



## **Technical Annex I – Information to be included within the regular supervisory report**

### **Analysis of legal and practical issues**

1. Third-country insurance undertakings should provide a numeric illustration of how the available branch assets would be distributed in a winding-up of the undertaking supported by a legal opinion and description of the applicable laws relating to winding-up in the relevant jurisdictions. The illustration should reflect the order of priorities of claims which would apply to the distribution of branch assets and take into account all arrangements which may be in place to provide certain policyholders or creditors security, protection or priority. The illustration should be in a format similar to that in Technical Annex II.
2. The qualifications of the person providing the analysis and their competency to be able to advise in respect of those laws should be stated.

### **Business and Performance**

#### **Business**

3. The following information should be reported by third-country insurance undertakings:
  - a) the main trends and factors that contribute to the development, performance and position of the (whole) undertaking over its business planning time horizon including the undertaking's competitive position and any significant legal or regulatory issues. That information should highlight both matters which are relevant to branch operations and issues which could affect the solvency of the undertaking as a whole;
  - b) a description of the business objectives of the undertaking in relation to the branch operations, including the relevant strategies and time frames;
  - c) the management accounts for the branch as described in Guideline 18.
4. Third-country insurance undertakings should also report, with regard to branch operations:
  - 4.1. the name of the branch;
  - 4.2. where available, the legal entity identifier of the branch or parent entity, as specified pursuant to Article 7(4), point (b), of Regulation (EU) 2023/2859;

- 4.3. the name and location of the parent and of the ultimate parent entity;
- 4.4. the name and contact details of the home supervisory authority responsible for financial supervision of the undertaking;
- 4.5. a list of subsidiaries and branches of the parent undertaking;
- 4.6. a simplified group structure;
- 4.7. whether the undertaking has applied for the advantages in Article 167(1) of Directive 2009/138/EC and if so the location of branches which have been established in any Member State;
- 4.8. the name and contact details of the external auditor of the branch, where applicable;
- 4.9. number of full time equivalent employees;
- 4.10. information on internal structures;
- 4.11. the branch's material lines of business and material geographical areas where it writes business;
- 4.12. any significant business or other events that have occurred over the reporting period that have had a material impact on the branch operations.

### **Underwriting Performance**

5. Third-country insurance undertakings should report the following in relation to their branch underwriting performance:
  - 5.1. qualitative and quantitative information on their branch underwriting performance, at an aggregate level and by material line of business and material geographical areas where it writes business over the reporting period, together with a comparison of the information with that reported on the previous reporting period as shown in the branch's specific accounts;
  - 5.2. an analysis on the branch's underwriting performance and reasons for any material changes compared to the previous reporting period;
  - 5.3. projections of the branch's underwriting performance, with information on significant factors that might affect such underwriting performance, over its business planning time horizon;

### **Investment performance**

6. The following information should be reported by third-country insurance undertakings regarding the performance of their branch investments;
  - 6.1. information on the performance of their branch investments over the reporting period together with a comparison of the information with that reported in the previous reporting period and reasons for any material change.
  - 6.2. an analysis of the branch's overall investment performance during the reporting period and also by relevant asset class;
  - 6.3. information about the nature and amount of any gains or losses recognised directly in equity;

- 6.4. projections of the branch's expected investment performance, with information on significant factors that might affect such investment performance, over its business planning time period;
- 6.5. the key assumptions which the branch makes in its investment decisions with respect to the movement of interest rates, exchange rates, and other relevant market parameters, over its business planning time period as shown in that branch's specific accounts.;
- 6.6. information about any branch investments in tradable securities or other financial instruments based on repackaged loans, and the undertaking's risk management procedures in respect of such securities or instruments in respect of branch operations.

### **Performance of other activities**

7. Third-country insurance undertakings should report information of any other material income and expenses in respect of branch operations, other than underwriting or investment income and expenses, over the undertaking's business planning time period.

### **Any other information**

8. Third-country insurance undertakings should report in a separate section any other material information regarding their branch business and performance.

