

ANNEX I

(Paragraph 8.11(c) of Chapter 8)

Guidelines on reporting and public disclosure

1. This Annex adopts the EIOPA Guidelines on reporting and public disclosure.

Scope

2. The purpose of this Annex is to provide further details as to what it is expected from an authorised undertaking, a participating insurance and reinsurance undertaking, an insurance holdings company and a mixed financial holding company with regards to:

(a) the content of the solvency and financial condition report (“SFCR”) as specified in Section I of Chapter XII of Title 1 of the EU Commission Delegated Regulation;

(b) the content of the regular supervisory report (“RSR”) as specified in Section I of Chapter XII of Title 1 of the EU Commission Delegated Regulation;

(c) validations to be applied to the annual and quarterly quantitative templates, supplementing the information presented in the RSR, as defined in the Commission Implementing Regulations on the templates for the submission of information to the supervisory authorities;

(d) reporting in the case of predefined events as defined in the Solvency II Directive;

(e) undertaking’s processes for public disclosure and supervisory reporting following requirements from the Solvency II Directive.

Application

3. This Annex shall apply to:

(a) unless otherwise stated, an authorised insurance undertaking, an authorised reinsurance undertaking, a third-country insurance undertaking and third country-reinsurance undertaking authorised under article 7 of the Act, a participating insurance and reinsurance undertaking, an insurance holding company and a mixed financial holding company;

(b) where applicable, branches established in Malta and belonging to an insurance or reinsurance undertaking with its head office in a third country, when producing its RSR;

(c) a participating insurance and reinsurance undertaking, an insurance holding company, and a mixed financial holding company, when producing the group SFCR or the single SFCR and group RSR;

Definitions

4. If not defined in this Annex, the terms have the meaning defined in the Act, regulations or Insurance Rules issued thereunder, or in the EU Commission Delegated Regulation.

Section I - Solvency and Financial Condition Report

A. Business and Performance

Business

5. Under section “A.1 Business” of the SFCR as defined in Annex XX of the EU Commission Delegated Regulation, an authorised undertaking should describe at least the following information regarding their business:

(a) the name and location of the legal or the natural persons that are direct and indirect holders of qualifying holdings in the undertaking (including the immediate and ultimate parent entity or natural person), the proportion of ownership interest held and, if different, the proportion of voting rights held;

(b) a list of material related undertakings including the name, legal form, country, proportion of ownership interest held and, if different, proportion of voting rights held;

(c) a simplified group structure.

Performance of other activities

6. Under section “A.4. Performance of other activities” of the SFCR as defined in Annex XX of the EU Commission Delegated Regulation, an authorised undertaking should describe in general the leasing arrangements in relation to each material leasing arrangement, separately for financial and operating leases.

B. System of Governance

Governance Structure

7. Under section “B.1. General information on the system of governance” of the SFCR as defined in Annex XX of the EU Commission Delegated Regulation, an authorised undertaking should explain how the key functions have the necessary authority, resources and operational independence to carry out their tasks and how they report to and advise the Board of Directors.

Risk management system for internal model users

8. Under section “B.3 Risk management system including the own risk and solvency assessment” of the SFCR as defined in Annex XX of the EU Commission Delegated Regulation, an authorised insurance undertaking using a partial or a full internal model to calculate the Solvency Capital Requirement, should describe at least the following information addressing the governance of the internal model:

- (a) the responsible roles and specific committees if any, their main tasks, position and scope of responsibilities;
- (b) how existing committees interact with the Board of Directors in order to meet the requirements of paragraphs 5.5.66 and 5.5.67 of Chapter 5 in Part B of these Insurance Rules;
- (c) any material changes to the internal model governance during the reporting period;
- (d) a description of the validation process (used to monitor the performance and on-going appropriateness of the internal model).

C. Risk Profile

Underwriting risk

9. Under section “C.1 Underwriting risk” of the SFCR as defined in Annex XX of the EU Commission Delegated Regulation, an authorised undertaking should, regarding the use of special purpose vehicles, describe if they were authorised under Article 211 of Solvency II Directive, identify the risks that are transferred to it and explain how the fully funded principle is assessed on an ongoing basis.

D. Valuation for Solvency Purposes

Assets – Information on aggregation by class

10. (1) Under section “D.1 Assets” of the SFCR as defined in Annex XX of the EU Commission Delegated Regulation, an authorised undertaking should, when aggregating assets into material classes to describe the valuation basis that has been applied to them, consider the nature, function, risk and materiality of those assets.

