



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Handbook for Branches of Third-Country Insurance Undertakings Authorised by the Central Bank of Ireland

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1 Introduction

The Requirements outlined in this handbook (the Handbook) are addressed to third-country insurance undertakings¹, which have been authorised by the Central Bank of Ireland (the Central Bank) to establish a branch in the State (third-country branches)².

1.1 Background

1. The European Union (Insurance and Reinsurance) Regulations 2015³ (the 2015 Regulations) transpose Directive 2009/138/EC (the Solvency II Directive)⁴ into Irish law.
2. The European Commission Delegated Regulation (EU) 2015/35 (the Delegated Regulation)⁵ and Commission Implementing Regulation (EU) 2015/2450 (the Reporting ITS)⁶ set out specific rules related to, inter alia, system of governance, supervisory reporting and solvency requirements.
3. The Central Bank has published a policy notice for third-country branches setting out its expectations on the authorisation and supervision of third-country branches.

1.2 Scope and coverage

1. The Handbook sets out the Central Bank's requirements applicable to any branch of a third-country insurance undertaking authorised and supervised by the Central Bank.
2. The requirements outlined in the Handbook supplement and are to be read in conjunction with the relevant Solvency II requirements specified in the 2015 Regulations, as amended, relevant requirements of the Delegated Regulation and Reporting ITS (as applicable) and relevant EIOPA Guidelines.

¹As defined in section 1.6

²As defined in section 1.6

³S.I. No. 485 of 2015.

⁴Directive 2009/138/EC of the European Council and of the Parliament of 25 November 2009.

⁵Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking up and pursuit of the business of Insurance and Reinsurance (Solvency II).

⁶Commission Implementing Regulation (EU) 2015/2450 laying down implementing technical standards with regard to the templates for the submission of information to the supervisory authorities according to Directive 2009/138/EC of the European Parliament and of the Council.

3. If there is a conflict between the Handbook and any or all of the 2015 Regulations, the Delegated Regulation, and the Reporting ITS, the 2015 Regulations, the Delegated Regulation or the Reporting ITS (as applicable) shall apply.
4. Where the Handbook imposes requirements on third-country branches and/or Branch Management Committees⁷, and without prejudice to those requirements, a third-country insurance undertaking authorised by the Central Bank to establish a third-country branch in the State, shall ensure compliance by such third-country branch and/or the Branch Management Committee with such requirements.
5. Where the Handbook imposes requirements on a third-country branch and without prejudice to those requirements, these requirements are also imposed on the third-country insurance undertaking authorised by the Central Bank to establish such third-country branch in the State.
6. Where the Handbook imposes requirements on the Branch Management Committee, and without prejudice to those requirements, such requirements are imposed subject to the overall responsibilities of the third-country insurance undertaking's board for the acts of, or failure to act by, the Branch Management Committee.

1.3 Legal Basis

1. The requirements set out in this Handbook are imposed as conditions to which third-country branches are subject pursuant to Regulation 176(5) of the 2015 Regulations. A third-country branch is required to comply with this Handbook as a condition of their authorisation.
2. This Handbook may be amended or supplemented by the Central Bank from time to time.
3. A contravention of any of the requirements contained in this Handbook may result in the Central Bank using any of its regulatory powers, including, but not limited to the imposition of an administrative sanction under Part IIIC of the Central Bank Act, 1942 and/or the suspension of persons and/or prohibition of persons from performing controlled functions under Part 3 of the Central Bank Reform Act, 2010.

⁷ As defined in Section 1.6

4. When supervising a third-country branch, the Central Bank will exercise, where appropriate, the supervisory powers set out in the 2015 Regulations, to the same extent, as the Central Bank would exercise such powers in respect of insurance undertakings authorised under Regulation 14 of the 2015 Regulations.
5. All third-country branches authorised to pursue non-life insurance business will be required to contribute to the Insurance Compensation Fund (ICF) as directed by the Central Bank.

1.4 Reporting to the Central Bank

1. The Central Bank will monitor adherence to the Handbook through its on-going supervision of a third-country branch⁸.
2. A third-country branch that becomes aware of a material deviation from the requirements contained in the Handbook by that third-country branch shall within 5 business days report the deviation to the Central Bank, advising of the background and the proposed remedial action.
3. The Central Bank also requires each third-country branch to submit an annual compliance statement as set out at Section 2.8, specifying whether the third-country branch has complied with all requirements, as set out therein, and certifying that the information submitted to the Central Bank as part of its regulatory reporting is accurate.
4. A third-country branch shall not in any circumstances provide the Central Bank with:
 - (a) false or misleading statements concerning the operation of the third-country branch, or
 - (b) information which it knows or ought reasonably to know to be false or misleading.