### **System of Governance**

#### **General information on the system of governance**

9. The following information should be reported by third-country insurance undertakings regarding the general governance requirement in respect of branch operations:
  - 9.1. information allowing the supervisory authority to gain a good understanding of the system of governance with regard to the branch operations and to assess its appropriateness to the branch's business strategy and operations;
  - 9.2. information on the structure of the administrative, management or supervisory bodies of the third-country insurance undertaking, providing a description of their main roles and responsibilities and a brief description in relation to the branch operations of the segregation of responsibilities within these bodies, in particular whether relevant committees exist within them, as well as a description of the main roles and responsibilities of the general representative of the branch, any person who effectively run or who may influence branch operations and persons responsible for key functions with regard to branch operations;
  - 9.3. information on the remuneration policy and practices in relation to the branch, including:
    - 9.3.1. the main principles of the policy;
    - 9.3.2. how the undertaking's remuneration policies and practices in respect of the branch operations are consistent with and promote sound and effective risk management and do not encourage excessive risk taking.

10. Third-country insurance undertakings should report information on how risk management, internal audit, compliance and actuarial function are in place for the branch and whether these functions are dedicated exclusively to branch operations or whether they are exercised by the undertaking's head office and applied to branch operations.
11. The information referred to in the previous paragraph includes an explanation of how the functions have the necessary authority, resources, professional qualifications, knowledge, experience and operational independence or, in the case of the internal audit function, full independence, to carry out their tasks and how they report to and advise the administrative, management or supervisory body of the branch and how they are integrated into the decision making process for the branch operations.
12. Third-country insurance undertakings should provide information on the administrative and accounting procedures related to branch operations.
13. Third-country insurance undertakings should provide information on the records it maintains in order to identify the location of all branch assets and information to enable any person charged with the winding-up of the undertaking to take control of those assets.

#### **Fit and proper requirements**

14. The following information should be reported by third-country insurance undertakings regarding their compliance with the fit and proper requirements in respect of branch operations:
  - a) the identity of the general representative of the branch;
  - b) the identity of any persons who effectively run or who may influence branch operations;
  - c) the identity of the persons in the undertaking, or external to the undertaking in the case that the undertaking has outsourced key functions that are responsible for key functions within the branch;
15. Third-country insurance undertakings should also provide:
  - 15.1. a description of the specific requirements concerning skills, knowledge and expertise applicable to the persons who effectively run the branch operations, the general representative of the branch and any other persons that have key functions relating to the branch; and
  - 15.2. a description of the undertaking's process for assessing the fitness and the propriety of the persons responsible for the branch operations, the general representative of the branch and any other persons that have key functions relating to the branch.

#### **Risk management system including the own risk and solvency assessment**

16. The following information should be reported by third-country insurance undertakings regarding their risk management system of branch operations:
  - a) information on the undertaking's risk management strategies, objectives, processes and reporting procedures in respect of branch operations for each category of risk;
  - b) information on how the undertaking verifies the appropriateness of credit assessments from external credit assessments institutions including how and

the extent to which credit assessments from external credit assessments institutions are used;

- c) results of the assessments regarding the extrapolation of the risk-free rate, the matching adjustment and the volatility adjustment, as referred to in Article 44(2a) of Directive 2009/138/EC;
  - d) a description of how the risk management system including the risk management function is implemented and integrated into the organisational structure and decision-making processes of the undertaking in respect of branch operations;
17. The following information should be reported by third-country insurance undertakings regarding their ORSAs in respect of the branch operations which were performed over the reporting period:
- a) a description of how the ORSA in respect of branch operations is performed, internally documented and reviewed, and how it is integrated into the management process and into the decision-making process of the branch;
  - b) in particular, information on assessment of permanent availability of branch assets, adequacy of those assets to cover SCR;
  - c) a statement explaining how the undertaking has determined its branch solvency needs given its branch risk profile and how its branch capital management activities and its branch risk management system interact with each other.

### **Internal control system**

18. The following information should be reported by third-country insurance undertakings regarding their internal control system in respect of branch operations:
  - a) a description of the undertaking's internal control system for branch operations and where applicable, any material failures of that internal control system;
  - b) information on the advice given and assessments performed, as referred to in Article 46(2) of Directive 2009/138/EC in respect of branch operations during the reporting period, including any planned activities that were not implemented and the reason for their non-implementation;
  - c) information on the undertaking's compliance policy for branch operations;

### **Internal audit function**

19. The following information should be reported by third-country insurance undertakings regarding their internal audit function in respect of branch operations
  - a) a description of internal audits for the branch performed during the reporting period, with a summary of the material findings and recommendations reported to the undertaking's administrative, management or supervisory body, and any action taken with respect to these findings and recommendations;
  - b) a description of the undertaking's internal audit policy in respect of branch operations, the process for reviewing that policy, the frequency of review and any significant changes to that policy during the reporting period;
  - c) a description of the undertaking's internal audit plan in respect of branch operations, including future internal audits and the rationale for these future audits.

