COMMENT

Comment

of the German Insurance Association (GDV)
Transparency Register ID: 6437280268-55

on the call for evidence on the rationalisation of report-ing requirements

Contents

1. **Introduction** 3
2. **General remarks** 3
3. **Proposals regarding specific legislation** 5

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Executive summary

The German Insurance Association welcomes the European Commission's initiative to reduce the burden of reporting and fully supports the call for evidence on the rationalisation of reporting requirements.

Overall, there was a significant increase in reporting burden during the last years which threatens the balance between regulatory burden and social advantages. In addition to the sheer amount of requirements and level of detail requested, the burden is due in particular to the frequency of amendments, too little time for implementation, duplications and overlaps between different reporting requirements and lack of clarity of new requirements. While we appreciate that the existing issues are addressed with the call for evidence, it is advisable to prevent excessive reporting requirements in the future. In this regard, we propose to embed the following principles in all ongoing and future regulatory initiatives, which are further explained in chapter 2:

- Avoid unnecessary new reporting requirements.
- Ensure changes initiated by European Supervisory Authorities are also carefully reviewed and assessed.
- Do not create reporting overlaps and duplications with existing regulations.
- Always embed proportionality into the requirements.
- Always ensure sufficient time is given for implementation.
- Avoid over-prescriptiveness and allow flexibility to the extent possible.
- Provide the necessary clarity quickly and without adding to the requirement itself.
- Conduct thorough consumer-testing on both proposed and existing consumer disclosures.
- Ensure a proper and swift correction process for errors identified.

In chapter 3 of this comment we make proposals regarding specific reporting requirements, for example:

- Solvency II Directive and Solvency II Delegated Regulation
- Corporate Sustainability Reporting Directive
- Sustainable Finance Disclosure Regulation
- Proposal for a Retail Investment Strategy
- Proposal for a Directive on Corporate Sustainability Due Diligence
- Digital Operational Resilience Act

Where possible we provide an estimation of the potential reduction in effort. This estimation always refers to the requirement specified and not to the reporting burden overall.

1. Introduction

We welcome the opportunity to provide feedback on the call for evidence regarding the rationalisation of reporting requirements. As the insurance industry is a protection provider for people and businesses on the one hand and one of the largest institutional investors on the other hand we fully support that a robust an appropriate regulatory environment is necessary. At the same time it must be highlighted that the right balance between prescriptiveness and room for innovation is required to achieve the EU objectives of sustainable, innovative and inclusive growth. This being said, we are concerned by the severe increase of compliance cost during the last years, resulting in a heavy burden for insurance undertakings. Therefore, we see the potential to alleviate the reporting burden without undermining the policy objectives by specific proposals which we included in chapter 3.

Besides this, we would like to make some general comments in the following chapter.

2. General remarks

As mentioned above we consider a robust and effective regulatory environment necessary to allow for a well-functioning, innovative, sustainable and inclusive European insurance industry. At the same time, it needs to be noted that the balance between regulatory burden and social advantages due to regulation has been disrupted by the significant increase in regulatory requirements in the EU, including reporting requirements.

We would like to emphasize that any new reporting requirement or any amendment to existing reporting requirements generates the need for IT projects data sourcing, validation processes and management interpretation and review, resulting in scarce expertise being drawn away from key activities such as risk management or innovation to reporting on them. This can amount to a competitive disadvantage for European insurers internationally Hence, minimizing and managing the frequency of changing requirements could by itself significantly alleviate the reporting burden for undertakings.

While the frequency of amendments is one issue the reporting burden is also aggravated by numerous duplications and overlaps across different pieces of legislation. Other factors which contribute to the excessive burden of regulatory reporting are too little time to implement new / amended requirements and lack of clarity of new requirements, resulting in the need for interpretation and supervisory clarifications.

For the reasons stated above we highly welcome that the European Commission aims at addressing exuberant reporting burden by this call for evidence. In this regard we would also like to highlight that as much as addressing existing issues relating to the current reporting burden is welcome, the following principles should be embedded into all current ongoing and future regulatory initiatives, to prevent excessive reporting requirements in the future:

- **Avoid unnecessary new reporting requirements**. Impact assessments on all EC and ESA initiatives are vital and new reporting should only be taken forward when justified with a very high benefit to cost ratio.
- Ensure **changes initiated by European Supervisory Authorities are also carefully reviewed and assessed**. These are currently often not covered by an assessment of how and why the new data is necessary or an appropriate cost/benefit analysis. For example, in the area of Solvency II, recent changes to QRTs, entirely on the initiative of EIOPA and its members, have resulted in the addition of numerous data points.
- **Do not create reporting overlaps and duplications** with existing sectoral or horizontal regulations.
- Always **embed proportionality** into the requirements, including smaller companies of insurance groups. It should also be considered that the smaller the reporting entity the higher the relative reporting burden as certain base costs of implementation are incurring regardless of the size of the company.
- Always **ensure sufficient time is given for implementation**. This means setting the application timing of new reporting requirements relative to official publication of final reporting specifications – which may be defined via Level 2 or Level 3 measures – and not as fixed dates. The time allowed for implementation should be a default of 18 months and never less than 12 months. Periods of 24 months may be needed for reporting requirements involving complex reporting and/or hard to generate data.
- **Avoid over-prescriptiveness** and allow flexibility to the extent possible.
- Where requested by the industry, **provide the necessary clarity** quickly and without adding to the requirement itself – ie as soon as possible and at least 6 and ideally 12 months prior to the application date.
- Conduct **thorough consumer-testing** on both proposed and existing consumer disclosures to ensure that the proposals indeed benefit consumers and match their actual information needs.
- Ensure a proper and swift correction process for errors identified in Implementing Technical Standards (ITS) (eg under Solvency II).

3. Proposals regarding specific legislation

The estimated reduction in cost always refers to the specific reporting burden mentioned. For this reason, the estimated reductions cannot be added up. Equally, they do not allow for a statement on the possible overall savings.

Topic and proposed amendments with estimated reduction of effort in %	Explanatory remark
Solvency II Directive (2009/138/EC)	
General proposals - It should be reassessed which data required under Solvency II are actually used for supervision. - Diverging definitions of similar matters in different reports should be avoided, insurance types and business lines should be unified, keeping in mind that definitions should be kept stable wherever possible. - Solvency II reporting should not be amended to include other topics which are already dealt with under specific legislation, e.g. sustainability reporting. - Standard formula reporting by internal model users should not be introduced, especially in light of the significant increase in new reporting burden arising from EIOPAs changes to the QRTs.	General proposals Supervisory reporting and public disclosure under Solvency I are well established reporting requirements. However, there is room for improvement. Besides this, it should be avoided to broaden the scope of Solvency II reporting in order to allow for an expedient and efficient supervisory reporting process.

<table>
<tr><th>Topic and proposed amendments with estimated reduction of effort in %</th><th>Explanatory remark</th></tr>
<tr><td>Taking into account the general proposals and the specific proposals mentioned below the overall burden of Solvency II reporting could be reduced by up to 15%.</td><td></td></tr>
<tr><td>Narrative reporting
- The changes to the SFCR should reduce, not increase, the workload and lead to a report focused on relevant information for policyholders and a simple dataset for other market participants which could be supplemented by interpretation guidance provided by NSAs/EIOPA. Therefore, we propose to structure the SFCR as follows:
• two pages with relevant information for policyholders comprising summary information on significant business developments, strategic direction (innovations, significant changes, etc) and a confirmation of compliance to be provided by the undertaking.
• QRT for other market participants.
The proposed structure would reduce the extent of SFCR disclosure by about 95%.

In general, overlaps between annual report, SFCR, RSR and ORSA should be removed; content of the SFCR which is</td><td>Narrative reporting
- There is a low level of public interest in the Solvency & Financial Condition Report (SFCR) but a very substantial effort and cost put into preparing the information. To illustrate that, the GDV did a member survey in 2018 which showed that the SFCR was on average only retrieved 33 times in the first month after publication, i.e there were only 11800 retrievals for the whole German insurance industry in one month compared to 434 million insurance contracts. This shows that the report as it is currently required is not fit for purpose and the, the intended objectives of the public reporting have not been achieved.
- Currently, the SFCR is being inflated by information which is already part of the annual report, i.e. information is duplicated. Static information inflates the SFCR as well. Information on the system of governance or valuation of balance sheets items – besides partly being already included in the annual report - could also be provided to interested members of the public on a website instead of annually distributed pdf files.</td></tr>
</table>

Topic and proposed amendments with estimated reduction of effort in %	Explanatory remark
already included in the annual report should be deleted, e.g. regarding Business (chapter a.1), system of governance including the list of supervisory board members and information on renumeration the (chapter B) and the description of balance sheet items according to local accounting rules (chapter D). **Examples of SFCR content which should be deleted would decrease burden of SFCR disclosure by up to 15 %.** - There should be no external audit requirements for any part of the SFCR. **The costs of SFCR reporting could be reduced by up to 10% if there was no audit requirement in view of the already existing audit requirement at national level.**	- The proposals on the Solvency-II-Review include the requirement to have an external audit of the Solvency II balance sheet. This is already required by national law in Germany. However, such an audit requirement significantly increases the cost of reporting as well as time pressure in preparation of Solvency II reports. The benefits for users of the SFCR of such an audit are fairly limited as the SFCR as an regulatory requirement has to be prepared with the utmost care. Concluding from the experience at the national level, there should be no audit requirement at European level, especially not with the option to extend the audit beyond the Solvency II balance sheet.
Quantitative Reporting - To alleviate the reporting burden regarding quantitative reporting, we propose to delete reporting on the fourth quarter: the benefit of Q4 reporting is very limited as a few weeks later, valid and reliable annual results are published. Hence, Q4 reporting could be deleted without detrimental effects. If necessary, solely the list of assets should be submitted for Q4 as this is required for ECB reporting.	Quantitative Reporting - The benefit of Q4 reporting is very limited as a few weeks later, valid and reliable annual results are published. Hence, Q4 reporting could be deleted without detrimental effects. - Regarding reduction of QRTs: • S.06.03: (i) Public funds in unit-linked life insurance: Public funds in unit-linked life insurance should be excluded from

