



EIOPA-BoS/17-340 rev2  
21 December 2017

# **Report on the use of limitations and exemptions from reporting 2017**

# Contents

<b>Executive summary .....</b>	<b>3</b>
<b>I. Introduction .....</b>	<b>5</b>
1. Objectives .....	5
2. Mandate .....	5
3. Disclaimers.....	5
4. Data collection .....	6
<b>II. Process for granting limitations and/or exemptions .....</b>	<b>7</b>
1. General observations .....	7
<i>Internal policies and processes</i> .....	7
<i>Automatic vs. case-by-case assessment</i> .....	9
<i>Domestic and cross-border groups</i> .....	10
<i>Other observations</i> .....	11
2. Limitations from credit rating information .....	11
<b>III. Quantitative results .....</b>	<b>15</b>
1. Annual exemptions.....	15
2. Quarterly exemptions.....	16
<b>IV. Additional statistics .....</b>	<b>18</b>
1. Size of largest exempted undertakings .....	18
2. Templates subject to limitations or exemptions .....	18

## Executive summary

As at year-end 2016, 134 undertakings (and 8 groups) from five Member States were exempted from reporting item-by-item templates that can be exempted annually. They represent 0.4% of the EEA non-life market share based on gross written premiums and 0.5% of the life market share based on technical provisions.

In the first quarter 2017, 703 undertakings out of 3047 registered undertakings (and 21 groups out of 392 registered groups) from ten Member States were exempted from quarterly reporting. This represents 4.8% of the non-life market share based on gross written premiums and 2.5% of the life market share based on technical provisions.

In the first quarter 2016, 924 undertakings out of 3120 registered undertakings (and 31 groups out of 411 registered groups) from eleven Member States were exempted from quarterly reporting<sup>1</sup>.

Twenty-one National Competent Authorities (NCAs) did not use the possibility to exempt undertakings from quarterly and/or annual reporting at all.

None of the NCAs has exceeded the market share thresholds set for the life and non-life market; however the number and nature of limitations and exemptions granted by NCAs varies significantly: from close to 0% to over 15% of the national market share.

Exemptions so far are being used in a limited number of Member States. For many NCAs a thorough analysis of the first full set of reporting is deemed necessary to take an informed decision on the use of limitations. A further argument to not directly engage in limitations or exemptions is the Solvency II requirement for undertakings to be able to report the templates. Many NCAs want to ensure this capability of the undertakings in the market before setting limitations or exemptions. EIOPA expects the number of limitations and exemptions therefore to increase in the near future.

Some NCAs have developed reporting tools to reduce the reporting burden in their markets, sometimes specifically focussed at medium-sized and smaller undertakings to support the application of the proportionality principle. In the markets where exemptions are not being used so far, further considerations presented by NCAs are described in section II.1.

Some additional findings are listed below:

- Nine NCAs have indicated to have put in place an internal policy or processes for authorizing or withdrawing exemptions or limitations from reporting.

---

<sup>1</sup> Mostly due to a change in France, where the NCA allowed 377 exemptions in the first quarter of 2016, compared to 215 in 2017

- Only five authorities have a process for authorizing or withdrawing limitations from reporting credit rating information.
- Regarding the internal supervisory process followed to grant limitations or exemptions from reporting: five NCAs are granting them following an 'automatic rule', whereas others follow a 'case by case' authorization process.

When analysing the information available it was noted that a significant number of undertakings did not prepare the template "Content of the submission" correctly<sup>2</sup> and reported the use of limitations or exemptions when these were not granted by the NCA. For those cases, EIOPA has received revisions for the number of limitations or exemptions from NCAs.

---

<sup>2</sup> Some undertakings or groups have indicated to be "Exempted under Article 35 (6) to (8)" or "Exempted under Article 254(2)" even though the NCA has not granted such exemption; and some undertakings or groups which have been granted exemption have indicated a different reason for not reporting, such as "Not reported other reason".

# **I. Introduction**

## **1. Objectives**

EIOPA's analysis on the application of the supervisory powers across Member States is meant to inform all stakeholders on their use and to detect and follow-up on potential inconsistent applications.

The aim of this report is to present EIOPA's conclusions regarding the analysis of the processes followed by each authority to grant limitations or exemptions from reporting.

