

STAFF PAPER

April 2016

IASB Meeting

Project	Amendments to IFRS 4: Applying IFRS 9 <i>Financial Instruments</i> with IFRS 4 <i>Insurance Contracts</i>		
Paper topic	Cover Note		
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Papers for this meeting

1. This cover note accompanies the following papers related to the Exposure Draft *Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts* (IFRS 4) (Proposed amendments to IFRS 4) (the ED):

For information only

- (a) Agenda Paper 14A *Summary of the Board's decisions and staff recommendations*, which provides an overview of the Board's tentative decisions at its March 2016 meeting and the consequences of the staff recommendations in the April Agenda Papers.

For decisions

- (b) Agenda Paper 14B *The overlay approach*, which considers whether any aspect of the overlay approach as proposed in the ED should be amended;
- (c) Agenda Paper 14C *Temporary exemption from IFRS 9—Qualifying criteria*, which discusses recommendations for amending the qualifying criteria for the temporary exemption from applying IFRS 9 *Financial Instruments* (IFRS 9) proposed in the ED; and

- (d) Agenda Paper 14D *Temporary exemption from IFRS 9 – Disclosures*, which reconsiders the disclosures proposed in paragraphs 37A(c)-(d) of the ED in the light of the feedback received.

Next Steps

2. The staff intend to discuss the remaining technical issues with the Board at its May meeting. These issues are:
- (a) what the fixed expiry date for the temporary exemption should be, and if an entity is permitted to stop applying the temporary exemption prior to that expiry date;
 - (b) whether to require an entity to reassess if it still qualifies for the temporary exemption in particular circumstances (as proposed in the ED);
 - (c) whether there should be a fixed expiry date for the overlay approach;
 - (d) whether first time adopters should be prohibited from applying either the temporary exemption from applying IFRS 9 or the overlay approach;
 - (e) whether an exemption should be provided from requiring the entity's financial statements to be prepared using uniform accounting policies for financial instruments on application of the equity method when accounting for investments in associates and joint ventures under IAS 28 *Investments in Associates and Joint Ventures* for affected entities; and
 - (f) whether additional disclosures related to the issues set out in paragraphs 2(a)-2(e) are needed.
3. The staff aim to issue final amendments to IFRS 4 in September 2016.