### **Actuarial function**

20. Third-country insurance undertakings should report a description of how their actuarial function in respect of branch operations is implemented.
21. With regard to the actuarial function in respect of the branch operations third-country insurance undertakings should report an overview of the activities undertaken by the actuarial function in respect of branch operations in each of its areas of responsibility during the reporting period, describing how the actuarial function contributes to the effective implementation of the risk management system of branch operations.

### **Outsourcing**

22. The following information should be reported by third-country insurance undertakings regarding outsourcing in respect of branch operations:
  - a) a description of their outsourcing policy in respect of branch operations, the outsourcing of any critical or important operational functions or activities in

respect of branch operations and the jurisdiction in which the service providers of such functions or activities are located;

- b) a list of the persons responsible for the outsourced key functions in the service provider.

### **Any other information**

- 23. Third-country insurance undertakings should report any other material information regarding their system of governance in relation to branch operations

### **Valuation for Solvency Purposes**

#### **Assets**

- 24. Third-country insurance undertakings should report, separately for each material class of assets, the value of the assets, as well as a description of the bases, methods and main assumptions used for valuation for solvency purposes, including, where relevant, the consideration of sustainability risks and factors in the valuation methods.
- 25. Separately for each material class of assets, an explanation of any material differences between the bases, methods and main assumptions used by that undertaking for the valuation for solvency purposes and those used for its valuation in the branch's specific accounts.

#### **Technical provisions**

- 26. The following information should be reported by third-country insurance undertakings regarding the valuation of the technical provisions in respect of branch operations for branch solvency purposes:
  - a) separately for each material line of business the value of technical provisions, including the amount of the best estimate and the risk margin, as well as a description of the bases, methods and main assumptions used for their valuation for solvency purposes, including, where relevant, the consideration of sustainability risks and factors in the valuation methods;
  - b) separately for each material line of business, an explanation of any material differences between the bases, methods and main assumptions used by that undertaking for the valuation for solvency purposes and those used for their valuation in the branch's specific accounts;
  - c) a description of the level of uncertainty associated with the amount of technical provisions in respect of branch operations;
  - d) a statement on whether the phasing-in mechanism for extrapolation laid down in Article 77a(2) of Directive 2009/138/EC is used, and a quantification of the impact of not applying the phasing-in mechanism;
  - e) where the matching adjustment referred to in Article 77b of Directive 2009/138/EC is applied, a description of the matching adjustment and of the portfolio of obligations and assigned assets to which the matching adjustment is applied, as well as a quantification of the impact of a change to zero of the

- matching adjustment on that undertaking's financial position related to branch operations, including on the amount of technical provisions;
- f) a statement on whether the volatility adjustment referred to in Article 77d of Directive 2009/138/EC is used by the undertaking and quantification of the impact of a change to zero of the volatility adjustment on that undertaking's financial position related to branch operations, including on the amount of technical provisions;
  - g) a statement on whether the transitional risk-free interest rate-term structure referred to Article 308c of Directive 2009/138/EC is applied, the reason for applying that transitional risk-free interest rate-term structure, and a quantification of the impact of not applying the transitional measure on the undertaking's financial position related to branch operations, including on the amount of technical provisions and the prospect to reduce any dependence on the transitional risk-free interest rate-term structure by the end of the transitional period,;
  - h) a statement on whether the transitional deduction referred to in Article 308d of Directive 2009/138/EC is applied, is applied, the reason for applying that transitional deduction and a quantification of the impact of not applying the deduction measure on the undertaking's financial position related to branch operations, including on the amount of technical provisions and the prospect to reduce any dependence on the transitional deduction by the end of the transitional period.
  - i) a description of the following:
    - (i) the recoverables from reinsurance contracts and special purpose vehicles in relation to branch operations,
    - (ii) any material changes in the relevant assumptions made in the calculation of technical provisions in relation to branch operations compared to the previous reporting period.

### **Valuation of the other liabilities (than technical provisions)**

27. The following information should be reported by third-country insurance undertakings regarding the valuation of other assets and other liabilities in respect of the branch operations for branch solvency purposes:
- a) separately for each material class of other liabilities the value of other liabilities as well as a description of the bases, methods and main assumptions used for their valuation for solvency purposes;
  - b) separately for each material class of other liabilities, an explanation of any material differences with the valuation bases, methods and main assumptions used by the undertaking in relation to the branch operations for the valuation for solvency purposes and those used for their valuation in the branch's specific accounts.