1.5 General application and implementation

1. The requirements outlined in the Handbook are effective from 4 May 2018.

⁸ All third-country branches authorised by the Central Bank will be supervised under PRISM – the Central Bank’s risk based framework for the supervision of regulated firms.

1.6 Definitions

For the purpose of the requirements outlined in the Handbook, the following definitions apply:

- a) “branch assets” means assets of the third-country insurance undertaking which are attributed to branch operations, excluding any notional book amount owing from the undertaking’s non branch operations to the undertaking’s branch operations and which are available upon the winding up of the undertaking to pay the insurance liabilities of branch policyholders in accordance with Guideline 26 of EIOPA’s guidelines on the supervision of branches of third-country insurance undertakings (EIOPA’s Branch Guidelines).
- b) “branch ancillary own funds” means items, which can be called up within winding up proceedings with regard to the third-country insurance undertaking to pay the insurance liabilities vis a vis branch policyholders in accordance with Guideline 26 of EIOPA’s Branch Guidelines and which meet the requirements of Regulations 104 and 105 of the 2015 Regulations.
- c) “branch balance sheet” means a balance sheet showing branch assets and branch liabilities complying with the recognition and valuation principles under Regulation 82 of the 2015 Regulations.
- d) “branch basic own funds” means the excess of branch assets over branch liabilities.
- e) “branch insurance claim” means an insurance claim relating to branch policyholders.
- f) “branch liabilities” means the branch insurance claims, branch preferential claims and claims secured on branch assets.
- g) “Branch Management Committee” means the committee established within the third-country branch with responsibility for the effective, prudent and ethical oversight of its operations.
- h) “branch MCR” means the Minimum Capital Requirement (MCR) which is based on the branch balance sheet and the volume measures as specified in the 2015 Regulations which relate to the branch balance sheet.
- i) “branch operations” means operations effected by a third-country branch pursuant to an authorisation granted by the Central Bank to a third-country insurance undertaking to establish a branch in the State under the 2015 Regulations.
- j) “branch own funds” means the sum of branch basic own funds and branch ancillary own funds.

- k) “branch policyholder” means a policyholder whose policy is effected by the third-country branch. This definition includes, but is not limited to, policyholders and beneficiaries who have branch insurance claims.
- l) “branch preferential claims” means any claim which upon a winding up of the third-country insurance undertaking ranks in priority to branch insurance claims which are:
 - a. claims of employees of branch operations arising from employment contracts and employment relations, claims by public bodies on taxes owed with respect to branch operations,
 - b. claims by social security systems with regard to branch operations,
 - c. claims on branch assets subject to rights in rem.
- m) “branch SCR” means the Solvency Capital Requirement (SCR) based on the branch balance sheet and the volume measures as specified in the 2015 Regulations which relate to the branch balance sheet.
- n) “EIOPA” means the European Insurance and Occupational Pensions Authority.
- o) “EIOPA’s Branch Guidelines” means the EIOPA guidelines on the supervision of branches of third-country insurance undertakings.
- p) “group supervisor” means the supervisory authority of the Member State with responsibility for supervising the solvency of the entire business of the third-country branches established in the European Union as provided for in Regulation 181 of the 2015 Regulations.
- q) “home supervisory authority” means the supervisory authority of the country, which has authorised the third-country insurance undertaking to take on insurance business and where the undertaking has its head office.
- r) “insurance claim” means claims of branch policyholders within the meaning of Regulation 270 of the 2015 Regulations.
- s) “location of the insurance claim” means the location of either the beneficiary (including policyholders), the insured risk or the contract signed with the third-country insurance undertaking (including whether the business was transacted through the third-country branch or through the head office of the third-country insurance undertaking).
- t) “Member State” has the meaning given to that term in the 2015 Regulations.

- u) “ORSA” means the Own Risk and Solvency Assessment as provided for in Regulation 47 of the 2015 Regulations.
- v) “qualifying holdings” means a direct or indirect holding in the third-country insurance undertaking that has established, or wishes to establish, a branch which represents 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of the third-country insurance undertaking.
- w) “reporting currency” is the currency of the country of the supervisory authority receiving the reporting information, unless otherwise allowed by the Central Bank.
- x) “third-country branch” means a permanent presence in the State of a third-country insurance undertaking that has received authorisation from the Central Bank to pursue insurance business within the State.
- y) “third-country insurance undertaking” means an undertaking that has its head office outside the EEA and that would require authorisation as an insurance undertaking in accordance with Article 14 of the Solvency II Directive (EU Directive 2009/138/EC) if its head office was situated in the EEA.