(2) Classes other than those used in the Solvency II balance sheet template as defined in the EU Commission Implementing Regulation with regard to the procedures, formats and templates of the SFCR should only be used if the undertaking is able to demonstrate to the competent authority that another presentation is clearer and more relevant.

Content by material classes of assets

11. Under section “D.1 Assets” of the SFCR as defined in Annex XX of the EU Commission Delegated Regulation, an authorised undertaking should, in relation to each material class of asset, describe at least the following quantitative and qualitative information:

(a) the recognition and valuation basis applied, including methods and inputs used, as well as judgements made other than estimations which would materially affect the amounts recognised, in particular:

(i) for material intangible assets: nature of the assets and information on the evidence and criteria used to conclude that an active market exists for those assets;

(ii) for material financial assets: information on the criteria used to assess whether markets are active and, if the markets are inactive, a description of the valuation model used;

(iii) for financial and operating leaseings: describe in general the leasing arrangements in relation to each material class of assets subject to leasing arrangement, separately for financial and operating leases;

(iv) for material deferred tax assets: information on the origin of the recognition of deferred tax assets and the amount and expiry date, if applicable, of deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax asset is recognised in the balance sheet;

(v) for related undertakings: where related undertakings were not valued using quoted market prices in an active markets or using the adjusted equity method, provide an explanation why the use of these methods was not possible or practical.

(b) any changes made to the recognition and valuation bases used or to estimations during the reporting period;

(c) assumptions and judgments including those about the future and other major sources of estimation uncertainty.

Valuation of technical provisions

12. Under section “D.2 Technical provisions” of the SFCR as defined in Annex XX of the EU Commission Delegated Regulation, an authorised undertaking should describe the significant simplified methods used to calculate technical provisions, including those used for calculating the risk margin.

Liabilities other than technical provisions – information on aggregation by class

13. (1) Under section “D.3 Other liabilities” of the SFCR as defined in Annex XX of the EU Commission Delegated Regulation, an authorised undertaking should, when aggregating liabilities other than technical provisions into material classes to describe the valuation basis that has been applied to them consider the nature, function, risk and materiality of those liabilities.

(2) Classes other than those used in the Solvency II balance sheet template as defined in the Commission Implementing Regulation on the templates for the submission of information to the competent authority should only be used if the undertaking is able to demonstrate to the competent authority that another presentation is clearer and more relevant.

Content by material classes of liabilities other than technical provisions

14. (1) Under section “D.3 Other liabilities” of the SFCR as defined in Annex XX of the EU Commission Delegated Regulation, an authorised undertaking should, in relation to each material class of liability other than technical provisions, describe at least the following quantitative and qualitative information:

(a) recognition and valuation basis applied, including methods and inputs used, in particular:

(i) describe in general the material liabilities arising as a result of leasing arrangements, separately disclosing information on financial and operating leases;

(ii) the origin of the recognition of deferred tax liabilities and the amount and expiry date if applicable, of taxable temporary differences;

(iii) the nature of the obligation and, if known, expected timing of any outflows of economic benefits and an indication of uncertainties surrounding the

amount or timing of the outflows of economic benefits and how deviation risk was taken into account in the valuation;

(iv) the nature of the liabilities for employee benefits and a breakdown of the amounts by nature of the liability and the nature of the defined benefit plan assets, the amount of each class of assets, the percentage of each class of assets with respect to the total defined benefit plan assets, including reimbursement rights.

(b) any changes made to the recognition and valuation bases used or on estimations during the reporting period;

(c) assumptions and judgments including those about the future and other major sources of estimation uncertainty.

E. Capital Management

Own funds – Additional solvency ratios

15. Under section “E.1 Own funds” of the SFCR as defined in Annex XX of the EU Commission Delegated Regulation, where undertakings disclose additional ratios to the ones included in template S.23.01, the SFCR should also include an explanation on the calculation and meaning of the additional ratios.