### **Alternative methods for valuation**

28. Where an alternative valuation method is used, third-country insurance undertakings should report information on:

- a) the branch assets and branch liabilities to which that valuation approach applies;
- b) a justification of the use of that valuation approach for the assets and liabilities referred to in point a);
- c) the assumptions underlying that valuation approach;
- d) an assessment of the valuation uncertainty of the assets and liabilities referred to in point a);
- e) a comparison of the adequacy of the valuation of the assets and liabilities referred to in point a) against experience.

### **Any other information**

- 29. Third-country insurance undertakings should provide, in respect of the branch operations, a description of:
  - 29.1. the relevant assumptions about future management actions;
  - 29.2. the relevant assumptions about policy holder behaviour.
- 30. Third-country insurance undertakings should report in a separate section any other material information regarding the valuation of branch assets and branch liabilities for branch solvency purposes.

### **Capital Risk Management and Risk profile**

#### **Own funds**

- 31. Third-country insurance undertakings should report to the supervisory authority the following information in respect of branch own funds:
  - a) information on the objectives, policies and processes employed by the undertaking for managing branch own funds, including information on the time horizon used for business planning and on any material changes over the reporting period;
  - b) the expected developments of the branch own funds over its business planning time period given the undertaking's business strategy, and appropriately stressed capital plans;
  - c) the eligible amount of own funds to cover the branch SCR classified by tiers, at the end of the reporting period and at the end of the previous reporting period, including an analysis of the material changes in each tier over the reporting period;
  - d) the eligible amount of basic own funds to cover the branch Minimum Capital Requirement, classified by tiers;
  - e) an explanation addressing the key elements of the reconciliation reserve;
  - f) for each material item of ancillary own funds, a description of the item, the amount of the ancillary own fund item, where a method by which to determine the amount of the ancillary own fund item has been approved, that method as well as the nature and the names of the counterparty or group of

counterparties for the items referred to in points (b) to (c) of Article 89(1) of Directive 2009/138/EC;

- g) a description of any item deducted from own funds and a brief description of any significant restriction affecting the availability and transferability of own funds within the undertaking and the branch.
32. Third-country insurance undertakings should confirm in their regular supervisory reporting that the assets covering the branch MCR are located within the Member State where the activities are pursued and that the assets covering the branch SCR in excess of the branch MCR are located within the European Union.
  33. Third-country insurance undertakings should provide information on the assets lodged as deposit in accordance with Article 162 (2)(e) to allow the supervisory authority to assess the appropriateness of the deposit, including;
    - 33.1. The name and location of the credit institution that the deposit is lodged with;
    - 33.2. Confirmation that that credit institution has, or will exercise, no right of set off of any claims it may have against the undertaking against the deposits should the undertaking fail or be subject to winding-up proceedings;
    - 33.3. Details of the quality of the assets lodged as part of the deposit, including details of the volatility of the asset over time, in order to demonstrate that the asset is of sufficient quality and stable value to fulfil the role of the deposit.
  34. Third-country insurance undertakings should report to the supervisory authority the following information regarding their solvency position calculated in accordance with the home jurisdiction rules on branch own funds:
    - a) the eligible amount of own funds to cover the branch SCR;
    - b) the eligible amount of basic own funds to cover the branch Minimum Capital Requirement;

### **Solvency Capital Requirement and Minimum Capital Requirement**

35. The following information should be reported by third-country insurance undertakings regarding the branch SCR and the branch Minimum Capital Requirement:
  - a) the amounts of the branch's SCR and the branch Minimum Capital Requirement and the eligible own funds and ratio of coverage for both the Solvency Capital Requirement and the Minimum Capital Requirement at the end of the reporting period at the end of the reporting period, accompanied, where applicable, by an indication that the final amount of the branch SCR is still subject to supervisory assessment;
  - b) quantitative information on the branch's SCR split by risk modules where the undertaking applies the standard formula, and by risk categories where the undertaking applies an internal model and a qualitative description of the material risks captured by the Solvency Capital Requirement calculation;
  - c) the expected developments of the undertaking's anticipated branch SCR and branch Minimum Capital Requirement over its business planning time period

