

Comments Template on EIOPA-CP-14-047		Deadline
Draft proposal for Level 3 Guidelines on reporting and public disclosure		02.Mar.2015 23:59 CET
Company name:	Deloitte Touche Tohmatsu	
Disclosure of comments:	EIOPA will make all comments available on its website, except where respondents specifically request that their comments remain confidential. Please indicate if your comments on this CP should be treated as confidential, by deleting the word Public in the column to the right and by inserting the word Confidential.	Public
<p>Please follow the instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ Do not change the numbering in column "Reference". ⇒ Please fill in your comment in the relevant row. If you have <u>no comment</u> on a paragraph, keep the row <u>empty</u>. ⇒ Our IT tool does not allow processing of comments which do not refer to the specific paragraph numbers below. <ul style="list-style-type: none"> ○ If your comment refers to multiple paragraphs, please insert your comment at the first relevant paragraph and mention in your comment to which other paragraphs this also applies. ○ If your comment refers to sub-bullets/sub-paragraphs, please indicate this in the comment itself. <p>Please send the completed template to Consultation_Set2@eiopa.europa.eu, in MSWord Format, (our IT tool does not allow processing of any other formats).</p> <p>The paragraph numbers below correspond to Consultation Paper No. EIOPA-CP-14-047.</p>		
Reference	Comment	
General Comment	Assuming that the Solvency II balance sheet is audited, we suggest to have the statement of the auditors about the balance sheet in an appendix to the SFCR.	
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1.5.	<p>This paragraph states that the current guidelines apply to individual insurance and reinsurance undertakings, to third county branches, to participating insurance and reinsurance undertakings, insurance holdings companies and mixed financial holding companies. However, so-called undertakings under freedom to provide services seem to be exempt from the scope of these guidelines.</p> <p>We recommend that EIOPA clarify whether this scope also applies to undertakings under freedom to provide services, similar to Consultation Paper 14/044 (paragraph 1,7) and EIOPA CP-14-052 (article 8 (1) h).</p>	
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1.10.	<p>In paragraph 2.26, it should be clarified that those "projected future taxable profits" should be considered in the light of the "normal planning cycle of the undertaking" (see explanatory text to guideline 10 in EIOPA-CP-14-043) and it should be disclosed what management considers to be the length of such a cycle. There should be no difference in the definition here between this consultation paper and EIOPA-CP-14-043.</p>	
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1.20.	<p>The explanatory text to guideline 6 (paragraphs 2.12 to 2.14) should clarify that it is acceptable to refer to applicable paragraphs in IFRS-standards on recognition and measurement or refer to published and audited financial statements where those accounting principles are described, rather</p>	

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	than disclosing elaborate recognition and measurement bases applied. We believe that undertakings preparing their financial statements under IFRS (as adopted by the EU) and that are audited should be able to chose this option, while other preparers would not.	
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1.39.	<p>Paragraph 2.80 should be supplemented with the following examples of pre-defined events;</p> <ul style="list-style-type: none"> • A refusal by the auditors to certify the accounts or a serious qualification of the audit opinion • Key staff leaving, exposing the undertaking to risks of not being able to fulfil its financial or regulatory reporting requirements • Whether the control functions have not been able to function as intended, leading to a major loss, failure or break-down of governance 	

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	<ul style="list-style-type: none"> Difficulties in performing supervision <p>Paragraph 2.81 should clarify whether there is a prescribed format for notifying the supervisory authorities of circumstances that give rise to the occurrence of a predefined event, for example in writing to be valid or recognised as a formal notification. We believe that there should be no ambiguity on whether notification has actually taken place or not. For instance, it could be required that the supervisory authority confirms that they have received such a notification.</p>	
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1.59.	Guideline 42. It may be difficult to prove or to establish whether an insurance undertaking has not	

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	signed a NDA with an other party in order to avoid disclosure in the SFCR. We suggest to rephrase "for the sole purpose to avoid disclosure in the SFCR"	
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Annex I ¹	<p>Annex I includes a list of validations many of which used to be the formulas contained in the LOGs. It was more useful to have formulas (most of the validations referred as WT) within the LOG files, and the real validations in Annex I. Besides, we do not understand the issuing of these validations in the current CP (Guidelines) while the QRTs are published under CP 14-052 (Implementing Technical Standards).</p> <p>Comments on specific validations:</p> <ol style="list-style-type: none"> 1) #1835: <ul style="list-style-type: none"> - It uses a cell reference which is crossed-out (C0110/R0090). - It does not subtract the recoverables of TP as a whole of LoB Insurance with profit participation on Accepted reinsurance (Gross) (cell under A7A, since it is not required but it is not consistent with the calculation of other LoBs). 2) #1836: <ul style="list-style-type: none"> - It uses cells references which are crossed-out (C0030/R0090 and C0120/R0090). - It does not subtract the recoverables of TP as a whole of LoB Index-linked and unit-linked insurance on Accepted reinsurance (Gross) (cell under A7B, since it is not required but it is not consistent with the calculation of other LoBs). 3) #1837: <ul style="list-style-type: none"> - It adds and subtract the same cell in the formula (three cases: C0060/R0010, 	

¹ If you have specific comments on Technical Annex 1 – Validations, please provide them line by line.

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	<p>C0090/R0010, C0210/R0010).</p> <ul style="list-style-type: none"> - It uses cells references which are crossed-out (C0060/R0090, C0130/R0090, C0140/R0090). - The sign between C0090/R0090 and C0130/R0010 is missing. - It does not subtract the recoverables of TP as a whole of LoB Other life insurance on Accepted reinsurance (Gross) (cell under A7C, since it is not required but it is not consistent with the calculation of other LoBs). - It does not subtract the recoverables of TP as a whole of LoB Annuities stemming from non-life accepted insurance contracts and relating to insurance obligation other than health insurance obligations (Gross) (it is not required in the reporting but it is not consistent with the calculation of other LoBs). <p>Same comments for validations: 1854, 1855 and 1856.</p> <p>4) #1834: all references in the formula to cells under column C1500 are wrong. It should be column C1510. Besides, the capital charge for Income protection is not being taken into account in the formula.</p> <p>5) #1652: all references in the formula to cells under column C1500 are wrong. It should be column C1510.</p> <p>6) #1653: reference C1510/R4320 is incorrect. It should be C1510/R4430.</p> <p>7) #1464: It says that Z0030 is to be completed only when item Z0020=1. The current QRT does not contain any item Z0020.</p> <p>8) #1286: formula refers to cells Z0030 and Z0020. None of them exist in the QRT template.</p> <p>9) #1292: reference to cell C0090/R0130 is incorrect. It should be C0100/R0130.</p> <p>10) #1293 to 1297 are the same as validations #1287 to 1291.</p> <p>11) #1298 is equal to validation #1292.</p> <p>It is time consuming for undertakings to correct the validation formula before submitting information to EIOPA.</p>	