

Bank of England PRA

Appendix 21: Solvency II regulatory reporting waivers

Consultation paper | CP12/23

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Draft for consultation



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1. Introduction

1.1 This statement of policy (SoP) sets out the Prudential Regulation Authority's (PRA) approach to waiving the submission of certain Solvency II reporting requirements in the Reporting Part of the PRA Rulebook, using its statutory powers under section 138A of the Financial Services and Markets Act (FSMA).

1.2 This SoP is relevant to all UK Solvency II firms, third-country branch undertakings and the Society of Lloyd's, its members and managing agents. This SoP does not apply to Swiss general insurers, as defined in the PRA Rulebook. It should be read alongside all relevant onshored EU legislation, and the Reporting Part of the PRA Rulebook.¹

1.3 In particular, this SoP:

- lists the reporting requirements applicable to individual firms and third-country branches granted the waivers set out in this SoP; and
- explains the steps a firm must take to apply for a waiver, and how the decision will be communicated to the firm.

1.4 Firms should also refer to supervisory statement (SS) 2/19 – PRA approach to interpreting reporting and disclosure requirements and regulatory transactions forms after EU withdrawal² and the European Insurance and Occupational Pensions Authority (EIOPA) Reporting and Disclosure Guidelines.³

1.5 Any reference to any provision of direct EU legislation is a reference to it as it forms part of retained EU law.

2. Solvency II reporting waivers

2.1 The reporting requirements are set out in the Reporting Part of the PRA Rulebook. The PRA considers that some firms may be eligible to apply for a modification by consent to

¹ Paragraphs 2.1 to 2.4, 2.7 to 2.11 and 2.13 have been transferred with necessary changes from SS11/15, which will be repealed by the PRA on 31 December 2024 and transferred to this SoP. Paragraphs 2.5 and 2.6 have been transferred with necessary changes from SS44/15.

² December 2020: SS2/19 – <https://www.bankofengland.co.uk/prudential-regulation/publication/2019/pru-approach-to-interpreting-reporting-and-disclosure-reqs-and-reg-trans-forms-ss>.

³ www.bankofengland.co.uk/-/media/boe/files/paper/2020/december/gi-reporting-public-disclosure.pdf. These are derived from the EIOPA Guidelines as at 31 December 2020.

waive regular supervisory reporting as set out in this SoP, unless specifically instructed by its supervisory team. The PRA will grant this waiver via a rule modification under s138A FSMA.⁴

Reporting by individual firms

2.2 The PRA considers that firms designated as Category 3 and 4 by the PRA under the potential impact framework, whether an individual firm or part of a group, are eligible to apply for this waiver from quarterly reporting.

2.3 Firms that are granted the waiver from reporting certain quarterly templates for individual firms will only have to submit the reporting templates identified in Table A.

2.4 As shown in Table A, the reporting waiver at the individual firm level does not apply to second quarter reporting of:

- own funds and balance sheet templates; nor
- the basic information and content of submission templates.

The latter templates will help the PRA understand basic information about each submission and facilitate validation checks.

Table A: Aspects of quarterly reporting required of individual firms granted a reporting waiver

Quarter 2

Basic information — S.01.02.01

Content of the submission — S.01.01.02

Balance sheet — S.02.01.02

Information on own funds — S.23.01.01

Reporting by Category 3 and 4 third-country branches

2.5 The PRA considers that third-country branch undertakings (other than pure reinsurance branches) designated as Category 3 and 4 by the PRA under the potential impact framework, are eligible to apply for this waiver from certain aspects of quarterly, semi-annual, and annual reporting. The PRA will grant this waiver via a rule modification under s138A FSMA. The

⁴ While the term 'waiver' is used throughout this document, the exemption would be granted by a modification by consent.

PRA may consider waivers for Category 1 and 2 third-country branches on an exceptional basis.

2.6 Firms that are third-country branch undertakings and have been granted the third-country branch reporting waiver will only have to submit the templates identified in Table B applicable to them.

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Table B: Aspects of reporting required of third-country branches granted a reporting waiver

| Semi-annual reporting at Quarter 2 and Quarter 4 | Annual reporting |
|---|-------------------------|
| S.01.01.08 | S.01.01.07 |
| S.01.02.07 | S.01.02.07 |
| S.02.01.08 | S.01.03.01 |
| | S.01.04.07 |
| | S.02.01.07 |
| | S.02.03.07 |
| | S.05.03.02 |
| | NS.07.01.07 |
| | S.12.01.01 |
| | S.14.01.01 |
| | S.14.02.01 |
| | S.14.03.01 |
| | S.16.01.01 |
| | S.17.01.01 |
| | S.30.05.01 |
| | S.31.01.01 |
| | SR.01.01.07 |
| | SR.12.01.01 |
| | SR.17.01.01 |
| | NS.01.01.01 |
| | NS.02.01.01 |
| | NS.03.01.01 |
| | NS.04.01.01 |
| | NS.08.01.01 |
| | NS.10.01.01 |
| | NS.11.01.01 |

2.7 The PRA may, where necessary to meet its objectives, make ad hoc requests for reporting subject to a waiver. Firms granted a waiver from reporting should therefore maintain their ability to respond to such ad hoc requests.

2.8 Should a waiver be revoked by the PRA, the PRA expects that firms will resume reporting within six months from the initial notification, unless there are specific circumstances where such a delay would not be appropriate.

2.9 Should a waiver expire and not be renewed by the firm or the PRA, reporting should resume at the next scheduled reporting date.

Application for Solvency II reporting waiver by Category 1 and 2 firms, and insurance groups

2.10 The PRA may consider waivers for Category 1 and 2 firms on an exceptional case-by-case basis. These cases could include small firms that are part of groups, where the group is designated as Category 1 or 2 by the PRA. Category 1 or 2 individual firms that believe they are eligible for waiver of quarterly reporting should discuss this waiver with their supervisor prior to submitting a formal application. An application should then be submitted by completing the relevant application material published on the Bank of England (the Bank) website.⁶

2.11 The PRA has determined that groups subject to group supervision by the PRA in accordance with the Group Supervision Part of the Rulebook and the Solvency II Regulations 2015 may be eligible for this waiver from quarterly reporting at the level of the group, on a case-by-case basis. Groups that are granted this waiver may not be required to submit any group level quarterly reporting templates. Groups subject to group supervision by the PRA that believe they are eligible for waiver of quarterly reporting at the level of the group should discuss this waiver with their group supervisor prior to submitting a formal application. An application should then be submitted by completing the relevant application material published on the Bank's website. The timing of decisions on the applications for individual firm and group level reporting may differ.

2.12 Category 1 or 2 third-country branches that believe they are eligible for a waiver of quarterly, semi-annual, and annual reporting should discuss this with their supervisor prior to submitting a formal application. An application should then be submitted by completing the relevant questionnaire published on the Bank's website.

⁶ See www.bankofengland.co.uk/prudential-regulation/authorisations/waivers-and-modifications-of-rules.

2.13 Once the PRA has assessed an application it will inform the firm of its decision. Where an application is approved, the firm will be sent a Direction letter that sets out the duration of the waiver.

2.14 The PRA expects firms to have a contingency plan in place in case their application is rejected or in case the approved waiver should expire without being extended. In addition, the PRA expects all firms to notify their supervisory contact as soon as they believe there are any circumstances which may impact their suitability to hold the waiver.

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