2 Requirements

2.1 Governance

1. A third-country branch shall comply with the system of governance requirements set out in Regulations 44 to 51 of the 2015 Regulations and Chapter IX of the Delegated Regulations⁹.
2. A third-country branch shall have robust governance arrangements which include a clear organisational structure with well defined, transparent and consistent lines of responsibility, effective processes to identify, manage, monitor and report the risks to which it is or might be exposed, adequate internal control mechanisms, including sound administrative and accounting procedures, IT systems and controls, and remuneration policies and practices that are consistent with and promote sound and effective risk management. The system of governance shall promote and communicate an appropriate risk and compliance culture at all levels and shall be subject to regular internal review.
3. The governance structure adopted by each third-country branch shall be sufficiently sophisticated to ensure that there is effective oversight of the activities of the third-country branch taking into consideration the nature, scale and complexity of the business being conducted.
4. A third-country branch, having regard to its business model, must have sufficient and appropriately skilled resources including senior management within the State. The resources need to be sufficient to demonstrate a level of local oversight and control. This includes appropriate presence of senior management positions in the State such as the Branch Manager and, as necessary given its nature scale and complexity, key function holders, who dedicate sufficient time to fulfil their duties.
5. The corporate governance structure and policies shall be articulated clearly and communicated to all appropriate staff within the third-country branch.
6. A third-country branch shall ensure that no one individual has unfettered powers of decision with respect to the conduct of insurance business by the third-country branch.
7. A third-country branch shall establish and maintain the following key functions with regard to branch operations: a Risk Management Function, a Compliance Function, an Internal Audit Function and an Actuarial Function. These functions should be either specifically established at the branch level, or applied by the third-country insurance undertaking's head-office to the branch operations.

⁹ EU 2015/35

The Central Bank reserves the right to require that key functions be established within the State depending on the nature, scale and/or complexity of the branch operations.

8. A third-country branch, shall notify the Central Bank of the identity of, and any changes to:
 - a) the general representative of the third-country branch i.e. Branch Manager;
 - b) any persons who effectively run or who may influence branch operations; and
 - c) the persons who are responsible for key functions with regard to branch operations.

9. A third-country branch shall, at times specified by the Central Bank and at least once a year, notify the Central Bank of the names of shareholders or members who have qualifying holdings in the third-country insurance undertaking and the size of each such holding. In addition, the third-country branch shall notify the Central Bank once it becomes aware of the acquisition or proposed acquisition of any qualifying holding in the third-country insurance undertaking.

10. When performing the assessment set out in Regulation 47 of the 2015 Regulations, the third-country branch shall:
 - a) take into account any material risk for branch operations along with any risk for other operations of the third-country insurance undertaking which may have an effect on branch operations.
 - b) assess the permanent availability of the branch assets and address:
 - i. the risks to the effectiveness of arrangements to ensure that branch assets are paid only to third-country branch insurance creditors and third-country branch preferential creditors; and
 - ii. the risks to the adequacy of branch assets to cover claims of such creditors by at least the amount of the branch SCR where the third-country branch does not meet the requirements outlined in Regulation 277 of the 2015 Regulations in relation to the treatment of insurance claims.

11. A third-country branch shall ensure that branch assets are invested in compliance with the prudent person principle requirements set out in Regulation 141 of the 2015 Regulations.

Branch Management Committee

12. Subject to the overall responsibilities of the third-country insurance undertaking's board, a Branch Management Committee shall be established within the State for each authorised third-country branch and this Branch Management Committee will retain day to day responsibility for corporate governance within the third-country branch at all times. The third-country branch shall consider the proposed composition of the Branch Management Committee including whether independent representation is required. The responsibilities and composition of the Branch Management Committee may be specified by the Central Bank on a case-by-case basis and will depend on the

nature, scale and/or complexity of the branch operations The Branch Manager shall be a member of the Branch Management Committee.