## **2. Mandate**

According to the Solvency II Directive national competent authorities (NCAs) may exempt or limit the submission of the quantitative reporting templates. These limitations and exemptions of quantitative regular reporting information are defined in Articles 35(6-7) and 254(2) of the Directive, and summarised below:

- Limitation: under Article 35(6) undertakings can be authorised to submit a reduced scope of quarterly reporting, where this information is reported at least annually. Any template except S.28.01 or S.28.02 can be subject to a limitation from regular reporting (without prejudice to Article 129(4) of the Solvency II Directive as regards the Minimum Capital Requirement, i.e. at least the template regarding MCR information needs to be submitted quarterly);
- Exemption: under Article 35(7) undertakings can be authorised to submit a limited reporting or exempted from both quarterly and annual reporting only if the templates are reported on an item-by-item basis. A template is subject to 'reporting exemption' when it is exempted both quarterly and annually on an item-by-item basis;
- Under Article 254(2), paragraph 2 and 3, groups can benefit from limitation or exemption from reporting only in those cases where all insurance or reinsurance undertakings within the group benefit from the limitation or exemption.
- Under Annex II and III of Regulation (EU) 2015/2450 with regard to the templates for the submission of information to the supervisory authorities, regarding templates S.06.02 - List of Assets and S.08.01 - Open derivatives exemptions from reporting of credit rating information can be granted.

## **3. Disclaimers**

This report contains information based on the situation at the end of the year 2016 – covering exemptions from annual reporting – as well as information on the first quarter of 2017 – covering limitations from quarterly reporting. Financial and solvency figures are all based on the 2016 year-end data.

Note that some quantitative data (solvency capital requirement, premium, technical provisions and total assets) were not available for several undertakings due to the fact that these undertakings did not submit the relevant information at the time of data extraction<sup>3</sup>, either because of a different financial end-of-year or because new undertakings were established in 2017.

#### 4. Data collection

EIOPA has extracted the relevant information from the Solvency II reporting. An undertaking was assumed to have been granted limitations or exemptions from reporting based on the information submitted in the template "Content of submission" (S.01.01).

For each undertaking, the amount of solvency capital requirement, gross written premiums, technical provisions and total assets were extracted from the 2016 year-end reporting information. This information was obtained from the following reporting templates:

- Solvency Capital Requirement (SCR): from the *Own Funds* template (S.23.01)
- Gross Written Premiums (GWP): from the *Premiums, claims and expenses by line of business* template (S.05.01)
- Technical provisions (TP): from the *Balance sheet* template (S.02.01)
- Total assets: from the *Balance sheet* template (S.02.01)

The reporting information was converted to EUR based on ECB exchange rates at the relevant dates.

For each Member State, the total market size was calculated in terms of SCR, GWP, TP, and total assets.

Several NCAs have sent corrections regarding the list of undertakings which benefit from limitations or exemptions. In the majority of cases, the error was due to undertakings misusing the entry "Exempted under Article 35(6) to (8)" or "Exempted under Article 254(2)" in the template "Content of submission".

---

<sup>3</sup> Initial data was extracted on 31/07/2017.

## **II. Process for granting limitations and/or exemptions**

### **1. General observations**

EIOPA has collected information on the process for granting limitations or exemptions from reporting from each NCA via a dedicated survey. Based on the answers, the following observations can be made.

#### ***Internal policies and processes***

Nine NCAs have a formal policy and/or internal processes in place for granting the authorisation to use limitations or exemptions from reporting and to withdraw such authorisation. The content of these policies was found to be of diverse nature. Some examples of content include:

- Description of how the factors set out in Article 35 (8) of the Directive should be used to assess whether the submission of information would be overly burdensome;
- The internal process for the annual calculation of both life and non-life market shares;
- The timeframe for responding to an application, e.g. the NCA should respond to an application within 60 days; silence implies consent;
- The internal criteria for allowing limitations or exemptions from reporting are a combination of conditions at market and individual levels, e.g. in addition to the market coverage of exempted undertakings not exceeding 20%, the NCA requires that the SCR ratio of the undertaking should be higher than 120%, that it is not part of a group, and that it is not under intensified supervision;
- One NCA has indicated that no limitation (for quarterly reporting) has been granted for life undertakings.
- Some NCAs have calibrated thresholds based on past data in order to comply with the 80% market coverage requirement (e.g. in terms of GWP for non-life business and in terms of TPs for life business). Under the threshold, no quarterly Solvency II reporting is necessary (unless several undertakings belonging to the same group exceed the threshold). In order to stabilize the population subject to quarterly reporting, the limitations (for quarterly reporting) are sometimes valid for the next two or three reporting years, unless exceptional circumstances will be encountered.
- Several NCAs indicated that exemptions from reporting on an item-by-item basis were not granted.

Five NCAs have not put in place a formal policy, but explained that they apply or plan to apply precisely the steps described in the Solvency II legislation and EIOPA Guidelines, which are deemed sufficiently clear.

