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Reporting and Disclosure requirements: Update and public consultation on ITS amendments

EIOPA Insurance and Reinsurance Stakeholder Group meeting
Frankfurt, 4 April 2018

- Why is the topic on the agenda?
 - EIOPA has published a public consultation proposing amendments/corrections on the ITS on Reporting and Disclosure and related documents
- What is expected from the IRSG?
 - To provide an opinion on the public consultation
- Next steps
 - Public event at EIOPA premises on the 12/04
 - Open consultation until 11/05

Background:

- ITSs issued in 2015;
- Amendment in 2016 (only reporting): infrastructure and other corrections;
- Amendment in 2017: mainly corrections from Q&A process and targeted amendments;
- Amendment in 2018:
 - Principle is keep to the minimum necessary;
 - Infrastructure corporates;
 - Variation analysis templates;
 - Other minor corrections identified via the Q&A process and by the NCAs and proposals received from the industry (open call).
- New validations to be incorporated in the taxonomy (version 2.3.0 by July).

Goal of the amendment:

- Transparency, awareness and swift clarification of the correct understanding on the reporting requirements is very important as any doubt may affect implementation;
- From a legal perspective, the Q&A tool is a proper tool to be used during an interim period when the clarifications are needed, however the legal texts (in this case both ITS) are binding and prevail over other non-binding type of texts;
- In the area of reporting and disclosure legal certainty and correctness are crucial. Reflecting any needed amendment or correction in the legal text facilitates reporting, strengthen the role of the Q&A tool while increasing the reporting quality.

Documents published:

Under public consultation:

- Draft amendments of ITS on Reporting
- Draft amendments of ITS on Disclosure

(In template S.05.02 – clarification that when threshold of 90% is not reached the disclosure of the template is not required)

- Errata of Guidelines on Financial Stability Reporting

(In the instructions of the Balance Sheet of the FS specific template the option “13 – Not reported as method 2 is used exclusively” was missing)

- Proposed set of new validations to be implemented in taxonomy v.2.3.0
- Final document on Explanatory Notes on Variation Analysis templates

Main amendments of the ITS on Reporting:

- Introduction of a clarification to article 2 of Commission Implementing Regulation (EU) 2015/2450 regarding the signs of expression of data points;
- Introduction of a clarification to article 3 of Commission Implementing Regulation (EU) 2015/2450 regarding the exchange rate to be used to report historical data;
- Introduction of a new option in the close list of S.01.02.R0220 to identify use of proportionality measures;
- In S.06.02 introduction of “Multiple ECAIs” in the closed list of ECAI at group level (when groups use Partial Internal Models);
- Reporting of real estate held as collateral of the mortgages related to individuals in S.11.01 to be reported in one single row (instead of line-by-line);
- Introduction of new rows in S.26.01 to reflect DR 2017/1542 amendment;
- Amendments stemming from the Explanatory Notes on Variation analysis templates.

Amendments stemming from the Explanatory Notes on Variation analysis templates:

- Explanatory Notes on Variation Analysis templates:
 - o Templates to be submitted the first time related to end 2017 (explaining the variation between end 2016 and end 2017);
 - o Explanatory Notes published last summer, Public event with stakeholders in October, open dialogue with industry to address doubts, final report published end of March;
 - o document address the Q&A received in a structured way and provide step-by-step explanations on the templates at stake;
 - o mostly clarifications and examples but also some corrections, mainly on treatment of Unit-Linked.

New set of validations:

- In 2015 EIOPA has decided to follow a step-by-step approach regarding the introduction of validations;
- For 2018 taxonomy release a new set of validations will be incorporated;
- This should contribute to increase data quality;
- The set chosen address the main issues and concerns identified by NCAs and EIOPA in the first years of implementation.

Next steps:

- Public consultation for the ITS amendments started end March and will be open for 6 weeks;
- Public event with stakeholders on 12 April;
- Publish Public Working Draft of Taxonomy 2.3.0 by 1 June;
- Final taxonomy published on 15 July to enter into force regarding the reporting of Q4-2018.