13. At a minimum, the Branch Management Committee shall be responsible for the effective, prudent and ethical oversight of the third-country branch. The Branch Management Committee is thus at least responsible for, inter alia, setting/overseeing:
 - a) the business strategy for the third-country branch;
 - b) the amounts, types and distribution of both internal capital and own funds adequate to cover the risks of the third-country branch;
 - c) the strategy for the on-going management of material risks;
 - d) a robust and transparent organisational structure with effective communication and reporting channels;
 - e) a remuneration framework that is in line with the risk strategies of the third-country branch; and
 - f) an adequate and effective internal control framework, that includes well-functioning risk management, compliance, actuarial and internal audit functions as well as an appropriate financial reporting and accounting framework.
14. A third-country branch shall ensure a majority of the members of the Branch Management Committee are reasonably available to the Central Bank at short notice, if so required.
15. Each third-country branch shall clearly document the role and responsibilities of the Branch Management Committee.
16. The third-country branch shall ensure that each member of the Branch Management Committee shall have:
 - a) The necessary knowledge, skills, experience, expertise, competencies, professionalism, fitness, probity and integrity to carry out their duties;
 - b) A full understanding of the nature of the third-country branch's business, activities and related risks;
 - c) A full understanding of their individual direct and indirect responsibilities and collective responsibilities; and
 - d) An understanding of the third-country branch's regulatory reporting obligations and procedures.
17. The Branch Management Committee may delegate authority to sub-committees or management to act on its behalf in respect of certain matters but, where it does so, it shall have mechanisms in place for documenting the delegation and monitoring the exercise of delegated functions. The Branch Management Committee cannot abrogate its responsibility for functions delegated.

18. Where the third-country branch, being part of a larger group, applies group policies or uses group functions, the Branch Management Committee shall satisfy itself as to the appropriateness of these policies and functions for the third-country branch and in particular that these policies and functions take full account of EU and Irish laws and regulations and the supervisory requirements of the Central Bank.
19. The Branch Management Committee shall be able to explain its decisions to the Central Bank.

Risk Appetite

20. The Branch Management Committee is required to understand the risks to which the third-country branch is exposed and shall establish a documented risk appetite in keeping with the overall risk appetite of the third-country insurance undertaking. The risk appetite shall be expressed in qualitative terms and include quantitative metrics to allow tracking of performance and compliance with agreed strategy. It shall be subject to annual review by the Branch Management Committee and board of the third-country insurance undertaking.
21. The risk appetite definition shall be comprehensive and clear. The definition shall clearly define the appetite and address separately the short, medium and long-term horizons.
22. The Branch Management Committee shall ensure that the risk management system and internal controls reflect the risk appetite and that there are adequate arrangements in place to ensure that there is regular reporting to the Branch Management Committee and board of the third-country insurance undertaking on compliance with the risk appetite.
23. A significant change in the risk profile/ business plan of the third-country branch is subject to the prior approval of the Central Bank.
24. In the event of a material deviation from the defined risk appetite measure, the details of the deviation and of the appropriate action to remedy the deviation shall be communicated to the Central Bank promptly in writing and no later than within five business days of the Branch Management Committee becoming aware of the deviation.
25. The Branch Management Committee shall satisfy itself that all key control functions such as internal audit, compliance, actuarial and risk management are independent of business units, and have adequate resources and authority to operate effectively.
26. The Branch Management Committee shall ensure that it receives timely, accurate and sufficiently detailed information from control functions.

27. The Branch Management Committee shall ensure that the third-country branch's remuneration policies do not promote excessive risk taking. The Branch Management Committee shall design and implement a remuneration policy to meet that objective and evaluate compliance with this policy.
28. The Branch Management Committee shall ensure that it identifies risks to be addressed by contingency plans based on, inter-alia:
- the areas where it considers the third-country branch to be especially vulnerable;
 - the risk appetite of the third-country branch; and
 - the risk management system of the third-country branch.

The Branch Management Committee shall ensure that contingency plans are reviewed, updated and tested on a regular basis.

Meetings

29. The Branch Management Committee shall meet as often as is appropriate to fulfil its responsibilities effectively and prudently, reflective of the nature, scale and/or complexity of the third-country branch. In any event, the Branch Management Committee shall meet at least four times per calendar year and at least once in every six-month period.
30. A detailed agenda of items for consideration at each Branch Management Committee meeting together with minutes of the previous meeting shall be circulated in advance of the meeting to allow all members adequate time to consider the material. Sufficient and clear supporting information and papers shall also be circulated.
31. Detailed minutes of all Branch Management Committee meetings shall be prepared with all decisions, discussions and points for further actions being documented. Dissensions or negative votes shall be documented in terms acceptable to the dissenting person or negative voter. The minutes of meetings shall provide sufficient detail to evidence appropriate Branch Management Committee attention, the substance of discussions and their outcome and shall be agreed at the subsequent Branch Management Committee meeting. Minutes shall also document the attendance or non-attendance of members of the Branch Management Committee.
32. The Branch Management Committee shall establish a documented 'conflict of interest' policy for its members and where conflict of interests arise the Branch Management Committee shall ensure that they are noted in the minutes and managed appropriately.
33. If on-going conflicts of interest arise, consideration shall be given to changing the membership of the Branch Management Committee.