The remaining NCAs explained that no formal policy was developed, due to different reasons, such as:

- No limitations or exemptions from reporting are allowed by the NCA;
- No applications for using limitations or exemptions were received so far;
- Only a limited number of undertakings can be exempted from reporting;
- As general rule, the NCA does not write specific policy papers in advance;
- The drafting of a policy is in-progress or is planned for the short term.

NCA's which do not allow for limitations or exemptions from reporting have provided the following reasoning:

- Before granting any exemptions or limitations from reporting, the NCA expects to receive a first full Solvency II reporting from undertakings. The NCA considers that undertakings for which the regime is considered too burdensome fall under article 4 of the Directive<sup>4</sup> and are exempted from these requirements.
- The NCA has required the template "List of assets" (S.06.02) to be reported for several years, thus undertakings are used to this detailed level of reporting on assets. The authority decided to continue this practice, as it was not considered to be overly burdensome for insurance undertakings (they have developed the systems to produce this information) and has proven very useful for supervisory purposes.
- The authority decided not to grant any authorization to use limitations or exemptions from reporting in order to ensure the effective supervision and stability of the insurance sector.
- The implementation of Articles 35 (6)-(7) and 254 (2) of the Solvency II Directive in the national laws is in progress or the national law does not envisage a possibility to apply for limitations or exemptions from reporting.
- The decision not to allow exemptions was based on an assessment by the authority's supervisory and statistical teams that the information in all the templates was required quarterly to complete business processes. In particular, the NCA's supervisory model for smaller undertakings leverages off the NCA's analytical capabilities, which require that the maximum possible range of data be available for analysis.
- There are only few undertakings in the country. They are of similar size and complexity, so the NCA made a decision not to grant any limitations or exemptions from reporting.
- The NCA has not identified any need or reason for granting exemptions from reporting to any undertaking licenced in the country. All supervised undertakings have sufficient staff and software to be able to fill all the

---

<sup>4</sup> Article 4 - Exclusion from scope due to size (extract):

1. Without prejudice to Article 3 and Articles 5 to 10, this Directive shall not apply to an insurance undertaking which fulfils all the following conditions:
  - (a) the undertaking's annual gross written premium income does not exceed EUR 5 million;
  - (b) the total of the undertaking's technical provisions, gross of the amounts recoverable from reinsurance contracts and special purpose vehicles, as referred to in Article 76, does not exceed EUR 25 million;
  - (c) ...



reports for supervisory purposes and no undertaking indicated that reporting would mean undue burden or any other reason for granting a reporting exemption stipulated in the Directive.

### ***Automatic vs. case-by-case assessment***

Half of EEA NCAs perform (or plan to perform) the eligibility assessment on individual undertaking basis, taking into account e.g. the business model and continuity of the undertaking's future activities.

Others NCAs perform a general assessment, consistently for all affected undertakings. This can be based for instance on the automatic application of thresholds derived from balance sheet data.

Depending on NCAs, the approval to use limitations or exemptions from reporting either follows an application, or is granted when pre-defined criteria are met without a formal application. The approach taken might differ between undertakings and groups.

**Where firms are required to apply for limitations or exemptions,** examples of information which undertakings have to provide include:

- Evidence that the submission of the information would be overly burdensome in relation to the nature, scale and complexity of the risks inherent in the business of the undertaking; or when relevant, evidence that the submission of that information is not necessary for the effective supervision of the undertaking; that the exemption does not undermine the stability of the financial systems concerned in the Union; and that the undertaking is able to provide the information on an ad-hoc basis (see criteria listed in article 35(6)(a, b) and 35(7)(a to d) of the Directive);
- A substantiated assessment of the undertaking's burden in relation to the part of the reporting for which the exemption has been requested, including an estimate of the financial burden;
- A description of the volatility of the claims and benefits covered by the undertaking;
- A description of the market risks that the investments of the undertaking give rise to;
- A description of the undertaking's most significant risk concentrations;
- A description of the undertaking's systems and structures to provide information for supervisory purposes and the written policy ensuring the ongoing appropriateness of the information submitted;
- The undertaking's own assessment of the appropriateness of its system of governance;
- Information on the level of own funds covering the Solvency Capital Requirement and the Minimum Capital Requirement;
- Regarding groups, the requested information encompasses risk concentrations and intra-group transactions at the group level;

- In some cases, the NCA requires the application letter to be signed by the board of directors;

Where NCAs require undertakings/groups to submit an application, the following table summarises the approval statistics.

