

To: Ms Chiara Del Prete
TEG Chairwoman
EFRAG

Our
reference: ECO-FRG-19-084

Subject: EFRAG Draft Comment letter on the IASB Interest Rate Benchmark Reform Exposure Draft (ED/2019/1)

Brussels, 3 June 2019

Dear Ms Del Prete,

Insurance Europe welcomes the opportunity to comment on the EFRAG Draft Comment letter on the Interest Rate Benchmark Reform Exposure Draft (ED/2019/1) issued by the IASB on 3 May 2019.

Overall, we agree with EFRAG's Draft Comment Letter on the IASB ED related to the Proposed Amendments to IFRS 9 and IAS 39 arising from the Interest Rate Benchmark Reform (IBOR Reform). We support the IASB initiative to provide targeted relief on a timely basis regarding financial instruments qualifying for hedge accounting affected by the IBOR reform. Otherwise a persistent level of uncertainty would remain and lead to unnecessary controversial discussions between preparers, their auditors and enforcers in further consequence.

We understand that some uncertainty remains around the timing and exact changes to the IBOR reform. The IASB is tasked with addressing the topic with a global perspective while different solutions are being prepared across jurisdictions and at varying speeds. We recognise that despite the shortened IASB procedure, final amendments are planned to be issued only by the end of 2019. And we support the IASB decision of phasing the analysis on the impacts from the IBOR reform, prioritising those related to forward-looking hedge-accounting requirements. Insurance Europe welcomes the IASB's efforts in meeting the challenging timeline set by the IBOR reform and calls on the IASB to begin with the second phase of the project as soon as possible to have clarity before the IBOR reform takes effect.

Should you have any questions, please do not hesitate to contact us.

Yours sincerely,



Olav Jones
Deputy Director General