



Supervisory Statement | SS11/15

# Solvency II: regulatory reporting and limitations

(Updating December 2021)

February 2023







BANK OF ENGLAND  
PRUDENTIAL REGULATION  
AUTHORITY

Supervisory Statement | SS11/15

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## 1 Introduction

1.1 This Supervisory Statement is addressed to all UK Solvency II firms and the Society of Lloyd's. It should be read alongside all relevant onshored EU legislation, and the Reporting Part of the Prudential Regulation Authority (PRA) Rulebook. It clarifies the PRA's expectations of the Solvency II regime's requirements in relation to supervisory reporting.

1.2 In particular, this statement:

- lists the reporting requirements that are subject to an exemption; and
- explains the steps a firm must take to apply for an exemption, and how the decision will be communicated to the firm.

1.3 [Deleted].

1.4 [Deleted].

1.5 Firms should also refer to:

- Bank of England and PRA Statement of Policy 'Interpretation of EU Guidelines and Recommendations: Bank of England and PRA approach after the UK's withdrawal from the EU';<sup>1</sup>
- Supervisory Statement (SS) 1/19 'Non-binding materials: The PRA's approach after the UK's withdrawal from the EU';<sup>2</sup> and
- Supervisory Statement (SS) 2/19 'PRA approach to interpreting reporting and disclosure requirements and regulatory transactions forms after EU withdrawal'.<sup>3</sup>

1.6 Any reference to any provision of direct EU legislation is a reference to it as it forms part of retained EU law.

## 2 Solvency II reporting

2.1 The submission of National Specific Templates is in addition to those set out in the Solvency II Regulations as it forms part of retained EU law, and as referred to in Chapter 2 in the Reporting Part of the PRA Rulebook.

2.2 A firm may disclose on a voluntary basis any information or explanation related to its solvency and financial condition which is not already required to be disclosed in accordance with Reporting 3.3–3.8, 4, 5.1, 5.3, 5.4 and 5.5.

## 3 Scope of quarterly reporting limitation

3.1 The PRA considers that some firms may be eligible to apply for a modification by consent to limit regular supervisory reporting where the predefined submission period is less than one year. The PRA

<sup>1</sup> December 2020: SoP – [Interpretation of EU Guidelines and Recommendations: Bank of England and PRA approach after the UK's withdrawal from the EU](#).

<sup>2</sup> December 2020: SS1/19 – [Non-binding PRA materials: The PRA's approach after the UK's withdrawal from the EU](#).

<sup>3</sup> December 2020: SS2/19 – [PRA approach to interpreting reporting and disclosure requirements and regulatory transactions forms after the UK's withdrawal from the EU](#).

considers that firms designated as Category 3 or 4 by the PRA under the potential impact framework, whether solo or part of a group, are eligible to apply for this exemption from quarterly reporting. The PRA will grant this limitation via a rule modification under s138A FSMA.<sup>4</sup> The PRA may consider limitations for Category 1 and 2 firms on an exceptional basis. These cases could include small firms that are part of groups, where the group is designated as category 1 or 2 by the PRA.

3.2 The reporting requirements are set out in the Solvency II Regulations (as they form part of retained EU law), and in Reporting 2.1–2.14 in the Reporting Part of the PRA Rulebook. The PRA has determined that firms categorised by the PRA as Category 3 or 4, both solo and part of a group, are eligible for the limitation of quarterly reporting through a modification by consent, unless specifically instructed by its supervisory team. Other firms may also be eligible.

3.3 Firms that are granted the solo-level exemption will only have to submit the Quarterly Reporting Templates (QRT) identified in Table A.

3.4 As shown in the table, the exemption from quarterly reporting at the solo level does not apply to:

- second quarter reporting of own funds and balance sheet templates; and
- the basic information and content of submission templates.

The latter templates will help the PRA understand basic information about each submission and facilitate validation checks.

**Table A: Aspects of QRT required of firms granted a QRT exemption**

	Quarter 2	Quarter 4
	Basic information — S.01.02.01	
	Content of the submission — S.01.01.02	
	Balance sheet — S.02.01.02	
	Information on own funds — S.23.01.01	

3.5 The PRA has determined that groups subject to group supervision by the PRA which meet this criteria set out in Article 254 of the Solvency II Directive (as at the end of the transition period)<sup>5</sup> may be eligible for this exemption from quarterly reporting at the level of the group. Groups that are granted this exemption may not be required to submit any group level quarterly reporting templates.

<sup>4</sup> While the term ‘waiver’ is used throughout this document, the exemption would be granted by a modification by consent.

<sup>5</sup> The UK’s membership of the EU came to an end on Friday 31 January 2020. The UK entered into a transition period lasting until 11pm on Thursday 31 December 2020, which marked the end of the transition period, during which EU law continued to apply to the UK.

