

Bank of England PRA

Appendix 24: Draft amendments to SS7/17 – Solvency II: Data collection of market risk sensitivities

Consultation paper | CP12/23

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Draft for publication



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In this appendix, new text is underlined and deleted text is struck through.

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2 Firms in scope of the request for sensitivities

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2.2 Where a group exists, the solo firms within the group may each find themselves within scope. Subject to agreement with the PRA, participants that have immaterial non-UK business have the option to submit the information for the group rather than for each solo firm.

3 The key market risks and information to be provided

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3.3 The PRA expects the sensitivities to show the impact on assets, Best Estimate Liabilities, ~~technical provisions, risk margin, the Transitional Measure on Technical Provisions (TMTP)~~ and other liabilities and ultimately to Own Funds as well as the Solvency Capital Requirement (SCR). In light of the potential for recalculation of the transitional measure on technical provisions (TMTP), ~~the PRA expects the impacts of that adjustment also to be provided, where applicable.~~

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4 Timescales and format

4.1 The information requested will enable the PRA to understand how a firm's financial situation, and through extrapolation that of the sector as a whole, might alter in a stressed scenario. Therefore, the PRA expects the sensitivities to be kept up to date as firms' exposures change over time. To this end, the PRA expects firms to submit the information four weeks after the formal submission of solo quarterly Quantitative Reporting Templates (QRTs) for end June and end December, or following a significant change in the risk profile of the company, or upon the PRA's request due to extraordinary market conditions. For example, the PRA expects firms to consider the need for a resubmission following a merger or acquisition ~~or a recalculation of the TMTP~~. The first submission of sensitivity results should

be at the effective date of 31 December 2017. Firms that have taken the option to provide combined group information are still expected to submit four weeks after the formal submission of solo quarterly QRTs for end June and end December.

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