

STAFF PAPER

March 2016

IASB Meeting

Project	Amendment 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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Introduction

1. The Exposure Draft Exposure Draft ('ED') *Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts* (Amendments to IFRS 4) was published in December 2015. The comment letter deadline closed on 8 February 2016. 95 letters have been received (correct as of 4 March 2016).
2. The proposed amendments to IFRS 4 are designed to address the concerns of some interested parties about the different effective dates of IFRS 9 and the forthcoming new insurance contracts Standard. IFRS 9 sets out requirements for recognising and measuring financial instruments and has an effective date of 1 January 2018. Consequently, IFRS 9 will affect the majority of assets held by entities issuing insurance contracts as these are financial assets.
3. At its meeting in February 2016 the Board gave the staff permission to commence the ballot and drafting of the forthcoming insurance contracts Standard. The Board is expected to set the effective date of the Standard when drafting has sufficiently progressed, which is expected to be three years after the effective date of IFRS 9. In view of the timing of the when the insurance contracts Standard will be issued its mandatory effective date will be after the mandatory effective date of IFRS 9.

Papers for this meeting

4. The papers for this meeting are as follows:

For information only

- (a) Agenda paper 14A *Summary of comment letters and outreach* provides a high-level summary of the comments received in comment letters and during outreach meetings on the ED.
- (b) Agenda paper 14B *Summary of feedback from users of financial statements* summarises the feedback from users of financial statements (eg investors and analysts) on the proposals set out in the ED.

For decisions

- (c) Agenda paper 14C *Project direction and plan* asks for key decisions that will set the direction for the Board's redeliberations of the proposed amendments to IFRS 4 and describes the project plan for those proposed amendments to IFRS 4.

Next Steps

5. Assuming that the Board agrees with the project direction outlined in Agenda paper 14C, there will be remaining technical issues to be addressed in the April and May Board meetings which are outlined in greater detail in Agenda Paper 14C. Following this the staff think that the Board will be in a position to issue final amendments to IFRS 4 in September 2016.