



EUROPEAN COMMISSION

Directorate General Financial Stability, Financial Services and Capital Markets Union

Workshop on EU-level supervisory reporting requirements

Monday, 19 November 2018

Albert Borschette Conference Centre

Rue Froissart 36, 1040 Brussels

09:30 **Registration and coffee**

10:00 **Welcome address**

Mario NAVA, *Director of Investment and company reporting*, DG FISMA

10:15 **Industry Presentation: Insurance Europe**

10:45 **Session I**

Chair: Nathalie BERGER, *Head of the Insurance and Pensions Unit*, DG FISMA

Follow-up to the public consultation – Content-related matters

- Complexity of requirements
- Overlapping requirements
- Inconsistencies
- Lack of proportionality
- Gold-plating/ad hoc requirements

11:45 **Coffee break**

12:00 **Session II**

Chair: Nathalie BERGER, *Head of the Insurance and Pensions Unit*, DG FISMA

Follow-up to the public consultation – Process-related matters

- Double reporting within financial conglomerates
- Short/misaligned deadlines
- Parallel reporting processes
- Any other issues

12:45 **Lunch break**

13:45 **Session III**

Chair: Nathalie Stefanowicz, *Head of the Economic Analysis and Evaluation Unit*, DG FISMA

Streamlining supervisory reporting requirements

- Addressing identified problems
- Identifying priorities
- Role for common financial data language
- Solvency II review: short presentation by EIOPA

14:50 **Concluding remarks**

Nathalie STEFANOWICZ, *Head of the Economic Analysis and Evaluation Unit*, DG FISMA

15:00 **End of workshop**

Session I: Follow-up to the public consultation – Content-related matters

1. Complexity of requirements:

Several respondents to the public consultation have claimed that the volume of reporting requirements (i.e. excessively detailed requirements) is the main driver of costs for their respective companies.

- Do you agree with this claim? If yes, what specific impact does this have on your company in practical terms (need to adapt systems, need to hire more staff, additional time spent on collecting data, etc.)?
- In your view, are any of the supervisory reporting requirements (e.g. reporting templates, data elements) superfluous? If yes, which ones and why do you feel that they are superfluous (e.g. already reported somewhere else, data not necessary, etc)?
- To what degree is the information reported for supervisory purposes also useful for running your business on a day-to-day basis? Would any of these information units have to be produced in any case, even in the absence of supervisory reporting requirements?
- What are the most costly sets of information to submit? Which requirements are most burdensome? Which do you consider the least useful data that is currently reported?

2. Overlapping requirements:

- What are your views on derivatives reporting under Solvency II and EMIR? Are there any significant overlaps? If yes, please provide specific examples.
- In addition to the above overlaps, do any other overlaps exist between Solvency II and any other reporting frameworks? Please provide concrete examples.
- If you feel there are overlaps between reporting frameworks, how do these overlaps affect your company in practice?
- If you feel there are overlaps between reporting frameworks, have recent changes to the supervisory reporting requirements in any way improved the situation? Please provide specific examples.
- In your view, how should the issue of overlaps between reporting frameworks be best addressed?

3. Inconsistencies:

Some stakeholders claim that there are inconsistencies between reporting frameworks (e.g. Solvency II and FICOD).

- What is your view on this claim? If you agree, please explain and provide specific examples of any such inconsistencies.
- In your view, are the definitions used across different reporting frameworks clear and consistent?
- If you agree that there are inconsistencies, do these inconsistencies in any way affect your company in practice? How do you currently deal with any such inconsistencies?
- In your view, what would be the best way to remedy any inconsistencies between reporting frameworks?

4. Lack of proportionality:

- In your particular case, have the exemptions foreseen in Solvency II been properly applied by national supervisory authorities? If you feel they have not, please explain and provide examples.
- If you believe that you were entitled to such exemptions and they were not granted, did the NSAs provide any justification for not applying them?

5. Gold-plating/ad hoc requirements:

- Are you required to fulfil any supplementary national supervisory reporting requirements i.e. added on top of the EU-level requirements? If yes, which requirements and for which Member States?
- How do you currently deal with such additional requirements? What is the specific impact of such additional requirements on your company (in terms of internal processes, IT system requirements, staffing, etc.)?
- Have you been subject to any ad-hoc data requests from your national supervisor? If yes, for what data and for which NSAs? Please provide concrete examples. How often are such ad-hoc requests made? What specific impact do they have on your company? Was it possible to use the information/templates already available in-house in order to fulfil them?

Session II: Follow-up to the public consultation – Process-related matters

1. Double reporting within financial conglomerates:

Concerns have been raised about double reporting within financial conglomerates, whereby both the financial conglomerate and the insurance company belonging to the group have to report the same information.

- If your company is concerned by these requirements, how do they affect your company in practice? What additional burdens do you face in complying with them?

2. Short/misaligned deadlines:

- In general, do you encounter any major difficulties in submitting reports/templates within the specified deadlines? If yes, please provide concrete examples of instances where the deadlines are too short, misaligned in terms of timing or incommensurate with the data gathering effort required?
- What actions do you take to be able to comply? Is the quality of the submitted data in any way affected by the tight/misaligned deadlines?
- According to many stakeholders, Q4 reporting is excessively burdensome and redundant in light of the end of year reporting. What is your view on that? Is the incremental effort needed to produce Q4 reporting very significant given that the underlying information needs to be produced anyway for the end of year reporting?
- What are your views on the deadlines for implementing any new or modified supervisory reporting requirements?

3. Parallel reporting processes:

Supervisory reporting to NCAs/NSAs and EU-level supervisory authorities is currently organised into different, parallel processes across the different reporting frameworks, with different data flows. For example, data is submitted: from the reporting entity to the NCA/NSA and forwarded to the EU supervisor (e.g. CRR/CRD4, Solvency 2); from the reporting entity to a designated third-party and

forwarded to the NCA and the EU supervisor (e.g. EMIR, but also under implementation for SFTR), etc.

- Are you affected by such parallel reporting systems when complying with supervisory reporting requirements? If yes, how do they affect your company in practice? In your view, what are the relative advantages and disadvantages of the different approaches to the reporting of data from the point of view of complying with your reporting obligations?
- Do you see any disadvantages with the sequential approach to reporting (i.e. to the NSA which then forwards the data to EIOPA) within Solvency II?
- What changes, if any, to the current reporting processes applicable in your case could facilitate complying with your reporting obligations?

Session III – Streamlining supervisory reporting requirements

- In your view, what is the best way to address the identified issues?
- Which amendments to EU-supervisory reporting requirements would yield a real reduction of compliance costs/burdens without reducing the value of the reported data?
- Are there any elements of the existing supervisory reporting requirements/system that you would prefer to see unchanged (e.g. changes which in your view risk creating new costs or burdens that would outweigh the expected benefits)?
- In your view, what are the priorities for action? Can you recommend any possible short-term fixes? What should be done in the longer-term perspective?
- A number of stakeholders have suggested the need for a common financial language (i.e. common financial data dictionary with common definitions) in supervisory reporting. What is your view on this suggestion? If you agree, what role do you see for a common financial language in supervisory reporting? What benefits could it bring? Are there any drawbacks?