e.g. article 52).
   3. Also the differentiation of the undertakings pursuing both life and non-life business in accordance to article 73(3) or 73(5) is of importance. Lack of consistency was identified in the reporting, which affects the use of information, in particular when peer groups have to be defined.
   4. Impact of amendment: is not considered as having a material impact as it will only address undertakings pursuing both life and non-life business and reinsurance undertakings and the only impact for undertakings is having to choose a different option from the close list.
   5. Impact of not amending: lack of identification of reinsurance undertakings imply manual treatment of information and consideration of authorisation information by NCA and EIOPA to accurately address disclosure requirements. Additional data quality checks to assess the split between composites and other types of undertakings could be required with impact in the quality of the use of some information.
2. **Introduction of new item in S.01.02 indicating if undertaking has a non-financial year end**
   1. New item “Financial year end” is requested to identify the ISO 8601 (yyyy–mm–dd) code of the financial year end of the undertaking, e.g. 2017-12-31.
   2. The existence of financial year-end different from 31/12 in some Member States creates some hurdles in the reporting processes and in checking the correctness of each reporting submission. This is particularly important regarding the quarterly reporting and the fact that some templates are reported in a year-to-date basis. In this case the identification of the specific quarter is important.
   3. Impact of amendment: is not considered as having a material impact even if introduces an additional item. It is an item that is not addressing “business data” and should be relatively easy to implement. It allows the inclusion of a XBRL validation to check the correct use of the reference date embedded in the XBRL reports.
   4. Impact of not amending: if this item is not introduced any reference date could be possible for any entry point and thus it will not be possible to do quality checks based on the specific quarter that is been reported. Additionally it will not reduce errors in reference dates which are detected in a later stage (once data is compared against the NCA registers information) having to request later a re-submission due to errors in the use of the reference dates.
3. **Introduction of new options in close list for ad-hoc reporting in S.01.02.C0010/R0100**
   1. Raised by Q&A 845 (still open – as it was pending taxonomy related decisions).
   2. Add the elements “Re-submission of S.30 templates in accordance with instructions of the template” and “Empty submission” to the existing “Regular” and “Ad hoc” elements of the S.01.02.C0010/R0100.
   3. There are uncommon scenarios set out by the underlying Solvency II regulations which require a specific use of the taxonomy by the undertakings, National Competent Authorities and EIOPA in order for these reports to be submitted using the SII XBRL taxonomy. A guide in the EIOPA taxonomy website was published[[2]](#footnote-3) indicating how to report these cases with 2.0.1 and 2.1.0 taxonomy versions.
   4. The option on “Empty submissions” is to be used in very specific circumstances, for example in case of mergers where one of the companies might still need to submit an empty submission for a specific reference date.
   5. Impact of amendment: is not considered as having a material impact as it addresses very specific submissions. It would however facilitate the reporting, processing, validation and analyses of the information for these cases.
   6. Impact of not amending: all the three submissions (Ad–hoc reporting; Re-submission of S.30 templates in accordance with instructions of the template; and Empty submission) will need to be treated in the same way not been able to implement taxonomy quality checks to ensure that each of the cases correspond with the actual reported information.
   7. Impact of amendment: is not considered to have a material impact as it addresses very specific submissions.
4. **Inclusion of investment contracts in the scope S.04/S.05**
   1. Raised by Q&A 802 which answer was published on the 17 February 2017. In that Q&A the following was answered:

“When the instructions of the template refer to "insurance contracts" it should be considered as insurance contracts under Solvency II, i.e. all insurance contracts issued by the undertakings. This means that regardless of the use of IFRS, if accepted as local GAAP, or local GAAP under which some contracts may be classified as investment contracts, the premiums, claims, and expenses requested in templates S.04.01, S.05.01 and S.05.02 should consider all insurance business. As this might not be clear from the instructions of the templates, undertakings might have implemented it differently; applying accounting standards that recognise some insurance contracts as investment contracts, and therefore currently not includes these amounts in the referred templates. EIOPA will put forward a corresponding amendment in the next revision of the ITS. In the meantime, undertakings can choose to comply with this interpretation in time for the Q4 and annual 2016 Solvency II submissions, as well as for the subsequent quarterly and annual submissions. Where they are unable to do so, ad-hoc reporting for supervisory purposes can be requested by NSAs where information is required for supervisory purposes.”