**Table 1: Number of applications submitted by 01/01/2017**

	Approved	In process	Rejected
solo undertakings for <b>Article 35(6)</b>	169	8	10
groups for <b>Article 254 (2)</b>	17	1	0
solo undertakings for <b>Article 35(7)</b>	11	0	7
groups for <b>Article 254 (2)</b>	5	0	2

When limitations or exemptions applied for were not granted, the following reasons were provided by NCAs:

- The NCA found out that reporting is not overly burdensome for undertakings and it would be more complicated for the NCA itself to create the extra reports needed to get a full picture of the market;
- The undertaking's solvency was deemed too low;
- The undertaking has volatile results;
- The undertaking has material share of the national market;
- One NCA never grants exemptions of the template "List of assets" (S.06.02) from the annual reporting, as this template is considered as necessary for the supervision;
- Although some undertakings have applied for it, limitations cannot be granted for the MCR template (i.e. S.28.01 or S.28.02), according to the Directive.

**In case undertakings do not need to apply**, the process for informing undertakings of the granted limitations or exemptions from reporting varies across NCAs, e.g.:

- Undertakings are informed in writing, e.g. by letter or email, in a timely manner if they are exempted from reporting.
- Undertakings are notified by an automated process (regular updating of a functional card summarizing the reporting obligations).
- A Policy Notice is posted on the NCA website<sup>5</sup>. In addition, reference is made to these Policy Notices in the next industry communication (typically monthly or quarterly).

### ***Domestic and cross-border groups***

When NCAs plan to grant limitations or exemptions from reporting to an individual undertaking which is part of a cross-border group or to a cross-

<sup>5</sup> In a small number of instances, supervisory judgement may be used to require an undertaking which would otherwise be exempt to submit the information; in such cases, the undertakings are informed directly in writing.

border group itself, NCAs usually inform and consult the other members of the College. More precisely, the following processes were identified:

- Through the regular channels for exchange of information that each College uses;
- When receiving an application from an undertaking that is part of a cross-border group, the NCA will inform and consult the members of the College via e-mail before deciding whether to limit or exempt the undertaking from the reporting in question;
- Two NCAs allowed limitations/exemptions for an undertaking, but only after having received information from the group supervisor that the group had also been allowed limitations/exemptions;

Furthermore, two NCAs informed that undertakings forming part of cross-border groups are never exempted from reporting.

### ***Other observations***

Four NCAs that allow limitations or exemptions from reporting have informed that they have not granted any in 2016. The explanations provided by authorities are listed below:

- The authority has not received any applications and assumes that insurers did not express interest in such possibility;
- Possibly the advantage gained by the limitations or exemptions is considered by undertakings as small compared to the whole reporting and disclosure process.
- The market is very small and concentrated; therefore, coverage of 80% of market share would result in exemption of only one or two undertakings.
- Quarterly supervisory reporting has been required by the NCA prior to Solvency II. The NCA assumes that undertakings do not find this burdensome because investments portfolios are very conservative and not much diversified.

One NCA has published on its website the minimum list of templates to be reported when an undertaking benefits from limitations or exemptions from reporting for each quarter. I.e. the "Basic information", "Content of submission" and "Minimum capital requirement" templates are due in each quarter. In addition, the "Balance sheet" and "Own funds" templates are due in the second quarter.

In some cases, NCAs indicated that one or more undertakings did not make actual use of the limitations or exemptions from reporting, despite of the approval; thus submitting the full set of reporting templates.

## **2. Limitations from credit rating information**

Undertakings are expected to report information on credit ratings in the template S.06.02 and S.08.01. However, NCAs may exempt undertakings of

reporting this information<sup>6</sup>. Further details are set out in Annex II and Annex III of Commission Implementing Regulation (EU) 2015/2450, templates S.06.02 and S.08.01.

Only four NCAs have implemented a formal policy for granting and withdrawing this reporting requirement. These policies typically include requirements that:

- Exemption for providing the information on ratings is given if the asset management is outsourced;
- Undertakings need to apply for limitations from reporting on credit rating information under paragraph b) of the instructions of the referred templates. For granting this limitation, a case-by-case assessment will be made, depending whether there is strong evidence that the outsourcing arrangement in place in the area of investments leads to this specific information not being available directly to the undertaking. Additionally, the following information shall be taken in due consideration: (i) the types of assets included, (ii) the average external credit rating of the affected portfolio; (iii) the weight of these assets in the total portfolio, namely the “non-investment grade”, (iv) if an own internal credit assessment of the affected assets exist<sup>7</sup>; and (v) the level of own funds covering the solvency capital requirement.

The majority of NCAs have not implemented policies and processes to limit the reporting of external credit ratings for the following reasons:

- No limitations from reporting on credit rating information is allowed by the NCA;
- No practical needs as no applications have been received nor are expected;
- As general rule, the authority does not write specific policy papers in advance;
- The Delegated act provides that the exemption may be granted on the basis of two specific dispositions; exemptions will therefore be granted or removed on the basis of one or other of the two criteria, automatically, without prior authorization.

