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| General Comments | The ICMA Asset Management and Investors Council (AMIC) was established in March 2008 to represent the buy-side members of the ICMA membership. ICMA is one of the few trade associations with a European focus having both buy-side and sell-side representation. |
| | Taking into consideration the changes that have occurred in the industry, the AMIC composition embraces the diversification and the current dynamics of the industry – taking the asset management representation to a broader and global level.<br><br>The Solvency II directive will have a profound impact on the asset management industry; not only because the industry has a key role to play in providing asset data for insurance companies to meet their new reporting requirements, but also, as members have already noted, because the asset managers' will potentially have to implement new asset allocation policies to reflect their client's new stated Solvency II risk policies. |
| | From a more general point of view, the working group would like to highlight the lack of clarity in Solvency II regarding the assessment of compliance of data and calculation methods.<br><br>Working group members believe that Solvency II requirements should take into consideration the global context in which the asset management industry works in and would urge EIOPA to consider international convergence of regulatory requirements and coherence with any other European legal or regulatory requirements (i.e. UCITS IV). |
| | A question often raised by the members of the working group is about the creation and the recognition by the regulators of a certification or a stamp of approval of the asset managers internal data controls and processes that should be delivered by a third party such as an auditing firm. |
| | ICMA's comments focus on the following templates<br><br>D1- A1 - A15<br><br>D1Q – A6 – A16 – A24<br><br>D2T – A1 |

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| | D4 – General – A7 |
| Assets - D1- cell A1 | The operation of the threshold which is supposed to determine whether the detailed list must be provided on a quarterly or annual basis by small and medium sized insurer This needs further clarification from EIOPA.<br><br>From an asset manager, IT system and reporting requirement point of view, it is important that the thresholds are clearly established to ensure proportionality with a long term view of their activities. It is also key that, once an insurance company has been exempted it remains exempted for a certain period of time.<br><br>Moreover national supervisory authorities might have the possibility to set different thresholds which will add to the complexity; therefore the working group believes that a detailed list of criteria and definition of “bigger or more complex undertaking” should be set out. |
| Assets - D1- cell A15 | The ICMA AMIC working group believes that the use of a CIC classification would promote greater homogeneity and simplification of reporting that would ease the EIOPA’s mission and would facilitate the aggregation of data for risk analysis.<br><br>The working group recognises that, as of today, such a CIC does not exist.<br><br>Indeed, different actors (insurers as well as asset managers) are using different classifications in their portfolios management and risk management activities.<br><br>However, various ways of establishing and reporting a CIC exist, and members would be happy to discuss this topic further with EIOPA.<br><br>Once the classification is established, members believe its value would be in assessing risk in an aggregate fashion rather than using the look through requirement. |
| Assets - D1Q- cell A7 (list) | Issuer Data :<br>Solvency II requires the identification of an “Issuer/Counterparty’s” ultimate parents. However currently each data provider manages the data in isolation, which creates differences and inconsistencies across providers.<br>Therefore, the working group highlights the need for a standard Issuer data that will allow the Industry to meet the quality requirements of completeness, accuracy and appropriateness. |
| Assets - D1Q- cell A17 (list) | The EIOPA guidance does not specifically state whether long term ratings (trend) or short term ratings (snapshot) should be used but since long term ratings are used much more commonly the working group believes they should apply. |
| Assets - D1Q- cell A24 (list) | When valuing assets under Solvency II it is necessary to specify whether a mark- |

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| | to-market or a mark-to-model methodology has been used.<br><br>The Solvency II definitions should be made consistent with the IFRS / FASB definitions. The existing IFRS7/FASB157 level 1, level 2 and level 3 classifications for instrument pricing were introduced during the last three years as international accounting standards and are already in use extensively for regulatory reporting for the Insurance industry. |
| Assets – D2T– Quarterly Assets - D2T- cell A1 | The working group has discussed the request to provide comprehensive data, including all the additional details for each type of security, such as the ultimate counterparty ID, credit ratings etc …<br><br>Indeed the working group believes that providing and analysing all small positions would be time consuming, for all parties, and may not even be relevant. This is even truer when the financial product is supposed to come to maturity just after the quarterly reporting.<br><br>In other cases, obtaining information from hedge funds on a global market can be delicate and difficult. |
| Assets – D4- General | Collecting the data to comply with this approach is seen as a problem especially when the investments are managed by a third party, such as another asset manager (in the case of fund of funds) a custodian etc. For some products, such as the transactions covered by collateral, the information is not available. |
| Assets - D4- cell A8 | The working group would like to point out that reporting on a Cusip level basis for investments instead of providing data on an aggregate basis could increase dramatically the costs already carried by the asset managers' clients.<br><br>In fact the increasing complexity of cross-border security transactions and assets management may impede timely data retrieval and consistency in data format (given probable multi-party involvement) expected by the look-through approach. It may also conflict with the disclosure policies of the various parties involved.<br><br>The working group would be happy to work with the regulator to find an acceptable means of aggregation which would be informative for the regulator and efficient from an industry point of view. |