

ANNEX V

(Paragraphs 8.10.2 and 8.11.1 of Chapter 8)

External audit of the Solvency II regulatory returns

1. This Annex is divided into three parts:

(a) Part I contains a list of selected templates of the SFCR, found in the Commission Implementing Regulation 2015/2452, which are to be submitted to the competent authority by an authorised undertaking whose head office is in Malta, at a solo level; and

(b) Part II contains a list of selected templates of the SFCR, found in the Commission Implementing Regulation 2015/2452, which are to be submitted to the competent authority by a participating insurance and reinsurance undertaking, an insurance holding company and a mixed financial holding company (the “relevant undertaking”), forming part of a group to which the competent authority is the group supervisor responsible for group supervision, in terms of the *Insurance Business (Supervision of Insurance and Reinsurance Undertakings in a Group) Regulations, 2015*.

2. Where the information in the selected templates referred to in Part I of this Annex, is, or derives from, the Solvency Capital Requirement, that information shall only be subject to the external audit for an undertaking referred to in paragraph 1(a), calculating the Solvency Capital Requirement using the standard formula.

3. Where the information in the selected templates referred to in Part II of this Annex, is, or derives from, the group Solvency Capital Requirement, that information shall only be subject to the external audit for a relevant undertaking of the group concerned, as referred to in paragraph 1(b), calculating the group Solvency Capital Requirement using the standard formula.

4. Notwithstanding the provisions contained in paragraphs 1.2 and 2.2 of Part I and Part II of this Annex, respectively, the competent authority may, at any time, require any authorised undertaking or relevant undertaking to be subject to any of the requirements of the external audit of the SFCR and the group SFCR, as it may deem appropriate according to circumstances.

5. The requirements contained in this Annex and in paragraph 8.10.2, shall apply to the disclosure of the SFCR and group SFCR, in accordance with the periods specified in regulations 7(2) and (8(2) of the *Insurance Business (Solvency II Transitional Provisions) Regulations, 2015*, as applicable, with respect to financial years ending on or after **31st December 2017**.

Definitions

6. For the purpose of this Annex the following definition applies:-

“*Commission Implementing Regulation 2015/2452*” means the Commission Implementing Regulation (EU) 2015/2452 of 2 December 2015 laying down implementing technical standards with regard to the procedures, formats and templates of the solvency and financial condition report in accordance with Directive 2009/138/EC of the European Parliament and of the Council.

Part I

Templates for the solvency and financial condition report of individual undertakings

1.1 Without prejudice to the requirements of the Commission Implementing Regulation 2015/2452, in particular Article 4 of the said Regulation, and subject to paragraph 1.2 of this Part of the Annex, the following templates for the solvency and financial condition report of individual undertakings, shall be audited and accompanied by the report drawn up by the approved auditor referred to in paragraph 8.10.2:

(a) template S.02.01.02 of Annex I to the Commission Implementing Regulation 2015/2452, specifying **balance sheet information** using the valuation in accordance with Section 5.2 of Chapter 5 on Valuation of assets and liabilities, technical provisions, own funds, Solvency Capital Requirement, Minimum Capital Requirement and investment rules, in Part B of these Insurance Rules, following the instructions set out in section S.02.01 of Annex II to the said Regulation;

(b) template S.12.01.02 of Annex I, specifying **information on the technical provisions relating to life insurance and health insurance** pursued on a similar technical basis to that of life insurance (‘health SLT’) for each line of business as defined in Annex I to Delegated Regulation (EU) 2015/35, following the instructions set out in section S.12.01 of Annex II to this Regulation;

(c) template S.17.01.02 of Annex I, specifying **information on non-life technical provisions**, following the instructions set out in section S.17.01 of Annex II to this Regulation for each line of business as defined in Annex I of Delegated Regulation (EU) 2015/35;