Own funds – Information on the structure, amount, quality and eligibility of own funds

16. Under section “E.1 Own funds” of the SFCR as defined in Annex XX of the EU Commission Delegated Regulation, an authorised undertaking should, regarding their own funds, describe at least the following information:

(a) for each material own fund item set out in Article 69, Article 72, Article 74, Article 76 and Article 78 of the EU Commission Delegated Regulation, as well as for items that received the approval by the competent authority as per Article 79 of the EU Commission Delegated Regulation the information required in Article 297(1) of the said Regulation, distinguishing between basic and ancillary own fund items;

(b) for each material own fund item, the extent to which it is available, subordinated, as well as its duration and any other features that are relevant for assessing its quality;

(c) an analysis of significant changes in own funds during the reporting period, including the value of own fund items issued during the year, the value of instruments redeemed during the year, and the extent to which the issuance has been used to fund redemption;

- (d) in relation to subordinated debt, an explanation of the changes to its/ their value;
- (e) when disclosing the information required in Article 297(1)(c) of the EU Commission Delegated Regulation, an explanation of any restrictions to available own funds and the impact of limits on eligible Tier 2 capital, Tier 3 capital and restricted Tier 1 capital;
- (f) details of the principal loss absorbency mechanism used to comply with Article 71 (1)(e) of the EU Commission Delegated Regulation, including the trigger point, and its effects;
- (g) an explanation of the key elements of the reconciliation reserve;
- (h) for each basic own fund item subject to the transitional arrangements:
 - (i) the tier into which each basic own fund item has been classified and why;
 - (ii) the date of the next call and the regularity of any subsequent call dates, or the fact that no call dates fall until after the end of the transitional period.
- (i) when disclosing the information required in Article 297(1)(g) of the EU Commission Delegated Regulation, information on the type of arrangement and the nature of the basic own funds item which each ancillary own fund item would become on being called up or satisfied, including the tier, as well as when the item was approved by the competent authority and, where a method was approved, for how long;
- (j) where a method has been used to determine the amount of a material ancillary own fund item, undertakings should describe:
 - (i) how the valuation provided by the method has varied over time;
 - (ii) which inputs to the methodology have been the principal drivers for this movement;
 - (iii) the extent to which the amount calculated is affected by past experience, including the outcome of past calls.
- (k) Regarding items deducted from own funds:
 - (i) the total excess of assets over liabilities within ring-fenced funds (example: cells within a protected cell company) and matching adjustment portfolios, identifying the amount for which an adjustment is made in determining available own funds;

(ii) the extent of and reasons for significant restrictions on, deductions from or encumbrances of own funds.

Differences between the standard formula and internal models used

17. Under section “E.4 Differences between the standard formula and any internal model used” of the SFCR as defined in Annex XX of the EU Commission Delegated Regulation, an authorised undertaking should, when disclosing the main differences in methodologies and underlying assumptions used in the standard formula and in the internal model, describe at least the following:

- (a) structure of the internal model;
- (b) aggregation methodologies and diversification effects;
- (c) risks not covered by the standard formula but covered by the internal model.

Group SFCR

A. Business and Performance

Information on the scope of the group

18. Under section “A.1 Business” of the group SFCR as defined in Annex XX of the EU Commission Delegated Regulation, participating insurance and reinsurance undertakings, insurance holding companies and mixed financial holding companies should explain the material differences between the scope of the group used for the consolidated financial statements and the scope for the consolidated data determined in accordance with Article 335 of the EU Commission Delegated Regulation.

B. Capital Management

Guideline 15 - Information on own funds - groups

19. Under section “E.1 Own funds” of the group SFCR as defined in Annex XX of the EU Commission Delegated Regulation, participating insurance and reinsurance undertakings, insurance holding companies and mixed financial holding companies should, regarding the group’s own funds, describe at least the following information:

- (a) the own funds items that have been issued by an undertaking of the group other than the participating insurance and reinsurance undertaking, insurance holding company or mixed financial holding company;

- (b) where material own funds are issued by an equivalent third country insurance or reinsurance undertaking included via the Deduction and Aggregation method, referred to in regulation 25 of the Insurance Business (Supervision of Insurance and Reinsurance Undertakings in a Group) Regulations, 2015, the local tiering of those own funds items, including information on the tiering structure, criteria and limits;
- (c) where material own funds items are issued by an undertaking that is not an insurance or reinsurance undertaking and is subject to tiering requirements other than the Solvency II requirements, the source and nature of those tiering requirements, as well as the level of the own funds in each tier;
- (d) how group own funds have been calculated net of any intra-group transactions, including intra-group transactions with entities of other financial sectors;
- (e) the nature of the restrictions to the transferability and fungibility of own funds items in the related undertakings, if any.