* 1. Impact of amendment: for the undertakings applying accounting standards that recognise some insurance contracts as investment contracts and that were currently not including these amounts in the referred templates this might have a material impact. However it should be noted that in some Members where the accounting standards foresee this classification undertakings were in fact already reporting these contracts within the templates and in the cases where this was not happening ad-hoc reporting would be needed for NCAs to comply with article 159 of the Solvency II Directive.
  2. Impact of not amending: should not be an actual option. EIOPA already announced to put forward a corresponding amendment in the next revision of the ITS. The impact would be the need for ad-hoc reporting and inconsistency in the information covered by those templates as different approaches are currently being followed.

1. Flexibility in the application of look-through in S.06.03

**e.1) Look-through by geographical area:**

* 1. Current drafting implies the application of the materiality principle to the look-through, by geographical area to be done to 90% of each fund – irrespective of the materiality of the fund.
  2. The proposed amendment aims to allow assessing the 90% considering the total amount of investments in Collective Investment Undertakings and not per fund. The proposed correction might be seen as reflecting the natural prudential reading of materiality principle. It may not be considered justifiable from a prudential perspective that a fund with a non-material amount is subject to disproportionate materiality considerations. However, the look-through would need to be done considering the materiality of each fund, i.e. prioritising the biggest funds over the small ones.
  3. Impact of amendment: for undertakings, previous requirement was identified as extremely burdensome to implement and from prudential perspective may not be justifiable. Should be noted that if undertakings wish not to change procedures, the same procedures as today will also allow to comply with the new drafting.
  4. Impact of not amending: the *status quo* is maintained but for undertakings even if the current requirement has been identified as extremely burdensome to implement.

Detailed examples and concerns:

Example: A fund that represents for example 1% of the CIU portfolio (fund A) will have to be looked through by country up until 90% of the fund, i.e. only 10% of the fund corresponding to 0.1% of the CIU portfolio is covered by the materiality criteria.

From a prudential perspective the relevance is in the total amount looked or not looked through. It makes sense that from the total CIU portfolio, 90% of the value is identified by country. With the new approach proposed a fund representing 10% (Fund B) might have to be looked through for almost 100% of the fund but the one representing 1% would not need any look-through by country. Comparing the situations if we apply the Instructions as they are now, 10% of fund B (representing also 1%) of CIU portfolio does not have to be looked through while Fund A needs to be looked through until a value that represents 0.1% of the CIU portfolio even if it has the same materiality, i.e. 1%.

Some concerns based on the following reasons/examples:

It should be highlighted that depending on the split of each CIU by country and of the weight of each CIU in the sum of all CIUs, with this proposed change some funds may not be subject to any look-through, while the original drafting assures that every CIU is subject to look-through;

It has an impact on how the undertaking performs the look-through now. It is a change in the rule to decide which CIU to report.

Question if corrections would be in line with SCR calculation requirements. If it seems ok on a reporting basis, this change could have high impact if interpreted as potential change to capital requirements calculations.

It is a totally different template when changing this. 90% of all funds means:

Unit/Index-linked funds are included. Depending on the size of this business it can fudge the risk of the overall investments made in funds;

No information about the risk of the insurance owned funds (until 10% of the total of CIU);

No information about a single funds.

**e.2) Look-through by category of investments:**

* 1. Current drafting only allows the application of the materiality principle to funds-of-funds on the look-through by type of categories of investments.
  2. The proposed correction aims to allow for the application of the materiality principle considering only the materiality of the amount, regardless of the type of fund. It may not be considered justifiable from a prudential perspective that a fund that is not a fund-of-fund is subject to disproportionate materiality considerations (substance over form).
  3. Impact of amendment: for undertakings, previous requirement was identified as extremely burdensome to implement and from prudential perspective may not be justifiable. Should be noted that for undertakings that wish not to change procedures, the same procedures as today will also allow to comply with the new drafting.
  4. Impact of not amending: the *status quo* is maintained but for undertakings, even if the current requirement has been identified as extremely burdensome to implement.

Detailed examples and concerns:

Example: Similar to the issue above if we have a fund-of-fund where the amount still not looked-through has a residual value, category 4 (CIU) could be used, however, if we have a fund with the same residual value but that is not a fund-of-fund it will need to be looked through (use of category 4 CIU is not allowed).

Some concerns based on the following reasons/examples:

It should be noted that this contradicts the general comments part. Also, in the various public consultations we always kept the full look-through principle “until the asset categories, countries and currencies are identified”. Only one exception for funds of funds, addressing market concerns, was added;

It has an impact on how the undertaking performs the look-through now. It is a change in the rule to decide which part of the fund is material, for all CIUs and not just for the funds of funds, for which this rule was originally introduced with the objective of drawing a line on the depth of the look-though;

Question if corrections would be in line with SCR calculation requirements. If it seems ok on a reporting basis, this change could have high impact if interpreted as potential change to capital requirements calculations.

