

STAFF PAPER

October 2019

IASB[®] meeting

Project	Amendments to IFRS 17		
Paper topic	Cover note		
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Introduction

1. The purpose of this meeting is to provide the International Accounting Standards Board (Board) with a summary of the feedback from outreach on the Exposure Draft *Amendments to IFRS 17*. This cover note provides:
 - (a) background on the Exposure Draft;
 - (b) an overview of the paper for this meeting; and
 - (c) an outline of next steps.
2. No technical decisions are requested from the Board at this meeting. However, to help develop papers for the November 2019 Board meeting, the staff will ask the Board to share any initial thoughts on the feedback from outreach.

Background

3. The Board recognises that IFRS 17 *Insurance Contracts* introduces fundamental changes and that implementing the new accounting requirements involves significant operational costs, including system development costs.

4. Consequently, since IFRS 17 was issued, the Board has been carrying out activities to support and monitor entities' progress in implementing the Standard. These activities included establishing the Transition Resource Group for IFRS 17 to discuss implementation questions, and meeting stakeholders affected by the changes introduced by IFRS 17, including preparers and users of financial statements, auditors and regulators.
5. These activities have enabled entities to better understand the new requirements and to prepare for the application of IFRS 17. They have also helped the Board to understand the concerns and challenges some entities have identified while implementing the Standard.
6. To respond to these concerns and challenges, the Board developed the Exposure Draft to propose a package of targeted amendments to IFRS 17. The amendments provide meaningful support to entities implementing the Standard, by reducing implementation costs and making it easier for entities to explain the results of applying IFRS 17 to users of financial statements.
7. IFRS 17 is urgently needed to address many inadequacies in the wide range of insurance accounting practice used in applying IFRS 4 *Insurance Contracts* and significant implementation activities are already underway. Accordingly, in developing the Exposure Draft the Board decided that any amendments to IFRS 17 must not:
 - (a) change the fundamental principles of the Standard because that would result in a significant loss of useful information for users of financial statements relative to that which would otherwise result from applying IFRS 17;
 - (b) unduly disrupt implementation already underway; or
 - (c) further delay the effective date of IFRS 17.
8. The Board issued the Exposure Draft on 26 June 2019 and the comment period ended on 25 September 2019.

Paper for this meeting

9. During the 90-day comment period, Board members and staff met many stakeholders to explain the proposals in the Exposure Draft and to obtain feedback.
10. Agenda Paper 2A *Outreach summary* provides an overview of the feedback on the Exposure Draft from those meetings.

Next steps

11. At the November 2019 meeting, the staff plan to provide the Board with:
 - (a) a summary of feedback from comment letters on the Exposure Draft; and
 - (b) a plan for re-deliberations setting out the staff recommended sequencing and grouping of topics for re-deliberations, in the light of the feedback on the Exposure Draft.
12. Detailed analysis of feedback on specific topics will be presented to the Board when it re-deliberates those topics at future meetings.
13. The Board's objective remains to issue any resulting amendments to IFRS 17 in mid-2020.