Topic and proposed amendments with estimated reduction of effort in %	Explanatory remark
The proposed deletion of Q4 reporting would reduce the effort for quarterly reporting by up to 25%Proposed deletion of 10 QRTs: reduces QRT reporting by about 6 %. - Besides this, QRTs generally should be reviewed and the amount of QRTs reduced. For example, the following QRT should be deleted: • S.06.03 (i) Public funds in unit-linked life insurance: Public funds in unit-linked life insurance should be excluded from reporting in S.06.03 as the risks connected to these funds is born solely by policyholders (ii) for group reporting: this template is already reported on the basis of individual insurance undertakings, a consolidated group report does not create added value; • S.14.01-S.14.02: The effort to produce this QRT is immense because the required data is not readily available and has to be created artificially for this QRT; as the individual products differ substantially, the QRTs would not allow conclusions regarding the risks for the undertaking or the usefulness for policyholders;	reporting in S.06.03 as the risks connected to these funds is born solely by policyholders; (ii) for group reporting: this template is already reported on the basis of individual insurance undertakings, a consolidated group report does not create added value; • Regarding S.14.01 and S.14.02: The effort to produce this QRT is immense because the required data is not readily available and has to be created artificially for this QRT; as the individual products differ substantially, the QRTs would not allow conclusions regarding the risks for the undertaking or the usefulness for policyholders. • Regarding S.14.03: In view of the small share of cyber insurance in view of the whole business portfolio of undertakings, the reporting burden is disproportionate. • Regarding S.14.04-S.14.05: The reporting of liquidity risks is to be questioned because no SCRs are calculated. • Regarding S.29.01: The data provided do not have the desired informative value. - Currently, the thresholds are not nearly exploited. In addition, the current procedure to apply for waivers can be quite

Topic and proposed amendments with estimated reduction of effort in %	Explanatory remark
• S.14.03: In view of the small share of cyber insurance in view of the whole business portfolio of undertakings, the reporting burden is disproportionate; • S.14.04-S.14.05: The reporting of liquidity risks is to be questioned because no SCRs are calculated; • S.29.01: The data provided do not have the desired informative value. **Proposed deletion of 10 QRTs: reduces QRT reporting by about 6 %.** - The limitations and exemptions should be applied up to the 20% threshold, and not at the discretion of the national supervisory authority (NSA). NSAs should look to promote these waivers, and support smaller firms in applying for these waivers. - Thresholds for individual QRTs should be easy to determine. The thresholds should be amended on a superior level, e. g. a general absolute threshold of 100 million EURO could be decisive for the reporting obligation regarding several QRT to which currently individual thresholds apply.	elaborate and hence some undertakings refrain from applying for waivers although they would be eligible. - Currently, it is often necessary to collect the data required in the QRT to prove the threshold has not been exceeded. However, the data collection is in some cases the most elaborate step. Hence, there is no significant relief by using thresholds. The thresholds currently in place are too specific. - The valuation of participations can be very burdensome as the parent undertaking can only finalise the Solvency II balance sheet once the Solvency II balance sheet for subsidiaries is finalized. Subsidiaries in turn have to wait for their subsidiaries to be finalized. - Under Solvency II, the industry raised concerns about errors in the ITS on reporting and disclosure and the issue was recognised by the EC, but no corrigendum has been issued yet due to the complex processes currently in place.

Topic and proposed amendments with estimated reduction of effort in %	Explanatory remark
The proposed absolute threshold for QRTs to which currently an individual thresholds applies, could reduce the effort by up to 5 %. - The valuation of participations should be simplified. This could be achieved by the following measures: • no obligation to prepare balance sheets based on Solvency II market value for ancillary service providers; • simplified option to use accounting data for smaller undertakings. **The proposed simplifications for the calculation of participations could decrease the cost by up to 10%.** - It is also important to ensure that there is a proper and swift correction process for errors identified in Implementing Technical Standards (ITS). It should be kept in mind that each amendment of the taxonomy has to be checked and implemented by several persons. **A proper and swift correction process could alleviate the effort for SII reporting by 5-10%.**	

<table>
<tr><th>Topic and proposed amendments with estimated reduction of effort in %</th><th>Explanatory remark</th></tr>
<tr><td colspan="2">Corporate Sustainability Reporting Directive ((EU) 2022/2464)</td></tr>
<tr><td>Scope / Size Criteria:
- Allow smaller insurance and pension entities to use the simplified reporting requirements (SME standards) by ensuring that the Low-Risk Profile Undertaking (LRPU) definition is included in the Solvency II review.

