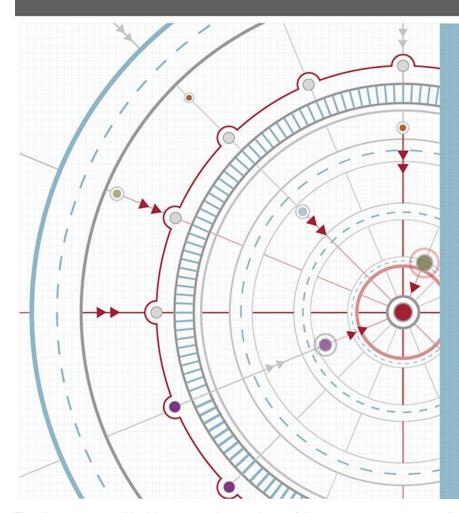
#### IFRS® Foundation



# IFRS 17 Insurance Contracts

Accounting Standards Advisory Forum meeting
December 2018
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.



# Concerns and implementation challenges

- At its October 2018 meeting, the Board decided on criteria for evaluating possible changes to IFRS 17<sup>1</sup> (see slide 4)
- Agenda Paper 2D for the October 2018 Board meeting:<sup>2</sup>
  - sets out an overview, by topic, of the main concerns and implementations challenges raised by stakeholders about the requirements in IFRS 17
  - includes staff preliminary thoughts on whether IFRS 17 could be amended to address those topics in a way that meets those criteria



<sup>&</sup>lt;sup>1</sup> Refer to October 2018 IASB Update: <a href="https://www.ifrs.org/news-and-events/updates/iasb-updates/october-2018/#4">https://www.ifrs.org/news-and-events/updates/iasb-updates/october-2018/#4</a>

<sup>&</sup>lt;sup>2</sup> Agenda Paper 2D for the October 2018 Board meeting is available here: <a href="https://www.ifrs.org/media/feature/meetings/2018/october/iasb/ap02d-ifrs17.pdf">https://www.ifrs.org/meetings/2018/october/iasb/ap02d-ifrs17.pdf</a>

### Possible topics to explore

 For the following topics the staff preliminary thoughts in Agenda Paper 2D for the October 2018 Board meeting indicate that it might be possible to amend IFRS 17 in a way that meets the criteria set by the Board (see slide 4)

Scope of IFRS 17
Loans and other forms of credit
that transfer insurance risk

Reinsurance contracts held: initial recognition when underlying insurance contracts are onerous

Acquisition cash flows for renewals outside the contract boundary

Separate presentation of groups of assets and groups of liabilities

Contractual service margin: coverage units in the general model

Transition

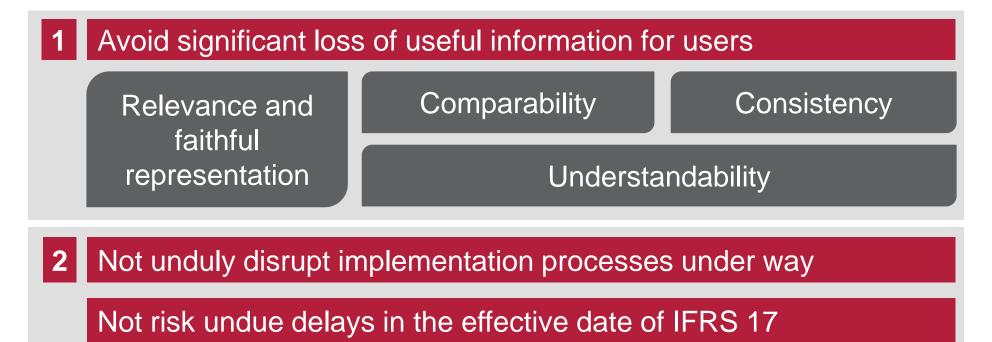
Modified retrospective approach:

further modifications



# Criteria for evaluating possible changes

- Board's tentative decisions made in October 2018
  - demonstrate a need for the amendment
  - consider only possible amendments that meet the following criteria





#### **Questions for ASAF members**

• Do you have any suggestions on how the Board could address the topics on slide 3 in a way that meets the criteria in slide 4, and consistent with the basis for the Board's decisions in the development of IFRS 17?



#### **Get involved**