1. Alignment between templates S.12 and S.17 and within templates in relation to amounts of TP after use of transitionals and other measures
   1. Following the receivable of Q&A 772 the following answer has been given:

* In S.12.01.R0340 we understand that the drafting is not clear and the different drafting between S.12/S.17 raise doubts;
* EIOPA clarified that in both S.12 and S.17 what should be reported is the amount of “Technical provisions without volatility adjustment”; i.e. amount of technical provisions to which VA is not applicable + BE of contracts for which VA applied, before the application of VA (assuming no other measures) + risk margin;
* This amount would correspond to the calculations as performed to assess the impact of LTGA (as reported in S.22.01, but by LoB).
  1. Following the Q&A a detailed assessment of relevant rows of S.12.01 and S.17.01 was performed and the outcome was the need for further alignment within the same templates for different LTG measures and across templates. The following cells are affected:
* S.12.01.R0320, R0340, R0360
* S.17.01.R0470
  1. Impact of amendment: improve consistency and use of the information reported in the different rows. Only undertakings using LTG measures and transitionals will be affected. It should be noted that two out of the four rows affected relate to transitional on interest rate which just a few companies are using for undertakings.
  2. Impact of not amending: lack of consistency on the information reported affecting the use of the information.

1. Consideration of accumulated amounts in S.21.01
   1. Several questions have been published on the issue: 416, 606, 655, 672 and 751. Lately an additional question raising doubts on previous answers published (Q&A 897 – not published yet) lead to a more deep analysis of the template.
   2. In fact the answers to the questions regarding template S.21.01 have not been clear enough whether the data should be reported only regarding the “claims incurred in the reporting year” or regarding the “accumulated claims incurred”. The reason for that was the lack of clarity in the Instructions combined with the fact that traditionally from an actuarial point of view this type of information is analised with accumulated amounts.
   3. The proposal is to clarify that information on template S.21.01 refers to “accumulated claims incurred at the end of the reporting year”, meaning sum of gross claims paid (over the years) and gross reported but not settled claims (RBNS) on a case by case basis for each and every single claim, open or closed, which belongs to a specific accident year ("AY")/underwriting year ("UWY") (AY/UWY).
   4. This clarification implies the need for historical data. However, is the same historical data requested in S.19.01 (claims paid).
   5. Impact of amendment: even if data should be available for undertakings that have implemented as addressing only the claims incurred in the reporting year IT systems might have to be adapted. It would allow a better understanding of requirements (number of questions reveals uncertainty), consistency in data reported and improve the use for prudential purposes.
   6. Impact of not amending: lack of consistency on the information reported affecting the use of the information.
2. Nominated ECAI in several templates: standardisation of data, replace name by close list with LEI code and Name
   1. Following the receivable of Q&A 809 the problems of requesting the identification of the ECAI used through a string instead of a standardised code were re-assessed. Options were analised and the following was concluded:

* the Legal Entity Identifier (LEI) of the CRA is publicly available information which can be found on the European Rating Platform. However, to obtain these codes through the [ERP](https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_radar)[[3]](#footnote-4) is not a direct approach;
* Subsidiaries in and outside of the EU have each their own LEI which is more difficult to get.
  1. Based on this analysis the solution being proposed is to include a close list, where both the name and LEI code would appear, including only the parents CRAs. Undertakings that use a subsidiary would report the parent ECAI. This list will have an option “Other” to be used in case new CRA are authorised by ESMA and while the close list is not up-dated (in the following taxonomy release).
  2. Impact of amendment: including a close list instead of requesting the reporting of a name in a “string” format should facilitate the reporting by undertakings and the use of the information by supervisors.
  3. Impact of not amending: “strings” will continue to be reported which is more burdensome than choosing from a close list. Names will be reported inconsistently as “string”, e.g. “ARC Ratings, S.A. (previously Companhia Portuguesa de Rating, S.A)” could be reported as “ARC Ratings, S.A. (previously Companhia Portuguesa de Rating, S.A)”, as “ARC Ratings, S.A.”, as “ARC Ratings, SA” or as “ARC Ratings” just to name some of the expected possibilities considering lessons learned from previous reporting.

## Section 6 - Comparison of Options

* 1. This chapter presents the conclusions of the options analysis and the preferred options for each of the issues.