2.2 Financial Soundness

1. A third-country branch shall maintain financial soundness to ensure that the branch policyholders enjoy the same level of protection as those policyholders of an insurance undertaking situated in the European Union.
2. A third-country branch shall ensure that only those assets that are available to pay the claims of branch policyholders in the event of a winding up event are included in the calculation of branch assets. Assets will be deemed to be available, where either all of the third-country insurance undertaking's assets would be available to pay policyholders in priority to other creditors irrespective of the location of the policyholders, or where those assets are exclusively available to pay the claims of branch policyholders.
3. A third-country branch shall calculate its branch assets, branch liabilities, branch MCR and branch SCR in accordance with the valuation rules set out in Part 8 of the 2015 Regulations and Chapters II, III, IV, V, VI, VII and VIII of the Delegated Regulations.
4. A third-country branch shall calculate its branch SCR and branch MCR based on the branch operations only.
5. A third-country branch must hold assets required to cover the branch MCR and SCR as follows:
 - a) In the State, assets representing the branch MCR; and
 - b) In any EU State, assets representing the amount of the branch SCR in excess of the amount of the branch MCR.

The third-country branch shall inform the Central Bank immediately if it no longer complies with the above conditions.

6. A third-country branch shall ensure that:
 - a) the branch own funds are at least equal to the branch SCR;
 - b) the branch basic own funds are at least equal to the branch MCR.
7. A third-country branch shall ensure branch insurance claims included in branch liabilities comprise Technical Provisions as defined in Regulation 84 of the 2015 Regulations, associated with only those branch insurance claims.
8. A third-country branch shall ensure that the branch balance sheet contains only those assets which are available according to the following criteria:

- a) assets which are distributed in accordance with Regulation 277 of the 2015 Regulations on a basis which does not differentiate between claims according to the location of the insurance claim;
- b) assets which are distributed to pay branch preferential claims and insurance claims of branch policyholders in priority to all other claims.

Furthermore in reporting the branch balance sheet, branch own funds and SCR to the Central Bank, the third-country branch shall only include assets that are available for distribution upon winding-up of the third-country insurance undertaking to pay the insurance claims of branch policyholders.

9. When submitting information on the branch balance sheet, a third-country branch shall show the available assets gross of branch preferential claims and any prior security interests and report the net amount of available branch assets and the deduction of branch preferential claims and prior security interests on the template S.02.03.07 specifying additional branch balance sheet information, as set out in Annex III to the EIOPA Branch Guidelines.

10. A third-country branch shall:

- a) establish, maintain and document the administrative and accounting procedures related to its operation in Ireland;
- b) keep records identifying the location of all the Irish branch assets. These records must provide sufficient information to any individual charged with the winding up of the third-country branch to take control of these assets;
- c) keep management accounts relating to the whole balance sheet of the Irish third-country branch (including available and non-available assets and liabilities relating to branch operations).

11. A third-country branch shall comply with Part 10 of the 2015 Regulations and the requirements on undertakings in difficulty or in irregular situation.

2.3 Reporting Requirements

1. A third-country branch shall submit the following information in respect of branch operations at predefined periods under Regulation 34 (3) (a) (i) of the 2015 Regulations:
 - a) a regular supervisory report comprising the information required under Regulation 34 of the 2015 Regulations and these Requirements, in relation to branch operations, in narrative form and including quantitative data, where appropriate;
 - b) the ORSA supervisory report in respect of branch operations comprising the results of each regular ORSA performed by the third-country insurance undertaking in accordance

with Regulation 47 of the 2015 Regulations and these Requirements, and without delay following any significant change in its risk profile, in accordance with Regulation 47 (8) of the 2015 Regulations;

