

To: Solvency II WG
 From: Prudential Team
 Date: 29-11-2024
 Reference: ECO-SLV-24-340

Subject: Summary EIOPA report on 'limitations and exemptions' (2023 and Q1 2024)

Summary

The secretariat has made high level summary of EIOPA's digital report on the use of limitations and exemptions in Solvency II reporting in the EEA ([here](#)), published in October.

The report is now available in a new digital format, confirming the trend observed in recent years of decreasing use of limitations/exemptions. In 2024, fewer undertakings were able to benefit from these limitations/exemptions compared to 2023, across both quarterly and annual reporting, as well as solo and group reporting.

Limitations and exemptions

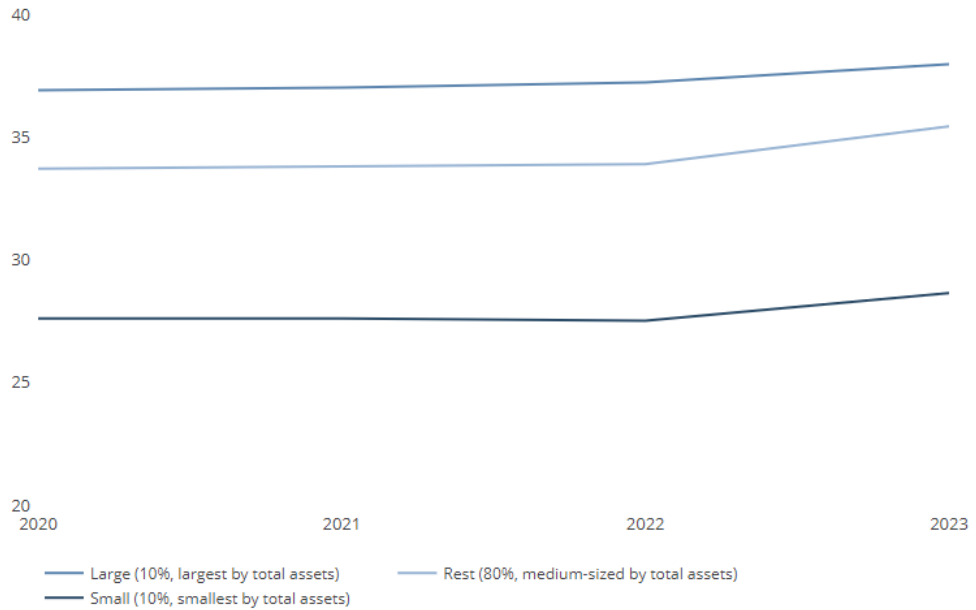
- The report addresses the proportionality principle on the reporting requirements, and highlights that beside the limitations and exemptions foreseen in Art 35 of the directive, other proportionality measures are to be considered, i.e. embedded proportionality and risk-based thresholds.
- In Q1 2024, the same 11 NCAs granted limitations to quarterly reporting to 636 solo undertakings, this is a slight decrease compared to 2023, when limitations were granted to 649 solo undertakings. Furthermore, the market share of undertakings that are allowed limited quarterly reporting is far from the 20% market share allowable under the Solvency II Directive.
- The following table gives an overview of limitations/exemptions granted by NCAs at solo and group level in 2023 and Q1 2024:

	#NCAs granting limitations for solo quarterly reporting	#NCAs granting limitations for group quarterly reporting		#NCAs granting exemptions for solo annual reporting	#NCAs granting exemptions for group annual reporting
Q1 2024	11 NCAs (636 undertakings)	3 NCAs (19 groups)	2023	4 NCAs (118 undertakings)	2 NCAs (8 groups)
Q1 2023	11 NCAs (649 undertakings)	4 NCAs (24 groups)	2022	4 NCAs (139 undertakings)	2 NCAs (10 groups)

- At country level, France and Luxembourg remained the most frequent users of this measure with 64.25% (or 284 undertakings) and 71.48% (or 188 undertakings) of undertakings covered respectively.
- However, in terms of market share, the coverage is considerably lower.
 - Only one notable exception: the non-life market in France, where the 16.50% market share covered is close to the maximum allowed threshold of 20%.

Number of templates reported

- **On an annual basis**, the largest 10% of undertakings by total assets were required to submit approximately 38 templates in 2023, a slight increase from around 37 templates in 2022. In contrast, the smallest 10% of undertakings had to complete around 29 templates in 2023, a modest increase from approximately 28 in 2022.



- **In Q1 2024**, large undertakings submitted approximately nine quarterly templates, a slight decrease compared to the same period in 2023. In contrast, small undertaking submitted an average of around five templates in Q1 2024, with the number remaining broadly constant compared to the same period in 2023.