However, from the GDV's point of view, more than the proposed amendment above is needed. In addition,
• all small insurers with up to 500 employees should also be allowed to use the simplified ESRS in the short term,
• in the mid-term, the definition used for "large companies" in Art. 3 EU Accounting Directive should be reviewed.

Depending on the final definition of the requirements, on the German market, the definition of LRPUs would apply to around five out of a total of 258 insurance undertakings subject to the CSRD. This corresponds to 2% of the insurance undertakings.</td><td>Scope / Size Criteria:
The CSRD reporting obligation is determined by the size of an undertaking in accordance with Art. 3 EU Accounting Directive. However, the size criteria do not fit the insurance sector. Due to their specific type of business, their “balance sheet total” and “net turnover” are already high. Even very small insurers are therefore very quickly considered to be large companies and are therefore subject to all CSRD reporting requirements. The German market, in particular, is characterised by a high proportion of small insurance undertakings. Their market shares usually do not even reach 0.5%.
The first important step towards relieving the burden on very small insurers is still being discussed in the Solvency II review.</td></tr>
</table>

Topic and proposed amendments with estimated reduction of effort in %	**Explanatory remark**
Pragmatic solutions: Develop real pragmatic solutions for the sector-specific ESRS. These specifications should rather clarify sector-specific applications than introduce additional requirements. Besides sector-specific ESRS the pragmatic solution should also describe overarching vague definitions of the sector agnostic ESRS such as top management" or "own operations„ more precisely, since there is a lack of pragmatic operationalization that is compatible and comparable with other reporting systems. Ambiguity in reporting requirements has to be avoided to enable a consistent interpretation. Until the sector-specific ESRS are published and depending on data availability and data collection methodology it should initially be reported on a qualitative basis and estimations and extrapolations should be applicable. The availability of data should also be taken into account in the reporting. Interoperability: Ensure interoperability with the ISSB standards to avoid double reporting by EU companies. Approach the issue with the endorsement mechanisms.	Pragmatic solutions: The development of sector-specific ESRS has been postponed. The transition period should be used to develop real pragmatic solutions for each of the sector-specific ESRS. Currently, limited data availability and limited methodologies often create severe challenges. This is aggravated by existing ambiguity of the terms used in the sector agnostic ESRS. Pragmatic solutions need to address these issues. Interoperability: We welcome the commitment of both sides, the ISSB and the European side, to pursue the harmonisation of reporting standards, and we believe that both sides require even greater efforts, especially with regard to the demonstration of the envisaged interoperability of the requirements at the implementation level. Furthermore, the reporting entities that are willing and committed to applying both ISSB standards and ESRS standards need more legal certainty. Therefore, it is crucial to approach the issue of the legal quality of the global requirements at the European level. It includes the key question of the missing endorsement mechanisms for the global sustainability reporting standards at the EU level. Moreover, attention must also

Topic and proposed amendments with estimated reduction of effort in %	Explanatory remark
Moreover, attention must also be paid to ensuring that the temporal application of the two standards is consistent. This means, for example, that phase-in regulations of both standards are regulated equally. **Successful interoperability between the ESRS and the ISSB reporting standards could reduce the reporting effort by up to 50%, as the fulfilment of the CSRD reporting obligations would also cover the reporting obligations of the ISSB standards. (Note: An effort reduction of 50% refers to the situation in which otherwise 2 separate reports would have to be presented.)** General clause of sustainability reporting: Add the general true and fair view clause to the “general purpose” sustainability reporting under the CSRD. Scoope-3 Reporting: In the absence of sector-specific standards, insurance companies should be free to decide whether and how they report outside the Scope 3.15 category. Pragmatic solutions are to be developed for the sector for the GHG protocol categories 1-14.	be paid to ensuring that the temporal application of the two standards is consistent. This means, for example, that phase-in regulations of both standards are regulated equally. General clause of sustainability reporting: While the two different materiality perspectives are explicitly mentioned in Art. 19a of the EU Accounting Directive, we miss an overarching clarification that the CSRD report at large should provide a true and fair view of the undertaking’s impacts on sustainability matters, and of how sustainability matters affect the undertaking’s development, performance and position. Where the application of the Art. 19a EU Accounting Directive would not be sufficient to give a true and fair view of the undertaking's impacts additional information are necessary. Scoope-3 Reporting: Handling of reporting obligations for Scope 3 greenhouse gas emissions and reporting obligations in accordance with the GHG Protocol currently currently has room for interpretation. New Phase-In provision: Phase-ins for new acquisitions would be helpful, as these were not