Section II – Regular Supervisory Reporting

A. Business and Performance

Business

20. Under section “A.1 Business” of the RSR as defined in Annex XX of the EU Commission Delegated Regulation, an authorised undertaking should, when providing information regarding their business, include information on:

- (a) the number of full time equivalent employees;
- (b) a list of all related undertakings and branches.

Underwriting performance

21. Under section “A.2 Underwriting performance” of the RSR as defined in Annex XX of the EU Commission Delegated Regulation, an authorised undertaking should, when providing information on risk mitigation techniques related to underwriting activities, include a description of:

- (a) the impact of the risk mitigation techniques on underwriting performance;
- (b) the effectiveness of the risk mitigation techniques.

B. System of Governance

Governance structure

22. Under section “B.1 General information on the system of governance” of the RSR as defined in Annex XX of the EU Commission Delegated Regulation, an authorised undertaking should explain:

- (a) the internal organisational structure, including a detailed organisational structure chart and positions of key function holders;
- (b) how the undertaking’s remuneration policy and practices are consistent with and promote sound and effective risk management and do not encourage excessive risk taking.

Risk management system

23. Under section “B.3 Risk management system including the own risk and solvency assessment” of the RSR as defined in Annex XX of the EU Commission Delegated Regulation, an authorised undertaking should:

- (a) explain how the strategies, objectives, processes and reporting procedures of the undertaking’s risk management for each separate category of risk are documented, monitored and enforced;
- (b) in the cases where it has in place an outsourcing agreement that led to the limitation (no reporting) of the external rating and nominated ECAI in the quantitative reporting templates explain the procedures implemented by the undertaking to oversight and safeguard the compliance of the requirements in the referred area and how it is guaranteed that all relevant information underlying the investment portfolio is taken into account in the risk management;
- (c) describe the nature and appropriateness of the key data used in internal models and at least describe the process in place for checking data quality.

C. Risk Profile

Other material risks

24. Under section “C.6 Other material risks” of the RSR as defined in Annex XX of the EU Commission Delegated Regulation, an authorised undertaking should:

- (a) explain how it is ensured that the use of derivatives contribute to the reduction of risks or facilitate efficient portfolio management;
- (b) include details of any material allowance for reinsurance and financial mitigation techniques and material future management actions used in the Solvency Capital Requirement calculation and how these have met the criteria for recognition;
- (c) where the undertaking selected ‘Other’ in item “C0140 - Type of underwriting model” in template S.30.03 as defined in Technical Standard with regard to the templates for the submission of information to the competent authority, provide an explanation of the underwriting model applied;
- (d) where belonging to a group, provide qualitative and quantitative information regarding significant transactions within the group including information on:
 - (i) the amount of the transactions;
 - (ii) the amount of outstanding balances, if any;
 - (iii) relevant terms and conditions of the transactions.

D. Valuation for Solvency Purposes

Valuation of other assets

25. Under section “D.1 Assets” of the RSR as defined in Annex XX of the EU Commission Delegated Regulation, an authorised undertaking should explain in particular:

- (a) when material deferred tax assets are recognised, how they assess the probability of future taxable profits, where applicable, and identify the amount and expected time horizons for reversal of temporary differences;
- (b) where they were not able to provide a maximum value on any unlimited guarantees (in or off balance-sheet) they reported in the quantitative reporting templates S.03.03 as defined in the Commission Implementing Regulation on the templates for the submission of information to the competent authority.

Technical provisions

26. Under section “D.2 Technical provisions” of the RSR as defined in Annex XX of the EU Commission Delegated Regulation, an authorised undertaking, excluding participating

insurance and reinsurance undertakings, insurance holdings companies and mixed financial holding companies, should provide information on technical provisions including:

- (a) details of the relevant actuarial methodologies and assumptions used in the calculation of the technical provisions including details of any simplifications used (including in calculating the future premiums and risk margin and its allocation to the single lines of business) and including a justification that the method chosen is proportionate to the nature, scale and complexity of the undertaking's risks including the reasons for any material changes in the use of those methods;
- (b) an explanation of the contract boundaries applied to each different business in the valuation of technical provisions, and details of any contracts that include significant renewals within existing business;
- (c) details of the key options and guarantees within the calculation of the technical provisions and the significance of each and how they are evolving;
- (d) an overview of any material changes in the level of technical provisions since the last reporting period, including reasons for material changes, especially the rationale of material changes in assumptions;
- (e) material changes in lapse rates;
- (f) details of the homogeneous risk groups used to calculate the technical provisions;
- (g) any recommendations on the implementation of improvements in the internal procedures in relation to data that are considered relevant;
- (h) information about any significant data deficiencies and adjustments;
- (i) a description of the technical provisions that have been calculated as a whole;
- (j) a description of where unbundling has been used for material contracts;
- (k) details of the Economic Scenario Generator, including an explanation of how consistency to the risk free rate has been achieved and which volatility assumptions have been chosen;
- (l) description of the assessments referred to in paragraph 6.3.4 (a) to (c) of Chapter 6 in Part B of these Insurance Rules. Where the reduction of the matching adjustment or the volatility adjustment to zero would result in non-compliance with the Solvency Capital Requirement, an analysis of the measures it could apply in such a situation to re-establish the level of eligible own funds covering the Solvency Capital