3.6 The PRA may, where necessary to meet its objectives, make ad hoc requests for quarterly reporting from firms holding a waiver. Firms granted a waiver from quarterly reporting should therefore maintain their ability to respond to such ad hoc requests.

3.6(A) Should a waiver be revoked by the PRA, the PRA expects that firms will resume reporting within six months from the initial notification, unless there are specific circumstances where such a delay would not be appropriate.

3.6(B) Should a waiver expire and not be renewed by the firm or the PRA, reporting should resume at the next scheduled reporting date.

### **Application for Solvency II quarterly reporting exemptions**

3.7 Category 1 or 2 solo firms and groups that believe they are eligible for limitations to quarterly reporting should discuss this limitation with their supervisor prior to submitting a formal application. Similarly, groups subject to group supervision by the PRA that believe they are eligible for limitations to quarterly reporting at the level of the group should discuss this limitation with their group supervisor prior to submitting a formal application. An application should then be submitted by completing the relevant questionnaire published on the Bank of England website.<sup>6</sup> The timing of decisions on the two types of applications may differ.

3.8 Once the PRA has assessed an application it will inform the firm of its decision. Where an application is approved, the firm will be sent a Direction letter that sets out the duration of the waiver. The PRA expects firms to have a contingency plan in place in case their application is rejected and maintain contingency plans in case the waiver should expire without being extended. The PRA expects all firms to notify their supervisory contact as soon as they believe there are any circumstances which may impact their suitability to hold a waiver.

## **4 [Deleted]**

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<sup>6</sup> See [www.bankofengland.co.uk/prudential-regulation/authorisations/waivers-and-modifications-of-rules](https://www.bankofengland.co.uk/prudential-regulation/authorisations/waivers-and-modifications-of-rules).

## Annex – SS11/15 updates

This annex details the changes that have been made to this SS following its initial publication in 2015:

### 2023

February

This SS has been updated to remove a reference to category 5. This category was removed by the PRA when it updated its approach to categorising the ‘potential impact’ of firms.

### 2021

December

Following publication of Policy Statement (PS) 29/21 ‘Review of Solvency II: Reporting (Phase 1)’ on Friday 17 December 2021, this SS was updated to include the following paragraphs:<sup>1</sup>

- 1.5 and 1.6 relating to the interpretation of the PRA reporting and disclosure requirements after EU withdrawal. Firms should refer to the referenced SSs and SoP in light of the changes introduced to this statement.

The following paragraphs in the SS were amended:

- 1.1, 2.1, and 3.5 to update references to the onshored EU legislation;
- 3.1, 3.2, 3.4, Table A, and 3.7 to reflect the extension to the quarterly reporting exemption to Category 3 firms, and the change in the reporting frequency in respect to the S.28 templates as outlined in the PS; and
- 1.2 and 3.6 relating to minor grammatical corrections.

The following paragraphs in the SS were deleted:

- 1.3, 1.4, and Section 4 to reflect that the requirements in relation to consultation and cost benefit analysis have been updated and are not required to be included in the SS.

Further minor changes were also made to improve readability and accessibility.

### 2018

July

Following publication of Policy Statement 16/18,<sup>2</sup> this SS was updated to include the following paragraphs:

- 3.6(A) and 3.6(B) relating to the timing when resuming reporting. The PRA clarified that should a waiver be revoked by the PRA, the PRA expects that firms will resume reporting within six months from the initial notification, unless there are specific circumstances where such a delay would not be appropriate. Should a waiver expire and not be reviewed by the firm to the PRA reporting should resume at the next scheduled reporting date.

The following paragraphs were amended:

<sup>1</sup> December 2021: [PS29/21 – Review of Solvency II: Reporting \(Phase 1\)](#).

<sup>2</sup> July 2018: [PS16/18 - Solvency II: Changes in insurance reporting requirements](#).

- 3.1, 3.2, 3.6, 3.7 and 3.8 to reflect that the PRA will grant Category 4 and 5 firms the limitation of regular supervisory reporting where the predefined submission is less than one year via a rule waiver (ie modification by consent).<sup>3</sup>

A table of contents was also added.

## **2016**

### **July**

On 6 July 2016, template reference numbers in Table A were updated to reflect those published in the Commission Implementing Regulatory (EU) 2015/2450 of 2 December 2015. There were no changes to the content of Table A.

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<sup>3</sup> The modification by consent, and direction for modification by consent are available on the Bank of England website: [www.bankofengland.co.uk/prudential-regulation/authorisations/waivers-and-modifications-of-rules](http://www.bankofengland.co.uk/prudential-regulation/authorisations/waivers-and-modifications-of-rules)