- c) completed annual and quarterly quantitative templates in respect of branch operations (including any National Specific Templates (NSTs) prescribed by the Central Bank), as provided for in Guidelines 44, 45 and 47 of the EIOPA Branch Guidelines, specifying in greater detail and supplementing, where appropriate, the information presented in the regular supervisory report;
 - d) a copy of the supervisory reporting documentation of the third-country insurance undertaking;
 - e) a summary of any significant concerns which the home supervisory authority has raised with the third-country insurance undertaking, in English.
2. The requirements set out in 2.3 (1) are without prejudice to the power of the Central Bank to require the third-country branch to communicate on a regular basis any other information prepared under the responsibility of, or at the request of, the Branch Management Committee or the board of directors of the third-country insurance undertaking, in relation to branch operations.
 3. The regular supervisory report issued to the Central Bank by the third-country branch in relation to branch operations must follow the structure set out in Annex XX of the Delegated Regulations and contain all information described in Technical Annex I to EIOPA's Branch Guidelines.
 4. The ORSA Supervisory Report issued by a third-country branch in respect of branch operations shall cover:
 - a) the qualitative and quantitative results of the ORSA and the conclusions drawn by the third-country insurance undertaking from those results;
 - b) the methods and main assumptions used in the ORSA;
 - c) information on its overall solvency needs and a comparison between those solvency needs, the regulatory capital requirements and its branch own funds;
 - d) qualitative information on the extent to which its quantifiable risks are not reflected in the calculation of the branch SCR;
 - e) where significant deviations have been identified, the quantifiable risks of the third-country branch not reflected in the branch SCR appropriately quantified.
 5. The ORSA supervisory report issued by a third-country branch in respect of branch operations must also cover any risks with regard to other operations of the third-country insurance undertaking which may have a material impact on the branch operations.
 6. The reports outlined in 2.3 (1) (a), (b) and (c) must be submitted to the Central Bank in electronic form via the Central Bank's online reporting system (ONR). A third-country branch shall use the reporting templates set out in the EIOPA's Branch Guidelines.

All quantitative information should be provided in XBRL format and a third-country branch shall comply with the validation rules, as published by EIOPA on its website, when submitting information and data to the Central Bank in relation to its branch operations.

7. A third-country branch, in producing its supervisory reporting in respect of branch operations, shall consider as material information, information which omission or misstatement could influence its decision-making or judgement.
8. A third-country branch shall:
 - a) report data points with the data type 'Monetary' in the reporting currency. This will require a conversion of other currencies into the reporting currency, unless otherwise stated in the instructions of Annex II of Implementing Technical Standard on the Templates for the Submission of Information¹⁰ or of Annex IV of EIOPA's Branch Guidelines¹¹;
 - b) convert the value of any branch asset or branch liability denominated in a currency other than the reporting currency into the reporting currency as if the conversion had taken place at the closing rate on the last day for which the appropriate rate is available in the reporting period to which the branch asset or branch liability relates;
 - c) when expressing the value of any income or expense, convert that value into the reporting currency by using such basis of conversion as used for accounting purposes;
 - d) apply the exchange rate from the same source as the one used for the undertaking's financial statements in case of individual reporting, when making a conversion into the reporting currency.
9. A third-country branch shall provide all information referred to in these Requirements in the data exchange formats and representations determined by the Central Bank or group supervisor and in the following specifications:
 - a) data points with the data type 'Monetary' expressed in units with no decimals with the exception of templates S.06.02¹², S.08.01¹³, S.08.02¹⁴ or S.11.01¹⁵, which are expressed in units with two decimals;
 - b) data points with the data type 'Percentage' expressed as per unit with four decimals;
 - c) data points with the data type 'Integer' expressed in units with no decimals.

¹⁰ Commission Implementing Regulation 2015/2450

¹¹ [EIOPA's Guidelines on the supervision of branches of third-country insurance undertakings](#)