Requirement or to reduce its risk profile to restore compliance with the Solvency Capital Requirement;

(m) details of the approach used to calculate material reinsurance recoverables.

Off-balance sheet items

27. Under section “D.1. Assets” or “D.3 Other liabilities” of the RSR as defined in Annex XX of the EU Commission Delegated Regulation, an authorised undertaking should include a description of any other material off-balance assets or liabilities not reported in template S.03.01 as defined in the Commission Implementing Regulation on the templates for the submission of information to the competent authority.

E. Capital Management

Distributions to shareholders

28. Under section “E.1 Own Funds” of the RSR as defined in Annex XX of the EU Commission Delegated Regulation, an authorised undertaking should provide details on the amount of distributions made to shareholders.

Simplified calculation in the standard formula

29. Under section “E.2 Solvency Capital Requirement and Minimum Capital Requirement” of the RSR as defined in Annex XX of the EU Commission Delegated Regulation, an authorised undertaking should, if material, explain how the use of a simplified calculation in the Solvency Capital Requirement standard formula is justified by the nature, scale and complexity of the risks faced by the undertaking.

Group RSR

A. System of Governance

Preparation of consolidated data

30. Under section “B.1 General information on the system of governance” of the group RSR as defined in Annex XX of the EU Commission Delegated Regulation, participating insurance and reinsurance undertakings, insurance holding companies and mixed financial holding companies should provide at least information on:

(a) how the group’s consolidated, aggregated or combined data (depending on the method used) has been prepared as well as the processes in place to prepare it;

(b) information on the bases, methods and assumptions used at group level for the valuation for solvency purposes of the group's assets and liabilities other than technical provisions in particular with regard to the valuation of the contributions to group data from third country undertakings and non-regulated undertakings.

B. Risk Profile

Any other material information on business

31. Under section “C.6 Other material risks ” of the group RSR as defined in Annex XX of the EU Commission Delegated Regulation, participating insurance and reinsurance undertakings, insurance holding companies and mixed financial holding companies should provide information on the terms and conditions of the significant intra-group transactions including information on:

- (a) commercial rationale for the operation or transaction;
- (b) risks borne by, and rewards available to, each party to the operation or transaction;
- (c) any particular aspects of the operation or transaction that are (or may become) disadvantageous to either party;
- (d) any conflicts of interest that may have arisen in negotiating and executing the operation or transaction, and any potential conflicts of interest that may arise in the future;
- (e) if the transaction is linked to other operations or transactions in terms of timing, function and planning, the individual effect of each operation or transaction and the overall net impact of the linked operations and transactions on each party to the operation or transaction and on the group should be reported;
- (f) extent to which the operation or transaction is depending on a winding-up and circumstances in which the operation or transaction can be executed.

Risk profile

32. Under section “C.6 Other material risks” of the group RSR as defined in Annex XX of the EU Commission Delegated Regulation, participating insurance and reinsurance undertakings, insurance holding companies and mixed financial holding companies should provide qualitative and quantitative information on any significant risk concentration at the level of the group, including:

- (a) a description of the risk(s);

- (b) probability of risks materialising;
- (c) mitigation actions including an assessment of a worst case scenario in case of default of the exposure;
- (d) analysis and quantification of the risk concentrations along legal entity lines;
- (e) consistency with the group's business model, risk appetite and strategy, including compliance with the limits set by the internal control system and risk management processes of the group;
- (f) whether losses arising from risk concentrations affect the overall profitability of the group or its short-term liquidity;
- (g) relationship, correlation and interaction between risk factors across the group and any potential spill over effects from risk concentrations in a particular area;
- (h) quantitative information about the risk concentration and the effect on the undertaking and the group and the effect of reinsurance contracts;
- (i) whether the item concerned is an asset, a liability or an off-balance sheet item.