Where NCAs approve this limitation, this approval either follows an application, or is granted without a formal application when the criteria pre-defined at national level are met.

In case of application, examples of information requested by NCAs include:

---

<sup>6</sup> In this section, the focus is on exemptions from the credit rating information only. Undertakings which are exempted from the full templates S.06.02 or S.08.01 are not considered here.

<sup>7</sup> According to article 4(5) of the Delegated Regulation 2015/35, where an item is part of the larger or more complex exposures of the insurance or reinsurance undertaking, the undertaking shall produce its own internal credit assessment of the item and allocate it to one of the seven steps in a credit quality assessment scale.

- Evidence that the submission of the information would be overly burdensome in relation to the nature, scale and complexity of the risks inherent in the business of the undertaking; or when relevant, evidence that the submission of that information is not necessary for the effective supervision of the undertaking; that the exemption does not undermine the stability of the financial systems concerned in the Union; and that the undertaking is able to provide the information on an ad-hoc basis (see criteria listed in article 35(6)(a, b) and 35(7)(a to d) of the Directive);
- Description of how the factors set out in Article 35 (8) of the Directive should be used to assess whether the submission of information would be overly burdensome;
- Information referring to outsourcing arrangements in the area of investments that lead to this specific information not being available directly to the undertaking (relevant for granting limitations from reporting of credit rating information under paragraph b) of the instructions);
- In some cases, the NCA requires the application letter to be signed by the board of directors;
- An explanation of why such information cannot be reported.

When such limitations are not granted, NCAs provided the following reasons:

1. Obtaining credit rating information is not a concern for undertakings
  - This information relates only to CIC categories 1, 2, 5 and 6. Investments categorised as CIC 5 or 6 are very limited in the national market at the moment. As far as CIC categories 1 and 2 (government and corporate bonds) are concerned, undertakings did not experience any problems in obtaining this information.
  - Due to the structure of assets held by undertakings in the national market (unrated loans and bonds), only a small portion of the overall portfolio - compared to other Member States - is rated externally. Therefore, this information is vital and undertakings are not being exempted from providing ratings.
  - Undertakings reported the credit rating information under Solvency I already. Regarding the questionnaire in 2016 on availability of credit rating information under Solvency II ("Survey on the use of external ratings and of Credit Quality Step under Solvency II"), no undertaking reported any difficulties on reporting these items.
2. Credit rating information is considered as important for undertakings/NCAs and therefore needs to be reported
  - The list of assets, and especially data on ratings, provides essential information to assess the credit quality of the undertakings' portfolios.
  - A policy decision was taken to collect this information from all undertakings; reflecting a view from supervisors that such information is key in understanding the market and credit risk exposures of all undertakings.
  - This information is essential from both a supervisory perspective and for the undertaking in terms of risk management.

- The NCA has not identified any need or reason for granting exemptions from reporting to any undertaking: the NCA's opinion is that every licenced undertaking has available credit rating information.
- The provision of external credit rating data is very important to undertaking's understanding of their credit risk exposure as well as the NCA's monitoring of the quality/liquidity of assets invested in across the system. For the NCA, concern exists that cumulative granting of these types of waivers may reduce the visibility of the liquidity of certain asset portfolios across the industry.

### 3. Other reasons

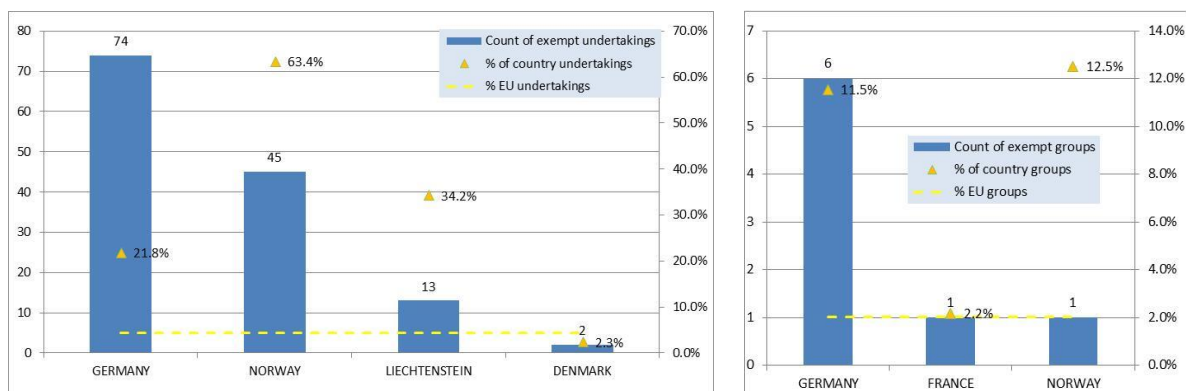
- The implementation of Articles 35 (6)-(7) and 254 (2) of the Solvency II Directive in the national laws is in progress. So currently the NCA cannot grant limitations or exemption from reporting templates.
- In the NCA's opinion, there is no specific need to grant limitations from reporting credit rating information.
- It has not been deemed necessary to offer/grant limitations from reporting due to the homogeneity of market participants (small number and similar size of undertakings in the market).
- Undertakings for which the Solvency II regime is considered too burdensome fall under article 4 of the Directive and are exempted from the full Solvency II requirements. In the NCA's opinion, insurance undertakings not falling under the exemption of article 4 are expected to fulfil the Solvency II - and corresponding reporting requirements.
- No corresponding applications have been received. Due to the short application period of SII, experience still has to be gathered in this area.