- given the undertaking's business strategy for the branch where the same information is not included in the ORSA Supervisory Report;
- d) information on whether and for which risk modules and sub-modules of the standard formula the undertaking is using simplified calculations in respect of branch operations;
  - e) information on whether and for which parameters of the standard formula the undertaking is using undertaking-specific parameters pursuant to Article 104(7) of Directive 2009/138/EC in respect of branch operations;
  - f) the impact of any undertaking-specific parameters the undertaking is required to use in accordance with Article 110 of Directive 2009/138/EC and the amount of any capital add-on applied to the branch SCR;
  - g) information on the inputs used by the undertaking to calculate the branch Minimum Capital Requirement;
  - h) any material change to the branch SCR and to the branch Minimum Capital Requirement over the reporting period, and the reasons for any such change.
36. Third-country insurance undertakings should report the amount of their solvency requirement for the whole undertaking, calculated in accordance with home jurisdiction rules, which is equivalent to the SCR and the Minimum Capital Requirement.
37. Where simplifications have been used for the calculation of branch SCR, third-country insurance undertakings should provide information on the justification that these simplifications are proportionate to the nature, scale and complexity of the risk in respect of branch operations.
38. Within the information reported with regard to the branch's SCR, third-country insurance undertakings should include details of any allowance for reinsurance and financial mitigation techniques and future management actions in respect of branch operations used in the branch SCR calculation and how these have met the criteria for recognition.
39. Where an internal model is used to calculate the branch SCR, the following information should also be reported by third-country insurance undertakings:
- a) a description of the various purposes for which the undertaking is using its internal model for branch operations;
  - b) a description of the scope of the internal model covering branch operations in terms of business units and risk categories;
  - c) where a partial internal model covering branch operations is used, a description of the technique which has been used to integrate any partial internal model into the standard formula including, where relevant, a description of alternative techniques used;
  - d) a description of the methods used in the internal model covering branch operations for the calculation of the probability distribution forecast and the branch SCR;
  - e) the results of the review of the causes and sources of profits and losses, required by Article 123 of Directive 2009/138/EC, for each major business

unit and how the categorisation of risk chosen in the internal model explains those causes and sources of profits and losses;

- f) an explanation, by risk module, of the main differences in the methodologies and underlying assumptions used in the standard formula and in the internal model covering branch operations;
  - g) the risk measure and time period used in the internal model, and where they are not the same as those set out in Article 101(3) of Directive 2009/138/EC, an explanation of why the branch SCR calculated using the internal model covering branch operations provides branch policy holders and beneficiaries with a level of protection equivalent to that set out in Article 101 of Directive 2009/138/EC;
- 40. Where undertaking-specific parameters are used to calculate the SCR, or a matching adjustment is applied to the relevant risk-free interest term structure, the regular supervisory report should include information regarding whether there have been changes to the information included in the application for approval of the undertaking-specific parameters or matching adjustment that are relevant for the supervisory assessment of the application.
  - 41. Third-country insurance undertakings should at least report a high level description of the operational performance of the internal model in respect of branch operations, in particular security, contingency planning and recovery plans, as well as computational capabilities and efficiency of the model.
  - 42. Third-country insurance undertakings should provide a description of the nature and appropriateness of the key data used in the internal model in respect of branch operations and a description of the process in place for checking data quality
  - 43. Third-country insurance undertakings should provide an estimate of the branch SCR determined in accordance with the standard formula, where the undertaking is using an internal model to calculate its branch SCR and where the supervisory authority requires the undertaking to provide that estimate pursuant to Article 112(7) of Directive 2009/138/EC.

#### **Use of the duration-based equity risk sub-module and of the provisions on long-term equity investments in the calculation of the Solvency Capital Requirement**

- 44. The following information should be reported by third-country insurance undertakings regarding the option set out in Article 304 of Directive 2009/138/EC in respect of branch operations:
  - a) an indication that the undertaking is using the duration-based equity risk sub-module set out in that Article for the calculation of the branch SCR, after approval from its supervisory authority;
  - b) the amount of the branch capital requirement for the duration-based equity risk sub-module resulting from such use.

The following information regarding the application of Article 105a of Directive 2009/138/EC should be reported by third country insurance undertakings in respect of branch operations:

- (a) a statement on whether the undertaking applies the prudential treatment set out in Article 105a of that Directive for the calculation of its Solvency II capital requirement, and where applicable, the amount of equity investments that are classified as long-term equity investments, and the share of such investments within the equity portfolio;
- (b) information on any non-compliance with the conditions laid down in Article 105a(1), second subparagraph, of that Directive during the financial year covered by the report, including all of the following:
  - (i) information on the conditions that are or were not met and the reasons for non-compliance;
  - (ii) the duration of the non-compliance;
  - (iii) whether the undertaking has restored compliance.

