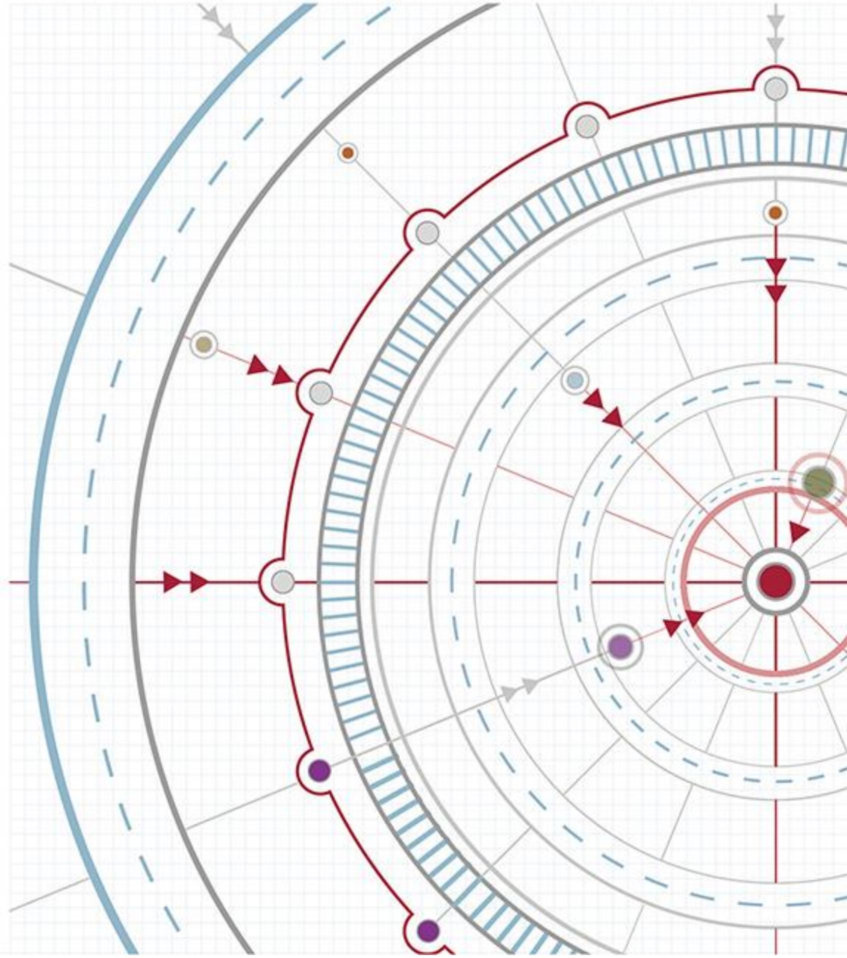
IFRS® Foundation



IFRS 17

Insurance Contracts

Accounting Standards Advisory Forum meeting
December 2019

ASAF Agenda Paper 4

The views expressed in this presentation are those of the presenter, not necessarily those of the International Accounting Standards Board or the IFRS Foundation.

Objective of this session

We will provide ASAF members with an overview of the feedback on the Exposure Draft *Amendments to IFRS 17*

In April 2019 ASAF members provided views on the Board's tentative decisions on the possible amendments to IFRS 17 *Insurance Contracts*

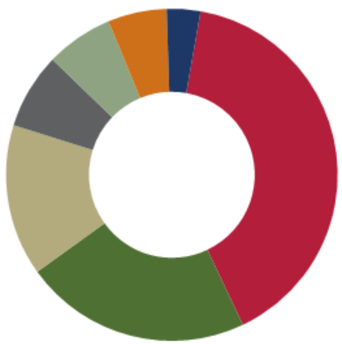
In June 2019 the Board issued the Exposure Draft of proposed amendments to IFRS 17