Topic and proposed amendments with estimated reduction of effort in %	**Explanatory remark**
New Phase-In provision: Phase-ins for new acquisitions should be introduced.	included in mandatory sustainability reporting prior to integration. This would considerably ease the reporting obligations in the first few years after integration
Sustainable Finance Disclosures Regulation (SFDR) ((EU) 2019/2088)	
- The timeline for any new SFDR requirements must take into account the CSRD application timeline. Adding extra mandatory (and potentially also optional) indicators adds further pressure to the data-collection challenge, especially until data is available from the investee companies under the CSRD and ideally via a supporting and accessible data source like the European Single Access Point (ESAP) (even though the lack of data and information will persist for non-CSRD companies, leaving financial market participants with challenges collecting the information required). - Changes to improve the simplicity, readability and usability of the SFDR templates are necessary, since the current length and complexity create confusion for consumers. - No additional PAIs: in their draft report in the PAI-Review the ESA proposed additional PAI. The current PAI Statement comprises already 18 +2 mandatory PAI. We see no added value for a customer or an investor in further mandatory PAI.	The SFDR requires insurers to provide a large number of disclosures both at: - entity level and - product level (for which the SFDR requires delivery to consumers of lengthy pre-contractual and periodic templates, which are by far too detailed and too extensive to be read and understood (up to 60 pages in paper format for the annual information).

Topic and proposed amendments with estimated reduction of effort in %	Explanatory remark
- Restrain the reporting obligation for PAI on assets, where the insurer makes own investment decisions: SFDR-Articles 3 and 4 obliges financial market participants to publish information about their policies on the integration of sustainability risks in their investment decisions and to disclose the PAI financed by their investments. However, when offering unit-linked products, the relevant investment decision is made by the client, not by the financial market participant. Therefore, it would be meaningful to restrain the PAI disclosure on such investments, where the financial market participant makes its own investment decision (and not the client). Furthermore, this would be a great relief in collecting the relevant data for the PAI-Statement.	
EU Taxonomy Regulation ((EU) 2020/852)	
- Timing of Environmental DA: financial companies should benefit from a one-year delay not only for taxonomy-alignment reporting but also for taxonomy-eligibility reporting, i.e. starting from 2025, in particular given that the TSC for economic activities making a substantial contribution to the 4 non-climate environmental objectives were established earlier this year.	- Environmental Delegated Act (DA): taxonomy-eligibility reporting is required to start at the same time as non-financial undertakings, even though data will only be available to financial companies one year after the first taxonomy-eligibility reporting by non-financial undertakings. In addition, companies will be required to comply with ESRS and the new requirements of the Environmental DA for the first time simultaneously.

Topic and proposed amendments with estimated reduction of effort in %	Explanatory remark
- Bring further simplifications in taxonomy reporting (Art 8 DA) templates (see proposed simplifications in Insurance Europe - CFO Forum joint response to EC consultation) - Provide legal clarity and guidance on the interpretation of taxonomy TSC and Article 8 disclosures for financial institutions.	- Lack of guidance and clarity on the interpretation of taxonomy technical screening criteria (TSC) for financial institutions (this relates mainly to the underwriting KPI which is relevant in relation to the “adapting to climate change” objective); FAQs are only expected to be issued in late 2023 with first taxonomy reporting starting in 2024.
Financial Conglomerates Directive (FICOD) (2002/87/EC)	
Insurance-led conglomerates should be exempt from FICOD reporting as the relevant information is essentially already included in Solvency II group reporting. **The deletion of FICOD-reporting for insurance-led conglomerates would result in a 100 % reduction of effort for FICOD-reporting by insurance-led conglomerates.**	Financial conglomerates are required to submit the results of their calculations concerning capital adequacy to their coordinator. They must prove that the own funds available at the level of the financial conglomerate are always at least equal to the respective capital adequacy requirements. For insurance-led conglomerates, this reporting is redundant since the required results are in essence already included in the group disclosures mandated by Solvency II and they should thus be exempt from this reporting.
Proposal for a Retail Investment Strategy (RIS)	
- Make use as much as possible of data that is already available to NSAs and to EIOPA and avoid increasing the reporting burdens for companies. - Ensure leaner and more streamlined sales processes, while preserving the interests of retail investors.	- Additional reporting requirements will not make financial services more cost-efficient. E.g. detailed information on costs and charges, distribution costs and third-party payments, as well as data on the characteristics of the insurance-based investment product, in particular its performance and level of risk other