An undertaking that is required to cease to classify any equity investment as long-term equity investments in accordance with Article 105a(3), fourth subparagraph, of that Directive should report that information and the remaining duration of the prohibition to apply the risk factor referred to in Article 105a(4) of Directive 2009/138/EC.

### **Material liquidity risks and material risk concentrations**

- 45. The following information should be reported by third-country insurance undertakings regarding the risk exposure of the branch, including the exposure arising from off-balance sheet positions and the transfer of risk to special purpose vehicles:
  - a) a description of the material risks that the branch is exposed to, including any material changes over the reporting period;
  - b) an overview of any material risk exposures anticipated over the business planning time period given the undertaking's business strategy for the branch, and how these risk exposures will be managed;
  - c) where the undertaking has entered directly or indirectly into financing transactions, including factoring, in respect of branch operations, information on its characteristics and the corresponding amounts of the off-balance sheet liabilities;
  - d) where the undertaking sells variable annuities through the branch, information on guarantee riders and hedging of the guarantees;
- 46. With respect to risk concentration third-country insurance undertakings should report information on the material risk concentrations to which the branch is exposed to and an overview of any future risk concentrations anticipated over the business planning time horizon given the undertaking's business strategy for the branch, and how these risk concentrations will be managed.

### **Risk-mitigation techniques**

47. The following information should be reported by third-country insurance undertakings regarding their risk-mitigation techniques in respect of branch operations:
  - 47.1. a description of the techniques used for mitigating risks in relation to branch operations,;
  - 47.2. information on any material risk mitigation techniques purchased or entered during the reporting period in respect of branch operations. This should include information on the effectiveness of these techniques and the impact on the performance of branch underwriting activities.
  - 47.3. a description of any material risk-mitigation techniques in respect of branch operations that the undertaking is considering purchasing or entering over the business planning time horizon given the undertaking's business strategy for the branch, and the rationale for and effect of such risk mitigation techniques;
  - 47.4. With regard to their liquidity risk, third-country insurance undertakings should report the expected profit included in future premiums in respect of branch operations as calculated in accordance with Article 260(2) and (2a) of the Commission Delegated Regulation (EU) 2015/35 for each line of business, the result of the qualitative assessment referred to in Article 260(1) point (d)(ii) of the Commission Delegated Regulation (EU) 2015/35 and a description of the methods and main assumptions used to calculate the expected profit included in future premiums;
  - 47.5. The undertaking should report also information on any material liquidity risk exposure to financing transactions or agreements, including factoring, in which the third country insurance undertaking has entered directly or indirectly.
48. The following information should be reported by third-country insurance undertakings regarding their risk sensitivity in respect of branch operations:
  - a) a description of the relevant stress tests and scenario analysis referred to in Article 259 (3) of the Commission Delegated Regulation (EU) 2015/35 carried out by the undertaking in relation to branch operations including their outcome;
  - b) a description of the methods used and the main assumptions underlying those stress tests and scenario analysis.
49. Within the information reported with regard to branch risk exposure, third-country insurance undertakings should explain how they ensure that derivatives contribute to the reduction of risks or facilitate efficient portfolio management in respect of branch operations.
50. In relation to the use of Special Purpose Vehicles (SPV) in respect of branch operations, third-country insurance undertakings should report at least information on whether the SPV is authorized under Article 211 of Directive 2009/138/EC, what risks are transferred to the SPV and how the fully funded principle is implemented.

**Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement**

51. Third-country insurance undertakings should report information on any reasonably foreseeable risk of non-compliance with the branch's Minimum Capital

Requirement or the branch's SCR, and the undertaking's plans for ensuring that compliance with each is maintained

52. Regarding any non-compliance with the branch's Minimum Capital Requirement third-country insurance undertakings should report:
  - a) the period and maximum amount of each non-compliance during the reporting period;
  - b) an explanation of its origin and consequences;
  - c) any remedial measures taken and an explanation of the effects of such remedial measures;
  - d) where non-compliance with the branch's Minimum Capital Requirement has not been subsequently resolved: the amount of the non-compliance at the reporting date;
53. Regarding any significant non-compliance with the branch's SCR) third-country insurance undertakings should report:
  - 53.1. the period and maximum amount of each significant non-compliance and, in addition to the explanation of its origin and consequences as well as any remedial measures taken, an explanation of the effects of such remedial measures;
  - 53.2. where a significant non-compliance with the branch's SCR has not been subsequently resolved: the amount of the non-compliance at the reporting date.

**Any other information**

54. Third-country insurance undertakings should report any other material information regarding their capital management and risk profile in respect of branch operations.