The comment period ended on 25 September 2019

The Board aims to issue any final amendments to IFRS 17 in mid-2020

Outreach and comment letters

122 comment letters



Geographical region	Respondents Number	Respondents Percentage
Europe	49	40%
Asia	27	22%
Global	18	15%
Oceania	9	7%
Canada	8	7%
Africa	7	6%
US and Latin America	4	3%
Total	**122**	**100%**

Respondent type	Respondents Number	Respondents Percentage
Preparer / preparer representative body	51	42%
Standard-setting body	23	19%
Accountancy body	13	10%
Actuarial firm / body	12	10%
Auditor / accounting firm	7	6%
Individual, consulting and academic	7	6%
User of financial statements	5	4%
Regulator	4	3%
Total	**122**	**100%**

Outreach
July – September

70 meetings

14 jurisdictions

Overall feedback on the Exposure Draft

Overall support for the Board considering concerns and implementation challenges raised since IFRS 17 was issued and proposing targeted amendments to IFRS 17

Some respondents think the Board should

- extend the scope of some of the proposed amendments
- reconsider some of the suggested amendments the Board considered when developing the Exposure Draft and decided not to propose
- consider new implementation challenges specific to transactions / jurisdictions

Categories of topics*

1	Proposed amendments for the Board to confirm	• Support for Board’s proposal • Concerns and suggestions already considered when developing the Exposure Draft • The staff have not identified points the Board has not considered previously
2	Topics with feedback from respondents to consider further	• Concerns and suggestions about the Board’s proposal • The staff have identified points for the Board to consider
3	Topics with feedback from respondents <u>not</u> to consider further	• Support for Board’s decision not to propose changes • Concerns and suggestions already considered when developing the Exposure Draft • The staff have not identified points the Board has not considered previously

* Staff recommendations in Agenda Paper 2D of the November 2019 Board meeting

Proposed amendments to confirm*

1

- Scope exclusion for loans
- Coverage units for VFA contracts
- Balance sheet presentation—portfolio instead of group level
- Applicability of the risk mitigation option—reinsurance contracts held
- Transition relief for business combinations
- Transition reliefs for the risk mitigation option

* Staff recommendations in Agenda Paper 2D of the November 2019 Board meeting

Topics to consider further*

2

- Scope exclusion for credit cards
- Insurance acquisition cash flows
- Coverage units for general model contracts, disclosures, terminology
- Reinsurance contracts held—recovery of losses
- Applicability of the risk mitigation option to non-derivative FVTPL
- Effective date of IFRS 17
- IFRS 9 temporary exemption in IFRS 4
- Retrospective application of risk mitigation option
- Proposed minor amendments
- Annual cohorts for some specific insurance contracts
- Contracts acquired in their settlement period
- Interim financial statements
- Additional specific transition modifications and reliefs

* Staff recommendations in Agenda Paper 2D of the November 2019 Board meeting

Topics not to consider further*

3

Separate presentation of premiums receivable and claims payable	Risk mitigation option for general model contracts	Comparative information on initial application	Annual cohorts other than for some specific insurance contracts	Contract boundary of reinsurance contracts held
Subjectivity in determining discount rates and risk adjustment	Risk adjustment in a group of entities	Discount rate used to adjust the CSM	OCI option	Classification of contracts acquired in business combinations
Scope of the VFA—reinsurance contracts	Mutual entities	General optionality and flexibility in modified retrospective approach	Reliefs in full retrospective approach	

* Staff recommendations in Agenda Paper 2D of the November 2019 Board meeting

Next steps

November 2019

Board discussion of comment letter feedback and redeliberation plan

Dec 2019 – Feb 2020

Finalisation of amendments to IFRS 17 considering the feedback on the Exposure Draft

Mid-2020

Expected issuance of final amendments

Get involved

Find out more: www.ifrs.org

Follow us: @IFRSFoundation

IFRS Foundation
International Accounting Standards Board

IFRS Foundation

IFRS Foundation

Join our team: go.ifrs.org/careers