

To: Corporate Reporting - Investments & Sustainable Finance WG  
From: Philippe Angelis  
Date: 23-05-2025  
Reference: ECO-CRISF-25-159  
Subject: EFRAG's Draft Endorsement Advice on IFRS 19 Subsidiaries without Public Accountability

## Summary

On 21 May 2025, EFRAG published its [draft endorsement advice letter](#) regarding the endorsement for use in the EU of IFRS 19 *Subsidiaries without Public Accountability: Disclosures*. [Comments](#) may be submitted **by 3 September 2025 COB**.

EFRAG's overall preliminary assessment is that **IFRS 19 satisfies the criteria for endorsement** for use in the EU and therefore **recommends its endorsement**.

In line with the European Commission's endorsement advice request, EFRAG assessed the European endorsement criteria, and also assessed the interaction of the reduced disclosure requirements in IFRS 19 with the requirements of the Directive 2013/34/EU, and whether a corresponding carve-out could be made to IFRS 19.

IFRS 19 aims to simplify financial reporting for eligible subsidiaries by allowing them to prepare financial statements under IFRS Accounting Standards with the reduced disclosure requirements under specific conditions. This approach reduces the reporting burden on companies by simplifying the reporting, reducing the costs of preparing eligible subsidiaries' financial statements, while maintaining their usefulness to users.

In its draft endorsement advice on IFRS 19, EFRAG acknowledges that insurers typically do not consider themselves as holding assets in a fiduciary capacity, which is a key criterion for public accountability under IFRS 19. Thus, the majority of financial institutions and **insurance** companies are **excluded** from the scope of **IFRS 19**.

EFRAG noted that excluding financial institutions and insurance companies from the scope of IFRS 19 might have an impact on the comparability of their financial statements with entities from other industries, however their exclusion from the scope of IFRS 19 will have no impact on the current comparability within the industry.

## Next steps

Members are invited to indicate whether they would like to develop an industry response letter to the draft endorsement advice (DEA) and provide any preliminary views they may have by **16 June 2025 COB** via email to [Crisfin@insuranceeurope.eu](mailto:Crisfin@insuranceeurope.eu)