Topic and proposed amendments with estimated reduction of effort in %	Explanatory remark
- For additional information, please see here.	product features would need to be transmitted by product manufacturers to EIOPA as a basis to develop and publish common benchmarks on the costs and performance of products. Distributors would need to deliver to NSAs new reporting for cross-border activities. - Additional tests to be performed by insurance undertakings and intermediaries include a "pricing process" based on EIOPA benchmarks with additional testing, assessment and justification in case of deviation from such benchmarks, as well as longer suitability and appropriateness tests. - New record-keeping on marketing communications in relation to IBIPs, including marketing communications made by any third party remunerated or incentivised through non-monetary compensation.
Cumulative impact of the B2C disclosure requirements (e.g. from the Insurance Distribution Directive, Sustainable Finance Disclosure Regulations, PRIIPs)	
- Disclosure requirements in general - in order to reduce the information overload that consumers currently face - should be streamlined and focused on the needs of their target audience.	- Due to the numerous information requirements set out in the various EU laws, consumers have to be provided with a large amount of information for many products. The information overload makes it difficult for consumers to compare different offers

Topic and proposed amendments with estimated reduction of effort in %	Explanatory remark
- EU legislation on mandatory information should always assess the cumulative impact of proposed and existing rules on consumers, e. g. by way of consumer testing. - Developments in terms of digitalization should be used to make information more accessible.	on the market, understand the information provided, and make financial decisions. For example, the extensive disclosure requirements on sustainability set out by the SFDR are not suitable for consumers (see above). - The current proposals for the EU Retail Investment Strategy contain further risks in this regard due to additional information requirements and extensive mandates for further details at Level 2. - Digitalization should be used to simplify consumer information. For example, detailed sustainability information could be made available on the internet, instead of adding to the already large pile of information which has to be transmitted to customers.
EC proposal for a VAT in the digital age (ViDA) package **(Focus on the Proposal for a Council Directive amending the VAT Directive (2006/112/EC))**	
- The 1 January 2024 introduction of the new digital invoicing requirements should be postponed with respect to the envisaged date.	- The proposal to set a two-day timeline for the issuance of electronic invoices (Art. 222) and for fulfilling digital reporting requirements (Art. 263) would be problematic for companies for a number of reasons (e.g two days are not enough for the issuance of electronic invoices after the chargeable event took

Topic and proposed amendments with estimated reduction of effort in %	Explanatory remark
- The proposed two-day timeline for fulfilling digital reporting requirements and for issuing electronic invoices is too short and should be extended. - The possibility to issue summary invoices should be maintained. - The rationale behind the new data requirements to be included in invoices should be explained. - The ViDA Directive should explicitly confirm that those products and services that are exempted from VAT under the current VAT Directive are also exempted from the scope of the new reporting requirements.	place, especially in large corporations, nor for checking possible mismatches and, if needed, notifying tax authorities). - The proposal to eliminate the possibility to issue summary invoices (Art. 223) would be practically impossible to adhere to, as summary invoices are commonly used and their proposed removal would cause major business disruptions. - The proposed new data requirements for invoices (Art. 226), such as the IBAN of the supplier, the agreed dates and the amounts of payments received are excessive.
EC proposal for a Green Claims Directive	
The Directive should explicitly exclude SFDR disclosures from its scope. We see this more as a clarification than a correction and therefore, this clarification would not reduce the reporting burden. Nevertheless, this clarification would provide legal certainty.	- The proposal is intended as a safety net for products which are not already subject to legislation on the substantiation of green claims. The subsidiarity clause in Article 1 of the proposal aims to ensure that there are no overlaps, duplications or contradictions in relation to sector-specific regulation. In order to provide legal certainty for insurance-based investment products and pension products, the subsidiarity clause should explicitly refer to the SFDR, which already provides for extensive substantiation of green claims within its scope.

Topic and proposed amendments with estimated reduction of effort in %	Explanatory remark
Proposal for a Directive on Corporate Sustainability Due Diligence (CSDDD)	
It should be ensured that sustainability due diligence sectoral financial rules support the CSRD and SFDR disclosure requirements and do not duplicate or contradict the existing sectoral rules for the financial sector (e.g. Solvency II). The CSDDD should not introduce additional disclosure obligations beyond CSRD reporting requirements.	There is a need for consistency and alignment of the CSDD Directive with other EU legislation to avoid a fragmented due diligence framework which could lead to real difficulties in the application of the Directive.
Proposal for an Insurance Recovery and Resolution Directive (IRRD)	
- Remove the minimum market requirements for pre-emptive recovery and resolution planning. The scope should instead be set using risk-based criteria both for group and solo undertakings. **If the market share for recovery planning will be reduced from 80% to 60% we expect a reduction of effort of 20% at market level.** - Restrict the required content of pre-emptive recovery plans to information that is only strictly necessary. Reduce the frequency of updating the plans, particularly for those companies that have healthy solvency ratios.	- The main reporting burden that will be incurred by (re)insurance undertakings will be the development and submission of a pre-emptive recovery plan. - The scope of undertakings that will be required to develop these plans remains under discussion. The EC proposed that undertakings representing at least 80% of both life and non-life markets in all EU jurisdictions develop these plans. - The EC proposed that all pre-emptive recovery plans be updated annually. - In addition to the planning requirements, the IRRD is expected to increase ad-hoc reporting for (re)insurers due to the development of resolution plans. These will be developed by the national resolution authorities but will be likely to require significant data inputs from the undertakings in scope.