¹² S.06.02 – List of Assets

¹³ S.08.01 – Open Derivatives

¹⁴ S.08.02 – Derivatives Transactions

¹⁵ S.11.01 – Assets held as collateral

10. Following a significant development that affects the information received by the Central Bank from a third-country branch, that third-country branch shall submit an update as soon as possible following the occurrence of the significant development. Such an update should take the form of highlighted amendments to the initial report. The third-country branch shall deem any significant changes to the winding-up regime applicable to the jurisdiction of the third-country insurance undertaking that has established the third-country branch in Ireland as a significant development.
11. A third-country branch shall submit:
 - a) Annual quantitative templates as set out in EIOPA's Branch Guidelines¹⁶;
 - b) Quarterly quantitative templates as set out in EIOPA's Branch Guidelines¹⁷.
12. A third-country branch may rely, for quarterly measurements, on estimates and estimation methods to a greater extent than measurements of annual financial data.
13. A third-country branch shall design the measurement procedures for the quarterly reporting to ensure that the resulting information is reliable and complies with the standards of the 2015 Regulations and that all material information that is relevant for the understanding of the data is reported.
14. With regard to the information contained in templates S.12.01.02¹⁸ and S.17.01.02¹⁹, a third-country branch may apply simplified methods in the calculation of the Technical Provisions in respect of the branch operations. A third-country branch may, in particular, derive the risk margin for calculations that need to be performed quarterly from the result of an earlier calculation of the risk margin without an explicit calculation of risk margin itself in each quarter.
15. Unless otherwise stated in these Requirements a third-country branch shall annually submit the structured information in relation to material ring fenced funds, material matching portfolios and the remaining part in respect of branch operations, where applicable as set out in EIOPA's Branch Guidelines.
16. Where a third-country branch is using an Internal Model for the calculation of the SCR²⁰ in respect of its Irish branch operations, the notional SCR for each material ring fenced fund, material

¹⁶ Guideline 44 – Annual quantitative templates for third-country insurance undertakings in relation to branch operations

¹⁷ Guideline 45 – Quarterly templates for third-country insurance undertakings

¹⁸ S.12.01.02 - Life and Health SLT Technical Provisions – quarterly

¹⁹ S.17.01.02 - Non-Life Technical Provisions - quarterly

²⁰ Reg 180 of the 2015 Regulations states that the SCR for the third-country branch shall be calculated in accordance with the 2015 Regulations which includes by (i) Standard Formula and (ii) Partial/Full Internal Model

matching portfolio and the remaining part shall be taken into account when it submits the relevant information identified in templates S.25.02.01²¹ and S.25.03.01²² as agreed with the Central Bank.

17. A third-country branch shall submit the regular supervisory report in respect of its Irish branch operations no later than 14 weeks after the relevant third-country insurance undertaking's financial year-end, and at least every 3 years thereafter. The frequency for the submission of the information shall be determined by the Central Bank.
18. Where the third-country branch is not required to submit a regular supervisory report in respect of branch operations for a financial year, it must provide to the Central Bank a summary regular supervisory report which sets out all material changes that have occurred regarding business and performance, system of governance, risk profile, valuation for solvency purposes and capital management in respect of branch operations over the reporting period, and provides a concise explanation about the causes and effects of such changes.
19. A third-country branch must submit the summary regular supervisory report to the Central Bank no later than 14 weeks after the relevant third-country insurance undertaking's financial year-end.
20. A third-country branch shall submit to the Central Bank:
 - a) its annual Quantitative Reporting Templates (QRTs) no later than 14 weeks after its financial year-end;
 - b) the relevant quarterly QRTs no later than 5 weeks after the relevant quarter end; and
 - c) its ORSA supervisory report in respect of its Irish branch operations within 2 weeks of concluding the assessment.
21. In line with the transitional reporting requirements set out in the 2015 Regulations, for the regular supervisory report in respect of branch operations related to financial years ending on, or after 1 January 2018 but before 1 January 2019, the third-country branch shall submit this report to the Central Bank no later than 16 weeks after its financial year-end.
22. In line with the transitional reporting requirements set out in the 2015 Regulations, a third-country branch shall submit the relevant annual quantitative templates referred to in Guideline 44 of EIOPA's Branch Guidelines related to its financial year ending on, or after 1 January 2018 but before 1 January 2019, no later than 16 weeks after its financial year-end.
23. In line with the transitional reporting requirements set out in the 2015 Regulations, a third-country branch shall submit the relevant quarterly quantitative templates referred to in Guideline

²¹ S.25.02.01 - Solvency Capital Requirement – for undertakings using the standard formula and partial internal model

²² S.25.03.01 - Solvency Capital Requirement – for undertakings on Full Internal Models

45 of EIOPA's Branch Guidelines related to any quarter ending on, or after 1 January 2018 but before 1 January 2019, no later than 6 weeks after the quarter end.

24. A third-country branch shall guarantee that branch policyholders can obtain any publicly disclosed information concerning the solvency and financial condition of the whole third-country insurance undertaking, where the rules and regulations of the third country prescribe such disclosure.

2.4 Branches in other Member States

1. A third-country branch shall inform the Central Bank of the location of all branches of the third-country insurance undertaking established, or to be established, in other Member States.
2. Where any of the advantages set out in Regulation 181 of the 2015 Regulations are granted and the Central Bank has been appointed²³ group supervisor, a third-country insurance undertaking shall submit a single branch balance sheet in relation to all branch operations pursued in Member States to the Central Bank. A third-country insurance undertaking at its own discretion may eliminate any intra-branch transactions from that single branch balance sheet.

