

Policy Statement | PS38/16

Solvency II: Reporting format of National Specific Templates and reporting clarifications

December 2016



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This policy statement provides final rules and feedback on responses to Consultation Paper 40/16 'Solvency II: Reporting format of National Specific Templates and reporting clarifications'.

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1 Overview

1.1 This Prudential Regulation Authority (PRA) Policy Statement (PS) provides feedback to responses to Consultation Paper (CP) 40/16 ‘Solvency II: Reporting format of National Specific Templates and reporting clarifications’.¹

1.2 It sets out final rules to incorporate National Specific Template (NST) information requirements within the Reporting Part of the PRA Rulebook (see Appendix 1) for financial year end 2016 and future financial year ends.

1.3 It also:

- sets out the requirement for firms to report their NSTs in Excel templates designed using XBRL principles; and
- provides updated LOG files to accompany NSTs to reflect changes in cell references, reporting clarifications and technical corrections.

1.4 In CP40/16 the PRA proposed:

- (a) a reporting approach for financial year end 2016 and future financial year ends whereby firms submit NSTs in Excel templates, that have been designed using XBRL principles;
- (b) the information requirements for NSTs are brought into the Reporting Part of the PRA Rulebook; and
- (c) updates to the NST LOG files to reflect changes in cell references, reporting clarifications and technical corrections.

1.5 This PS is relevant to all UK Solvency II firms required to submit NSTs and to Lloyd’s.

1.6 The PRA is required by the Financial Services and Markets Act 2000 (FSMA) to publish a statement on the impact of rules on mutuals where the final rule differs from the draft of the proposed rule.² No changes have been made.

1.7 The PRA is also required by FMSA to publish a cost benefit analysis to the consultation where the PRA considers changes to be significant. In the PRA’s opinion, the changes to the consultation proposals are not significant, and do not warrant additional cost benefit analysis.

2 Feedback to responses to CP40/16

2.1 The PRA is required by FMSA to have regard to any representations made to the proposals in a consultation, to publish an account, in general terms, of those representations and its response to them, and to publish details of any significant differences in the rules as made.

2.2 The PRA received five responses to CP40/16 relating to corrections required and requesting further clarifications within the LOG files.

¹ November 2016; www.bankofengland.co.uk/pr/Pages/publications/cp/2016/cp4016.aspx.

² Section 138K of FSMA.

2.3 The PRA does not consider that the responses received to the CP necessitate significant changes to its proposals. The PRA has, however, had regard to responses to the CP, and made some amendments to the requirements where appropriate, including to add further clarity. The PRA sets out below the issues raised by respondents, and the corresponding amendments to the proposals within the CP.

Requirements for NSTs

2.4 The PRA received no responses to the changes proposed to the Reporting Part of the PRA Rulebook in relation to NSTs. The final rules are unchanged from the CP. The rules are set out in Appendix 1.

Format to submit NST files

2.5 The PRA received no responses to the format in which to submit NST files. The PRA has, however, made a small number of changes to the template files to address technical errors and ensure the requirements, reporting templates and LOG files are consistent.

Updates to the NST LOG files

2.6 The PRA received no responses to the updates made to the NST LOG files, reporting clarifications or technical corrections. However, it did receive a number of queries requesting further clarification and technical corrections. The PRA has made a small number of minor changes to the LOG files to ensure consistency with the templates in relation to NS.07 and NS.10.

2.7 Within the NS.07 LOG file, the PRA has clarified the instructions relating to expenses, total comprehensive income and assets.

2.8 Within the NS.10 LOG file, the PRA has clarified the instructions relating to 'large bodily injury claims', 'health hazards' and 'annuities stemming from non-life contracts'.

2.9 Full details can be found in the LOG files at www.bankofengland.co.uk/pr/Pages/regulatorydata/insurance/reporting.aspx. The reporting clarifications and technical outlined in Appendix 4 of CP40/16 have been incorporated within the NST LOG files.

Appendix 1

**PRA RULEBOOK: SOLVENCY II FIRMS: REPORTING INSTRUMENT 2016,
available at**

www.bankofengland.co.uk/pr/Pages/publications/ps/2016/ps3816.aspx