



Improvements to IFRSs

The ABI's response to the IASB's exposure draft, ED/2009/11

Introduction

1. The ABI is the voice of the insurance and investment industry in the UK. Its members constitute over 90 per cent of the insurance market in the UK and 20 per cent across the EU. They control assets equivalent to a quarter of the UK's capital. They are the risk managers of the UK's economy and society. Through the ABI their voice is heard in Government and in public debate on insurance, savings, and investment matters.
2. The ABI is grateful to the IASB for the opportunity to respond to its invitation to comment on its exposure draft (ED), Improvements to IFRs.

ABI comments

3. The ABI generally welcomes the IASB's proposals, with one exception. The exception is the IASB's proposal to amend IAS 27 *Consolidated and Separate Financial Statements*.
4. We do not disagree with the IASB's intention to clarify that in its separate financial statements the investor shall apply IAS 39's impairment test. However, we disagree that this should be achieved by the insertion of 'at fair value through profit and loss' in paragraph 38 of IAS 27. We do so because this unnecessarily precludes the use of the available-for-sale category. We note that the IASB does not give a reason for this proposed restriction and we wonder if it may be inadvertent. We consider that the IASB should rephrase its amendment so as permit the continued use of the available-for-sale category for as long as that is included in IFRSs.

Association of British Insurers
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