

## **Monthly Report to the Due Process Oversight Committee October 2018**

Dear DPOC members,

The Board will hold its next meeting in London the week commencing 22 October 2018. There are two matters to bring to your attention:

Agenda Paper 2C: Insurance Contracts — Criteria for evaluating possible amendments to IFRS 17 *Insurance Contracts*; and

a) Agenda Paper 28: Preface to IFRS Standards—Updating the Preface to IFRS Standards.

### **Agenda Paper 2C: Criteria for evaluating possible amendments to IFRS 17 *Insurance Contracts***

As highlighted at this week's Trustees' meeting, the Board will receive an overview of the main concerns and implementation challenges about the requirements in IFRS 17 expressed by stakeholders since the Standard was issued.

At its meeting, the Board will not be asked whether the Standard should be amended. Depending on the Board's feedback, the staff will bring papers to future meetings to consider whether any amendments to IFRS 17 are justified. However, the Board will consider the criteria that it could apply at future meetings in assessing whether there is a need to amend IFRS 17.

Specifically, the staff are recommending that any amendment to IFRS 17 should not:

- a) result in significant loss of useful information relative to that which would be provided by IFRS 17 for users of financial statements; nor
- b) unduly disrupt implementation processes that are already under way or risk undue delays in the effective date of the Standard.

Agenda Paper 2C notes that even if the Board were to agree that any potential amendment to IFRS 17 meets the above criteria, it does not mean that all amendments meeting these criteria are justified.

Agenda Paper 2C is attached for information.

### **Agenda Paper 28: Updating the Preface to IFRS Standards**

The *Preface to IFRS Standards* sets out objectives and due process of the Board, and explains the scope, authority and timing of application of IFRS Standards.

The *Preface* was last substantively updated in 2002. Since that time, there have been changes to the Board's and the IFRS Foundation's governance, in particular the creation of the *Due Process Handbook*.

The staff are therefore recommending that the Board revise the *Preface* to remove information that is now more appropriately covered by the IFRS Foundation's *Constitution* and the *Due Process Handbook*, as well as other IFRS Standards. Accordingly, the proposed revised *Preface* would deal with matters relating to the scope, authority and timing of application of IFRS Standards.

The staff recommend that it is not necessary to undertake any formal public consultation on this proposed change. No substantive change is being made to the *Preface* other than to remove information that is already covered in other documents and which, in some cases, is out of date.

Agenda Paper 28 is attached.