### III. Quantitative results

#### 1. Annual exemptions

Four countries have granted exemptions from reporting item-by-item templates to 134 individual undertakings for the annual reporting of 2016 (Figure 1 - left). Three countries have granted those exemptions to 8 groups (Figure 1 - right).

**Figure 1: Number of exempted undertakings/groups per Member State**



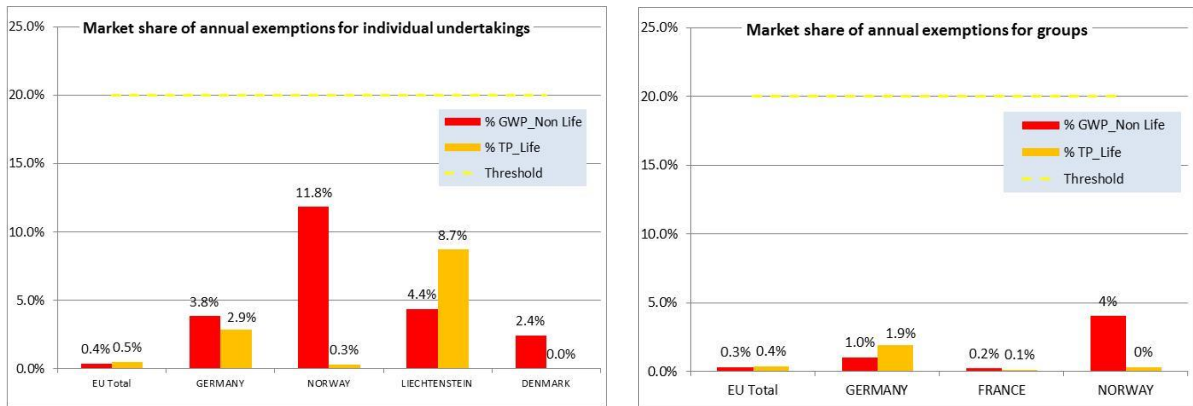
The market share of undertakings exempted from reporting item-by-item templates annually is expressed in the table below in terms of Total assets, SCR, Non-life gross GWP and Life TP.

**Table 2: Summary of annual exemptions – individual undertakings**

COUNTRY NAME	Number of undertakings with exemptions	Number of registered undertakings	% exemption Total assets	% exemption SCR	% exemption Non-Life GWP	% exemption Life TP
<b>EU Total</b>	<b>134</b>	<b>3047</b>	0.7%	1.0%	0.4%	0.5%
GERMANY	74	339	3.9%	3.2%	3.8%	2.9%
NORWAY	45	71	1.9%	10.8%	11.8%	0.3%
LIECHTENSTEIN	13	38	12.5%	20.6%	4.4%	8.7%
DENMARK	2	86	0.1%	0.8%	2.4%	0.0%

These market shares can be compared to the upper limit of 20% stipulated in Article 35 of the Solvency II Directive. This threshold applies to the Life and Non-life market shares and is visualised in Figure 2 below for individual undertakings (left) and groups (right).