(d) template S.23.01.01 of Annex I to the Commission Implementing Regulation 2015/2452, specifying **information on own funds**, including basic own funds and ancillary own funds, following the instructions set out in section S.23.01 of Annex II to the said Regulation;

(e) template S.25.01.21 of Annex I to the Commission Implementing Regulation 2015/2452, specifying **information on the Solvency Capital Requirement calculated using the standard formula**, following the instructions set out in section S.25.01 of Annex II to the said Regulation;

(f) template S.28.01.01 of Annex I to the Commission Implementing Regulation 2015/2452, specifying **the Minimum Capital Requirement for insurance and reinsurance undertakings engaged in only long-term business or only general business of insurance or reinsurance business**, following the instructions set out in section S.28.01 of Annex II to the said Regulation;

(g) template S.28.02.01 of Annex I to the Commission Implementing Regulation 2015/2452, specifying **the Minimum Capital Requirement for insurance undertakings engaged in both long-term business and general business of insurance**, following the instructions set out in section S.28.02 of Annex II to the said Regulation.

1.2. Notwithstanding paragraph 1.1 of this Part of the Annex and pursuant to paragraph 2 of this Annex, when the Solvency Capital Requirement is calculated using a full or partial internal model, the following information shall be excluded from the scope of the external audit:

- (a) template S.25.01.21;
- (b) template S.28.01.01;
- (c) template S.28.02.01;
- (d) cells R0550, R0590, R0640, R0680, R0720 of template S.02.01.02;
- (e) cells R0100, R0130 of template S.12.01.02;
- (f) cells R0280, R0310 of template S.17.01.02; and
- (g) cells R0580, R0600, R0620, R0640, R0740 of template S.23.01.01.

Part II

Templates for the solvency and financial condition report of groups

2.1 Without prejudice to the requirements of the Commission Implementing Regulation 2015/2452, in particular Article 5 of the said Regulation, and subject to paragraph 2.2 of this Part of the Annex, the following templates for the solvency and financial condition report of groups, disclosed by a participating insurance and reinsurance undertaking, an insurance holding company and a mixed financial holding company as part of the group solvency and financial condition report, in terms of *the Insurance Business (Supervision of Insurance and Reinsurance Undertakings in a Group) Regulations, 2016 (S.L. 403.17)*, (“the Group Regulations”), shall be audited and accompanied by the report drawn up by the approved auditor referred to in paragraph 8.10.2:

(a) where, for the calculation of the group solvency, the group uses method 1 as defined in regulation 22 of the Group Regulations, either exclusively or in combination with method 2 as defined in regulation 25 of the Group Regulations:

(i) template S.02.01.02 of Annex I to the Commission Implementing Regulation 2015/2452, **specifying balance sheet information**, using the valuation in accordance with Section 5.2 of Chapter 5 on Valuation of assets and liabilities, technical provisions, own funds, Solvency Capital Requirement, Minimum Capital Requirement and investment rules, in Part B of these Insurance Rules, following the instructions set out in section S.02.01 of Annex III to the said Regulation;

(ii) template S.25.01.22 of Annex I to the Commission Implementing Regulation 2015/2452, specifying information on the **Solvency Capital Requirement, calculated using the standard formula**, following the instructions set out in section S.25.01 of Annex III to the said Regulation; and

(b) template S.23.01.22 of Annex I to the said Regulation, specifying **information on own funds, including basic own funds and ancillary own funds**, following the instructions set out in section S.23.01 of Annex III to the said Regulation.

2.2 Notwithstanding paragraph 2.1 of this Part of the Annex and pursuant to paragraph 3 of this Annex, when the group Solvency Capital Requirement is calculated using a full or partial internal model, the following information shall be excluded from the scope of the external audit:

(a) template S.25.01.22;

(b) cells R0550, R0590, R0640, R0680, R0720 of template S.02.01.02: and

(c) cells R0610, R0650, R0680, R0690, R0740 of template S.23.01.22.