C. Valuation for Solvency Purposes

Technical provisions

33. Under section "D.2 Technical provisions" of the RSR as defined in Annex XX of the EU Commission Delegated Regulation, participating insurance and reinsurance undertakings, insurance holding companies and mixed financial holding companies should provide information on group technical provisions including:

- (a) information on any material adjustments done to the individual technical provision, e.g. elimination of intragroup transactions, for the calculation of the group technical provisions;
- (b) where the group applies the Long term guarantees measures or Transitional measures, the information on how the adjustments at group level affect the measures used at individual level;
- (c) information on bases, methods and assumptions used for the calculation of the contribution of technical provisions from third country insurance and reinsurance undertakings, either if Solvency II rules are used or other rules from equivalent regime where allowed.

Section III - Supervisory reporting following pre-defined events

Identification and trigger for reporting of pre-defined events

34. An authorised undertaking should immediately notify in writing the competent authority about the occurrence of any events which could reasonably lead or have already led to material changes in an undertaking's or a group's business and performance, system of governance, risk profile, and solvency and financial position (hereinafter "pre-defined event"). In case of doubt, an authorised undertaking should consult the competent authority whether a given event would classify as a pre-defined event.

Section IV - Public Disclosure and Supervisory Reporting Processes

Public disclosure policy

35. An authorised undertaking should have a public disclosure policy that complies with paragraph 10 of Part I of Annex I to Chapter 6 in Part B of these Insurance Rules, and which additionally includes the following:

- (a) identification of the persons/functions responsible for preparing and reviewing the information publicly disclosed;
- (b) the processes for completion of the disclosure requirements;
- (c) the processes for review and approval by the Board of Directors of the SFCR;
- (d) identification of the information already available in the public domain that the authorised undertaking believes is equivalent in nature and scope to the information requirements in the SFCR;
- (e) specific information that the authorised undertaking intends not to disclose under the circumstances set out in article 18F(2) of the Act;
- (f) additional information that the undertaking has decided to voluntarily disclose under Article 18F(7) of the Act.

SFCR - Non-disclosure of information

36. An authorised undertaking should not enter into a contractual obligation binding it to secrecy or confidentiality of information that is required to be disclosed under the SFCR.

Format of quantitative reporting templates

37. An authorised undertaking should consider the data point model as published by EIOPA when reporting information included in the quantitative reporting templates.

Validations

38. An authorised undertaking should ensure that the data submitted in the quantitative reporting templates comply with the validations rules published by EIOPA.

RSR – References to other documents

39. (1) When an authorised undertaking refers in the RSR to other documents that are subject to reporting to the competent authority, these should lead directly to the information itself and not to a general document.

(2) An authorised undertaking should not use in the RSR references to other documents that are not subject to reporting to the competent authority.

Supervisory reporting policy

40. An authorised undertaking should ensure that the supervisory reporting policy complies with paragraph 10 of Part I of Annex I to Chapter 6 in Part B of these Insurance Rules and additionally includes the following:

- (a) identification of persons/functions responsible for drafting and reviewing any reporting to the competent authority;
- (b) set out processes and timelines for completion of the various reporting requirements, review and approval;
- (c) explanation of processes and controls for ensuring the reliability, completeness and consistency of the data provided.

Approval of information submitted to the competent authority

41. (1) An authorised undertaking should ensure that the transitional information, the RSR and the annual quantitative reporting templates have been approved by the Board of Directors before submitting them to the competent authority.

(2) An authorised undertaking should ensure that the quarterly quantitative templates has been approved either by the Board of Directors or by persons who effectively run the authorised undertaking before submitting them to the competent authority.

First submission of RSR

42. An authorised undertaking should submit the regular supervisory report for the first time in relation to their financial year ending on or after 30 June 2016 but before 1 January 2017, in line with the time-frames for submission of the annual quantitative reporting templates and the SFCR.

Transitional information

43. (1) An authorised undertaking should submit a qualitative explanation of the main differences between the figures reported in the opening valuation using Solvency II valuation and those calculated according to the solvency regime previously in place as referred to in Article 314 of the EU Commission Delegated Regulation in an electronically readable format.

(2) This narrative information should follow the structure of the main classes of assets and liabilities as defined for the Solvency II balance-sheet as specified in the Technical Standard on the templates for the submission of information to the competent authority.