1. **Introduction of new types of undertakings in the close list of S.01.02.C0010/R0040**
   1. With respect to the need and impact of introducing such an amendment the benefits of the amendment clearly overset the cost which were considered as residual as it will only address undertakings pursuing both life and non-life business and reinsurance undertakings and the only impact for undertakings is having to choose a different option from the close list.
2. **Introduction of new item in S.01.02 indicating if undertaking has a non-financial year end**
   1. With respect to the need and impact of introducing such an amendment the benefits of the amendment clearly overset the cost which were considered as residual as it addresses “non-business data” and should be relatively easy to implement. The value-added in terms of possible XBRL validations to check the correct use of the reference date embedded in the XBRL reports is very important.
3. **Introduction of new options in close list for ad-hoc reporting in S.01.02.C0010/R0100**
   1. With respect to the need and impact of introducing such an amendment the benefits of the amendment clearly overset the cost which were considered as residual as it addresses very specific submissions. It would however facilitate the reporting, processing, validation and analyses of the information for these cases.
4. Inclusion of investment contracts **in the scope S.04/**S.05
   1. With respect to the need and impact of introducing such an amendment, the benefits of the amendment clearly overset the costs.
   2. Whilst there would be some additional work required to modify the current reporting processes to accommodate the changes, stakeholders did not raised concerns and indicated that would not be too onerous and, once made, would not significantly impact production.
   3. Also, the impact would only affect undertakings applying accounting standards that recognise some insurance contracts as investment contracts and that were currently not including these amounts in the referred templates. It should be noted that in some Members where the accounting standards foresee this classification undertakings were in fact already reporting these contracts within the templates.
   4. The decision also took into consideration the fact that ad-hoc reporting would be needed in case to fulfil the responsibilities of article 159 of the Directive.
5. Flexibility in the application of look-through in S.06.03

**e.1) Look-through by geographical area:**

* 1. The proposal of amendment was welcomed by stakeholders as it enhances flexibility in the application of look-through in S.06.03. The current requirement is extremely burdensome to implement and to fulfill. However to be fully implemented, taking advantage of the proportionality, the reference to the countries that represent 5% of the total amount of funds had to be made more ‘principle based’ rather than kept as a ‘rule’.
  2. The amendment is considered as an important step in the application of proportionality and has no costs associated, as the current practices would also allow compliance with new approach if an undertaking desires not to change practices immediately.

**e.2) Look-through by category of investments:**

* 1. With respect to the need and impact of introducing such an amendment the benefits of the amendment clearly overset the costs by extending the application of proportionality to all types of funds.

1. Alignment between templates S.12 and S.17 and within templates in relation to amounts of TP after use of transitionals and other measures
   1. With respect to the need and impact of introducing such an amendment the benefits of the amendment clearly overset the costs. Only undertakings using LTG measures and transitionals will be affected. It should be noted that two out of the four rows affected relate to transitional on interest rate which just a few companies are using.
   2. The information is available for undertakings and the increasing consistency within the information reported in the different rows brings value-added for all stakeholders.
2. Consideration of accumulated amounts in S.21.01
   1. With respect to the need and impact of introducing such an amendment the benefits of the amendment clearly overset the cost which were considered as residual as data is available for undertakings and would improve consistency of data reported. It will allow a better understanding of requirements (number of questions reveals uncertainty), consistency in data reported and improve the use for prudential purposes.
3. Nominated ECAI in several templates: standardisation of data, replace name by close list with LEI code and Name
   1. With respect to the need and impact of introducing such an amendment the benefits of the amendment clearly overset the costs.
   2. The previous requirement (name of ECAI as per ESMA website) was considered by some stakeholders as impractical, and a number of undertakings already reported the “parent” agency for simplicity. However other stakeholders believed that the list of subsidiaries from parent ECAIs should be provided in the close list.
   3. The introduction of a closed list was welcomed by stakeholders.
   4. As the proposal reflected a simplification to allow the use of a closed list with indication of the LEI code and not all subsidiaries will have a LEI code, the value added of having a closed list overcomes the loss of information on the subsidiaries of the ECAIs.

1. https://dev.eiopa.europa.eu/Taxonomy/Full/common/EIOPA\_Public\_2017\_Taxonomy\_Governance\_and\_Schedule.pdf [↑](#footnote-ref-2)
2. https://eiopa.europa.eu/regulation-supervision/insurance/reporting-format [↑](#footnote-ref-3)
3. <https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_radar> [↑](#footnote-ref-4)