Topic and proposed amendments with estimated reduction of effort in %	Explanatory remark
If the frequency of updating the plans will be reduced from annually to bi-annually we expect a reduction of effort at individual level of 40%, in case of tri-annually of 60%. - Remove the requirements on subsidiary-level for pre-emptive recovery and resolution planning if a group plan exists. **If the requirement on subsidiary level will be removed as long as a group plan exists, we expect a reduction in effort at group level of at least 30% (depending on the group it could be much higher)**	
Foreign Subsidies Regulation ((EU) 2023/1441)	
Disproportionate reporting obligations in the Foreign Subsidies Regulation: The reporting obligations for insurance companies should be significantly reduced; in particular, insurance companies should only have to report financial contributions that might potentially involve a subsidy.	If an insurance company is obliged to undergo FSR proceedings before the EU Commission, there are extensive, extremely overflowing reporting obligations. These reporting obligations include not only “subsidies” in the strict sense, but also all "financial contributions" in general. The term “financial contribution” is very broadly defined and covers any form of benefit received by an insurance company. As a result, the insurance company has to identify all financial contributions received outside the European Union, even if the benefits are paid on the basis of a contract that was concluded at arm's length (financial services do not benefit from the at arm’s length exception).

Topic and proposed amendments with estimated reduction of effort in %	Explanatory remark
	Please note, it does not help that there are reporting thresholds, because the foreign contribution must be identified first, and there the threshold is of no relevance. There is no justification visible from the FSR why there is a need to report so-called Article 5 (1) foreign subsidies (hardcore subsidies) and, at the same time, financial contributions above an amount of 1 million Euros in an catch-all approach where the identification and the reporting of these foreign contributions will probably cause efforts 1,000 times as high as for the Article 5 (1) hard core subsidies and where the probability that among these foreign contributions are, indeed, illegal foreign subsidies, is 1,000 times less high. In our view, also the extensive reporting obligations clearly violate the principle of proportionality.
Disproportionate scope of application of the Foreign Subsidies Regulation: The FSR should be applicable to companies based in the EU only to a limited extent.	Under the Foreign Subsidies Regulation (FSR), the European Commission wants to uncover and prevent distortion of competition caused by foreign subsidies (the term “foreign” understood in the sense of the FSR). Such foreign subsidies would typically be paid to an undertaking or a group that is ultimately controlled by a company having its origin in a foreign country. However, the FSR regime unconditionally also applies to European companies operating internationally. Clearly, since it is much less probable that a company or group controlled by a company originating from the European Union does receive illegal foreign subsidies aimed at by the FSR, we do

Topic and proposed amendments with estimated reduction of effort in %	Explanatory remark
	not see how all companies shall be treated the same way. This appears to be a breach of the principle of proportionality being fundamental to the laws of the European Union.
Digital Operational Resilience Act (DORA)	
- For (re)insurers, it is key to ensure that the incident reporting requirements under DORA are risk-based and that the principle of proportionality is enshrined throughout the RTS. Any thresholds established in the RTS should not result in overreporting without this having any benefits in terms of resilience. - The requirements relating to incident reporting in DORA (timelines, report formats etc.) should be aligned with the incident reporting requirements in the NIS2 Directive as a large share of the third-party providers to financial entities such as (re)insurers are also subject to the requirements of the NIS2 directive. - Furthermore, the benefit to cost ratio between strengthening the digital operational resilience within the financial sector and the administrative burden put on the financial entities should be carefully observed in the 'RTS to establish the templates composing the register of information in relation to all contractual requirements on the use of ICT services'. The requirements in the draft RTS are extensive and it seems the principle of	- Financial entities must record and classify major ICT related incidents and significant cyber threats according to criteria listed under Article 18 of the DORA. The ESAs are currently working on common RTS, to be submitted to the EC by 17 January 2024. - While financial entities must record and classify significant cyber threats, reporting them will be on a voluntary basis only, although entities will be required to "where applicable, inform their clients that are potentially affected of any protection measures which the latter may consider taking" (Article 19(3)). The content of the voluntary notification for significant cyber threats will be established by the ESAs in RTS by 17 July 2024 (Article 20). - The scope of mandatory reporting to competent authorities under DORA is limited to major ICT-related incidents. By 17 July 2024, an RTS will be drafted by the ESAs under Article 20 to establish the contents of the template for reporting major ICT-related incidents, on the basis of the criteria listed under Article 18. The standard forms, templates and procedures for reporting

Topic and proposed amendments with estimated reduction of effort in %	Explanatory remark
proportionality has not been followed. Thus, all financial entities will be subject to the same requirements even though the financial entities covered by DORA constitutes a very heterogenous group with varying size, risk profile as well as scale and complexity of their services, activities and operations.	a major ICT-related incident and notifying a significant cyber threat will be established by the ESAs in common RTS drafted by 17 July 2024. - The text allows EU member states to designate a single competent authority in cases where a financial entity is subject to supervision by more than one authority under Article 46. For (re)insurance undertakings, the competent authority is designated in accordance with Solvency II Directive (Article 46(k)).
Review of the IORP II Directive	
Any new proposals under the review of IORP II should be proportionate, respect national specificities, should build on the general risk-based and forward-looking approach, and avoid new reporting burden. For example, considerations of reporting on costs under the review should not be disregard national cost reporting systems which are already in place. In case of Germany there are empirical evidence that there are no general issues regarding costs. EIOPA has, as part of the stress testing, required IORPs to report based on EIOPA's "common balance sheet approach". The current reporting burden for IORPs can be maintained at a reasonable level by using national balance sheet information instead of using the common balance sheet approach when performing stress tests.	The current implementation of prudential regulation and supervision of IORPs through the IORP II Directive is in general useful and effective. The added value for material changes is not clear.

Topic and proposed amendments with estimated reduction of effort in %	Explanatory remark
General Data Protection Regulation (GDPR)((EU) 2016/679)	
Information obligations according to Art. 13, 14 GDPR - As a rule, information pursuant to Art. 13 and 14 GDPR should be kept online and only proactively delivered where this is generally expected. In the B2B sector, the information should only have to be available online. If no information is normally expected in the B2C sector, e.g. on the phone or when exchanging contact details in person, the information should also be kept online and only made available on request. - Sensible exceptions to the duty to provide information anchored in national legal systems, e.g. for the protection of facts requiring secrecy, should be included in the GDPR. **The proposals could reduce the effort by 10% to 30%.**	The fulfilment of the information obligations under the GDPR and the corresponding preparatory work result in considerable personnel and technical expenditure for companies. In particular, adjustments to the process flows, which are tailored to specific processing situations, repeatedly tie up capacities. Information in paper form pollutes the environment. In many situations, the information is also perceived as annoying by the people whose data is processed. The inclusion of further exceptions from national jurisdictions could also reduce the burden.
Obligations to provide access to data pursuant to Art. 15 GDPR - It should be clarified that the right to access under data protection law exists exclusively to verify the lawfulness of data processing, but cannot be asserted for other purposes.	The obligation to provide access to personal data under the GDPR leads to considerable effort for companies that process a large amount of data. This is especially true if the data is stored in a decentralized manner or if people can be mentioned in different documents and roles. Requests for access are increasingly being used by customers for

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- As a matter of principle, it should not be necessary to provide access if the requested data or documents are available to the data subject or have been delivered to him or her. - The right to access of employees or commercial agents of a company should not extend to documents created by the person in the course of his or her professional activity (e.g. e-mails and endorsements) or documents of the company in which he or she is mentioned. **The proposals could reduce the effort by 40% to 60%.**	purposes that are not related to data protection, e.g. as a means of exerting pressure to enforce claims in other matters or to procure material for a lawsuit. This happens even if the data is already available to customers. In contrast to many national courts, the CJEU as well as the European Data Protection Board have not yet supported the restrictive interpretation. Persons working for a company are mentioned in their professional capacity in numerous documents (e.g. e-mails and notes of the person or settlement of brokered transactions or travel expenses with long-term retention obligations). An obligation to provide information on this would be excessive and should be clearly excluded.
Reporting of data breaches according to Art. 33 GDPR - It should be stipulated that an obligation to report data breaches to the data protection authorities only exists if there is at least a medium risk for the data subjects. Likewise, the threshold for documenting data breaches should be raised. - The 72-hour deadline for reporting should not include Saturdays, Sundays and public holidays. **The proposals could reduce the effort by 50% to 60%.**	For companies that process a lot of data, reporting data breaches requires considerable effort, which is not justified in minor cases. In many cases, data protection authorities do not have the personnel capacity to examine all reports and must be able to focus on relevant risks. The obligation to document the smallest occurrences ties up considerable capacities in companies. The tight time frame for reporting requires the employment of employees on weekends and public holidays and in some cases additional work for the deployment of IT forensic experts for use on these days.

Berlin, November 28th 2023