

1. Introduction

The FSC remains determined to make it straightforward for firms to submit data to the FSC, as mentioned in both our September and December Updates on Solvency 2.

We are in the process of updating our IT systems to cater for the increased regulatory challenges that include the complexities and scale of European Legislation. Amongst a range of enhancements, will be the ability to receive regulatory data in the form of XBRL documents.

In line with the FSC's implementation of CRD IV, and the approach taken by the majority of other regulators we will be collecting Solvency 2 data in XBRL. This is also consistent with the preferred method adopted by EIOPA and EBA. This was previously communicated in our earlier Updates.

This update sets out how firms can submit their data in XBRL.

Does your firm already have the capabilities to produce XBRL?

Where a reporting firm has created an XBRL regulatory return compliant with the EU specification there will be a simple procedure for submitting this to the FSC for processing.

Or, is XBRL new to your firm?

Where XBRL is new to the firm, it is expected that specific software will need to be acquired. We recommend firms investigate the use of the 'Tool for Undertakings' (T4U) provided free and specifically for this purpose by EIOPA. The tool can be downloaded from the EuroFiling website publically available via this link:

<http://t4u.eurofiling.info/> .

It is a Microsoft Windows application with minimal system requirements or imposition on the firm's IT infrastructure. The tool's primary benefit is to enable the capture of regulatory reporting data according to EIOPA Implementing Technical Standards (ITS) and in a form that firms should be familiar with from the Quantitative Reporting Templates (QRT).

Once the required data has been entered, the tool enables the generation of an XBRL document that can be easily transferred to the FSC.

Will the FSC develop a XBRL facility?

If the FSC develops an alternative facility by which firms can provide their data, it will complement the use of the T4U which will continue to be a valid means of capturing data for submission. Firms would be able to choose a time of their convenience to move over to the alternative approach.

As far as we understand, the support from EIOPA for T4U is not affected in the foreseeable future by the recent cuts to EIOPA's budget.

2. Focus

Regardless of which approach firms are planning to take to the submission of data, firms should continue to focus on how they will effectively gather and validate the necessary data.

The final proposed data templates from EIOPA that will need to be completed and submitted are set out in the 2nd set of Implementing Technical Standards - https://eiopa.europa.eu/Publications/Consultations/EIOPA_EIOPA-CP-14-052 ITS_Reg_Supervisory_reporting.pdf.

This gathering and validation of data is the focus of the recent self-assessment in respect of Pillar 3.

3. Dry run

For firms who are required to participate in the Solvency 2 dry run during 2015, the EIOPA T4U tool can be used to create XBRL documents for submission.

Even if a firm is not required to participate in the dry run, we would encourage such firms to use this opportunity to test their systems and processes. If any firm wishes more information on what this will involve, please contact the FSC at S2@fsc.gi.

The anticipated process for submission will be by email attachment or delivery on external media such as USB. The latter is an alternative which may be preferred or required by one or other party due to email size or security restrictions.

4. 2016

Following the introduction of Solvency 2 in 2016 the FSC will continue to accept XBRL documents created using the EIOPA T4U. Any operational or technical experience gained through its use during 2015 will be of benefit to both regulated entities and regulators.

5. Help with the T4U

We appreciate that this is a new tool for most firms. The FSC therefore strongly encourages firms to both watch the introductory video and review the user manual.

The FSC also plans to host a workshop later this quarter to provide guidance on the entry and submission of data using the T4U. This is a workshop on the T4U, not on the interpretation of the legislative text. The FSC workshop is supplementary to and not a substitute for, watching the video and reading the manual.

Development of the T4U remains the responsibility of EIOPA. The FSC will endeavour to support local firms for which it is the home regulator under its obligation to implement first level reporting.

We will be in touch in the next few weeks with details of the workshop.

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Financial Services Commission
PO Box 940
Suite 3, Ground Floor
Atlantic Suites
Europort Avenue
Gibraltar
Tel: (+350) 20040283
Fax: (+350) 20040282
www.fsc.gi