

**Comments Template on
CP9 – GR – Reporting**

**Deadline
20 January 2012
12:00 CET**

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|---|---|--------|
| Name of Company: | KPMG | |
| Disclosure of comments: | Please indicate if your comments should be treated as confidential: | Public |
| <p>Please follow the following instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ Do not change the numbering in the column “reference”; if you change numbering, your comment cannot be processed by our IT tool ⇒ Leave the last column <u>empty</u>. ⇒ Please fill in your comment in the relevant row. If you have <u>no comment</u> on a paragraph or a cell, keep the row <u>empty</u>. ⇒ Our IT tool does not allow processing of comments which do not refer to the specific numbers below. <p>Please send the completed template, in Word Format, to cp009@eiopa.europa.eu. Our IT tool does not allow processing of any other formats.</p> <p>The numbering of the paragraphs refers to this Consultation Paper.</p> | | |
| Reference | Comment | |
| General Comment | <p>Level 2 delegated acts: Paragraph 3.3 states that the intention of these guidelines is to ‘specify the minimum content of selected sections of the reports, to the extent that further clarification and detail to the delegated acts are necessary’. However, the latest draft of the delegated acts remains a private document and it is not expected to be published before end of this consultation period. As such, some (possibly most) stakeholders do not have knowledge of the proposals set out in the delegated acts. Without such knowledge many stakeholders are not able to effectively comment on the proposals in this consultation. It would be very helpful to the users of the guidance (i.e. preparers of SFCR and RSR) to have all</p> | |

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| | <p>the disclosure and reporting requirements in one place. It would also help the users to assess and understand the full extent of disclosure and reporting requirements in the SFCR and RSR. As such, we suggest that EIOPA reconsults on its proposals relating to the SFCR and RSR after consolidating the proposals in this document with the proposals set out in the delegated acts.</p> <p>Materiality: There are a number of places in the narrative reporting section referring to terms such as “material”, “significant” and “key”. It would helpful if more guidance was provided on these terms in order to achieve consistent disclosures. It would also be helpful if clarification could be provided on whether this assessment should be the responsibility of the undertaking or the supervisor.</p> | |
| 3.1. | | |
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| 3.7. | | |
| 3.8. | Refer to our general comment on materiality guidance. | |
| 3.9. | <p>Comment 1 In accordance with the explanation on the types of guidelines as set out in paragraph 3.4, guideline 2 set out in this paragraph seems to focus only on the group SFCR. We are of the view that extending this disclosure to solo entities would help readers understand how a particular solo insurer/reinsurer (within the group) is organised internally. This would be helpful where a solo insurer/reinsurer belongs to a larger group with operations throughout Europe which are not based in the same country as the ultimate EEA parent.</p> | |

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| | <p>Comment 2 Guideline 2 states “.....should provide organisational structure information about the group including information on internal structures”.</p> <p>It would be helpful to have clarification about the nature of any information that should be disclosed in addition to internal structures and the group structure (set out in paragraph 3.8 d) will be required.</p> | |
| 3.10. | <p>This guideline is only applicable to the group SFCR (as per the explanation in paragraph 3.4). However, we believe that in order to provide readers with a better understanding of the effect of the related party transaction and balances to a solo undertaking, this disclosure requirement should be extended to include the solo undertakings.</p> | |
| 3.11. | | |
| 3.12. | | |
| 3.13. | <p>Guideline 5 in this paragraph proposes that an undertaking should disclose different aspects relating to the governance of the internal model of an undertaking. However, the specific items in the list (from a - e) do not include the requirement to disclose processes in place to assess whether the assumptions and other information built within the model continue to be the most appropriate. We believe information relating to those processes is important to the readers of the report.</p> | |
| 3.14. | | |
| 3.15. | | |
| 3.16. | | |
| 3.17. | <p>Refer to our general comment on materiality guidance.</p> | |
| 3.18. | | |

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| 3.19. | Refer to comment on paragraph 4.26 | |
| 3.20. | Refer to our general comment on materiality guidance. | |
| 3.21. | | |
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| 3.24. | | |
| 3.25. | Refer to our general comment on materiality guidance. | |
| 3.26. | | |
| 3.27. | | |
| 3.28. | | |
| 3.29. | Refer to our comment on paragraph 4.57 | |
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| 3.39. | Refer to our general comment on materiality guidance. | |
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| 3.50. | Refer to our general comment on materiality guidance. | |
| 3.51. | We suggest that the disclosures should be kept at high level rather than a requirement to report detailed information. If the supervisor wishes to see more details he can review the undertaking's reporting and disclosure policies document. | |
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| 3.62. | We suggest that the undertakings should be allowed to use other public documents provided that the RSR contains a hyperlink to the specific parts of such documents that are relevant. | |
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| 4.4. | We suggest that significant post balance sheet events should also be disclosed. | |
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| 4.25. | | |
| 4.26. | <p>It is proposed that financial assets are classified into four levels based on the underlying inputs used to determine the economic values of those financial assets.</p> <p>We believe it will helpful to amend these categories so as to be consistent with the fair value hierarchy set out in IFRS 7 'Financial Instruments: Disclosures' to enable insurers/ reinsurers to use the information already available to prepare IFRS financial statements.</p> | |
| 4.27. | <p>Refer to our general comment on materiality guidance.</p> <p>We suggest that the processes used to validate unobservable inputs obtained from third parties should be disclosed.</p> | |
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| 4.50. | Permission to use local GAAP definitions will reduce the comparability of information across undertakings. Consequently, we suggest that Only IAS 19 definitions should be required. | |
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| 4.57. | We suggest that only high-level information relating to closing processes and procedures to deliver Solvency II figures should be disclosed. | |
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| 4.66. | | |
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| 4.69. | We suggest that the disclosures on the computational capabilities and efficiency of the model should be at a high level rather than a requirement to report detailed information. | |
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| 4.72. | | |
| 4.73. | | |
| 4.74. | This paragraph does not relate to guideline 28 | |
| 4.75. | | |
| 4.76. | | |
| 4.77. | Refer to our general comment on materiality guidance. | |
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| 4.90. | | |
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| 4.92. | 4.92 (d) – ‘Significant lawsuits or claims’. It would be helpful to be provided with more guidance on what the threshold for “ reasonable chance of success ” is. | |
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