**Figure 2: Market shares of exempted undertakings/groups per Member State**

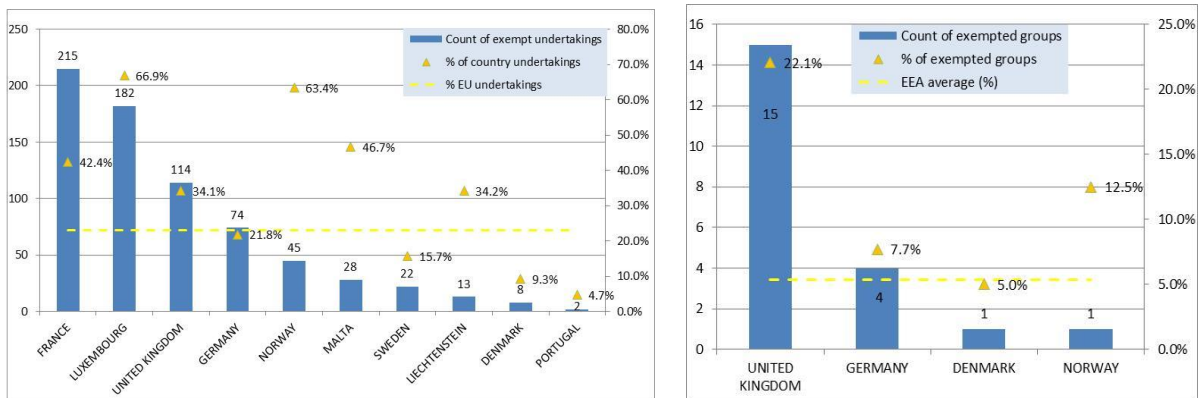


## 2. Quarterly exemptions

Ten NCAs have granted limitations to 703 individual undertakings for the first quarterly reporting of 2017 (Figure 3 - left). The market share of these undertakings amounted to 4.8% of the EEA Non-life GWP and 2.5% of Life TP. Four NCAs have granted limitations to seven groups (Figure 3 - right).

As a matter of comparison, in the first quarter of 2016, more than 900 individual undertakings from eleven different countries benefited from limitations. The market share of these undertakings amounted to 6.57% of the EEA Non-life GWP and 2.74% of Life TP.

**Figure 3: Number of undertakings/groups benefiting from limited reporting**



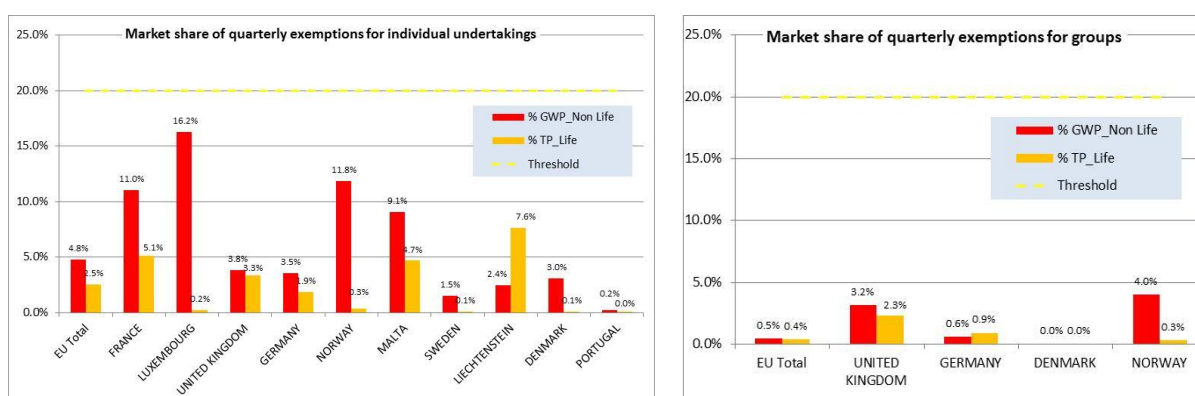
The market share of undertakings exempted from quarterly reporting is expressed in the table below in terms of Total assets, SCR, Non-life GWP and Life TP.



**Table 3: Summary of limitations from quarterly reporting – solo undertakings**

COUNTRY NAME	Number of undertakings with exemptions	Number of registered undertakings	% exemption Total assets	% exemption SCR	% exemption Non-Life GWP	% exemption Life TP
<b>EU Total</b>	<b>703</b>	<b>3047</b>	<b>3.1%</b>	<b>4.0%</b>	<b>4.8%</b>	<b>2.5%</b>
FRANCE	215	507	4.2%	6.5%	11.0%	5.1%
LUXEMBOURG	182	272	4.4%	25.0%	16.2%	0.2%
UNITED KINGDOM	114	334	4.8%	3.8%	4.1%	4.2%
GERMANY	74	339	2.5%	3.7%	3.5%	1.9%
NORWAY	45	71	1.9%	10.8%	11.8%	0.3%
MALTA	28	60	11.9%	19.7%	9.1%	4.7%
SWEDEN	22	140	0.4%	1.0%	1.5%	0.1%
LIECHTENSTEIN	13	38	10.7%	14.3%	2.4%	7.6%
DENMARK	8	86	0.3%	1.4%	3.0%	0.1%
PORTUGAL	2	43	0.1%	0.2%	0.2%	0.0%

**Figure 4: Market shares of exempted undertakings/groups per Member State**



## IV. Additional statistics

### 1. Size of largest exempted undertakings

For each Member States, the table below shows the size of the largest undertaking with exemptions from either annual or quarterly reporting (in terms of total assets).

**Table 4: Exemptions from annual reporting only**

Country	Largest exempted undertaking Total assets (Million €)	Largest exempted undertaking Market share (% of total assets)
DENMARK	596.48	0.1%
GERMANY	10,660.47	0.5%
LIECHTENSTEIN	910.05	3.1%
NORWAY	787.30	0.5%

**Table 5: Exemptions from quarterly reporting only**

Country	Largest exempted undertaking Total assets (Million €)	Largest exempted undertaking Market share (% of total assets)
DENMARK	596.48	0.1%
FRANCE	28,918.43	1.1%
GERMANY	7,431.04	0.3%
LIECHTENSTEIN	910.05	3.1%
LUXEMBOURG	634.71	0.3%
MALTA	309.08	3.3%
NORWAY	787.30	0.5%
PORTUGAL	36.96	0.1%
SWEDEN	173.95	0.1%
UNITED KINGDOM	18,354.92	1.1%

Some of the undertakings granted to use exemptions represent up to 3% of their domestic market (Liechtenstein, Malta). The largest undertakings in terms of total assets are located in France and in the United Kingdom, with total assets over 15 billion Euros.

### 2. Templates subject to limitations or exemptions

For each Member State the tables below show which reporting templates are most subject to imitations or exemptions from reporting. Table 6 shows the share (total assets) of undertakings exempted from annual reporting template by template and country by country.

Table 7 shows similar statistics in the case of quarterly exemptions only.

**Table 6: Annual exemptions**

YE2016 Individual undertakings	List of assets	Collective investment undertakings - look- through approach	Structured products	Open derivatives	Derivatives Transactions	Securities lending and repos	Assets held as collateral
DENMARK	100%	0%	0%	97%	0%	0%	0%
GERMANY	0%	0%	100%	100%	100%	0%	100%
LIECHTENSTEIN	100%	39%	15%	29%	29%	0%	15%
NORWAY	100%	100%	0%	100%	100%	0%	100%
<b>Grand Total</b>	<b>11%</b>	<b>7%</b>	<b>90%</b>	<b>96%</b>	<b>96%</b>	<b>0%</b>	<b>95%</b>

The template "Structured products" benefits significantly more from exemptions than other templates, followed by "Assets held as collateral", "Open derivatives" and "Derivatives Transactions".

"List of assets", "Collective investment undertakings" and "Securities lending and repos" are the templates with less exemptions from annual reporting only.

**Table 7: Quarterly exemptions**

2017Q1 individual undertakings	Balance Sheet	Premiums, claims and expenses by line of business	List of assets	Collective investment undertakings - look-through approach	Open derivatives	Derivatives Transactions	Life and Health SLT Technical Provisions	Non-Life Technical Provisions	Own funds
DENMARK	0%	1%	88%	15%	48%	1%	1%	1%	0%
FRANCE	72%	72%	71%	99%	56%	56%	70%	60%	71%
GERMANY	0%	100%	100%	0%	100%	100%	100%	100%	100%
LIECHTENSTEIN	0%	52%	100%	70%	22%	22%	25%	7%	18%
LUXEMBOURG	100%	100%	100%	100%	100%	100%	100%	100%	100%
MALTA	100%	100%	100%	100%	100%	100%	100%	100%	100%
NORWAY	60%	60%	100%	100%	100%	100%	60%	60%	60%
PORTUGAL	100%	100%	100%	100%	100%	100%	100%	100%	100%
SWEDEN	100%	100%	100%	100%	100%	100%	100%	100%	100%
UNITED KINGDOM	100%	100%	100%	99%	97%	97%	88%	34%	100%
<b>Grand Total</b>	<b>65%</b>	<b>87%</b>	<b>88%</b>	<b>78%</b>	<b>80%</b>	<b>80%</b>	<b>82%</b>	<b>61%</b>	<b>86%</b>

For quarterly reporting only, we observe two main approaches for granting exemptions:

- Certain authorities grant the same exemptions to all eligible undertakings (Germany, Luxembourg, Portugal)
- Other authorities take a case-by-case approach to exempt undertakings from different templates.

Overall, "Premiums, claims and expenses by line of business", "List of assets" and "Own funds" are more exempted than others; while "Balance Sheet" and "Non-Life Technical Provisions" are less exempted.