2.5 Outsourced Arrangements

1. A third-country branch which outsources a function or an insurance activity to a service provider shall ensure that—
 - a) the service provider co-operates with the Central Bank in connection with the outsourced function or activity;
 - b) the third-country branch, its auditors and the Central Bank have effective access to data related to the outsourced function or activity, and
 - c) the Central Bank has effective access to the business premises of the service provider and is able to exercise that right of access.
2. Where the service provider is located outside the State, the Central Bank shall have the right to carry out itself, or through the intermediary of persons it appoints for the purpose, on-site inspections at the premises of the service provider and shall inform the appropriate authority before conducting an on-site inspection.

²³ In accordance with the application process described in Regulation 181 whereby a third-country insurance undertaking shall state the authority of the Member State which is to supervise the solvency of the business within the European Union.

2.6 General Good Requirements

1. A third-country branch shall comply with Regulations 189, 190(3), 191(2), 192, 194, 195, 204 and 211 of the 2015 Regulations in relation to the applicable law and conditions of direct insurance contracts and provisions specific to non-life insurance.

2.7 Anti-Money Laundering Requirements

1. A life insurance third-country branch shall comply with the relevant requirements of the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 as amended by the Criminal Justice Act 2013 ('CJA 2010').

2.8 Compliance Statement

1. The obligation of a third-country branch to submit an annual compliance statement to the Central Bank pursuant to Section 2.8 of this Handbook shall be imposed by notice under Section 25 of the Central Bank Act 1997. A third-country branch shall submit to the Central Bank a compliance statement in the format set out in Annex 1 to these Requirements:
 - i. specifying whether the third-country branch has complied with the legislative and Handbook requirements applicable to it during the period to which the statement relates;
 - ii. certifying the accuracy of the information submitted in the quantitative reporting templates;
 - iii. certifying the accuracy of the information submitted in each regular supervisory report or annual summary of the regular supervisory report; and
 - iv. certifying the accuracy of the information submitted in each Own Risk and Solvency Assessment.
2. The compliance statement referred to at Section 2.8(1) above shall be submitted by the third-country branch to the Central Bank on an annual basis or with such other frequency as the Central Bank may notify to the third-country branch from time to time. The compliance statement shall be submitted with the third-country branch's annual supervisory reporting. Where the third-country branch does not have a financial reporting period coinciding with the calendar year, it may submit a compliance statement for the period of its financial year.
3. The compliance statement referred to at Section 2.8(1) above must be signed by all of the Branch Management Committee members of the third-country branch.
4. In the event of the third-country branch deviating materially from the legislative or Handbook requirements applicable to it, the compliance statement shall include a report on any material deviations, advising of the background to the breach and the actual or proposed remedial action.

Annex 1

Compliance Statement required under section 25 of the Central Bank Act 1997 and in accordance with section 2.8 of the Central Bank's Handbook for branches of third-country insurance undertakings.

Part A

We, the undersigned, all the members of the Branch Management Committee of [Name of Third-Country Branch], confirm that during the financial year ended on [date] the third-country branch

- has materially complied with all of its obligations and requirements imposed by or under the following:
 - The Insurance Acts, as defined in the European Union (Insurance and Reinsurance) Regulations 2015;
 - European Union (Insurance and Reinsurance) Regulations 2015 (S.I. 485 of 2015);
 - Applicable European Commission Delegated Regulations and European Commission Implementing Regulations.
 - The Central Bank's Handbook for branches of third-country insurance undertakings

Or,

- has failed to materially comply with all of its obligations and requirements imposed by or under the above provisions in the instance(s) identified in the report of material non-compliance annexed to this statement.

[Delete as appropriate]

Part B

We, the undersigned, all of the members of the Branch Management Committee, of [Name of Third-Country Branch], subject to permitted estimations and approximations, certify to the Central Bank of Ireland the accuracy of the information contained in the:

- i. annual quantitative templates dated [date report made up to] as submitted to the Central Bank of Ireland on [submission date].
- ii. regular supervisory report, or annual summary of the regular supervisory report, dated [date report made up to] as submitted to the Central Bank of Ireland on [submission date].
- iii. own risk and solvency assessment report dated [date report made up to] as submitted to the Central Bank of Ireland on [submission date].

Signatures:

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Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem