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	10 <sup>th</sup> May 2022
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## **EFRAG's Draft Letter on the IFRS IC's Tentative Agenda Decisions in the final phase of implementing IFRS 17 Insurance Contracts**

Dear Jean-Paul,

We appreciate the opportunity to comment on EFRAG's Draft Letter (DL) on the IFRS Interpretations Committee's (IFRS IC's) Tentative Agenda Decisions in the final phase of implementing IFRS 17 *Insurance Contracts*.

We fully support the comments in EFRAG's DL and we are very grateful that EFRAG considers the insurance industry's concerns on this matter in its letter.

Allianz Group started its implementation project in 2016 and has invested substantial costs, human resources, and organizational as well as management efforts to successfully accomplish the transition to IFRS 17 together with the adoption of IFRS 9 *Financial Instruments*. For 2022, Allianz Group is performing a "parallel run" of IFRS 4/IAS 39 and IFRS 17/IFRS 9 and is currently in the critical phase of finalizing the opening balance for 2022. Consequently, we are facing a very high workload throughout the year and any potential agenda decisions or further guidance provided in the context of the IFRS IC discussions at such a late stage require significant time for analysis by scarce experts heavily involved in the IFRS implementation projects. This might have the potential to seriously jeopardize the implementation process and put the timely application at risk. Therefore, we would extremely appreciate a period of stability ahead of the Standards' effective date, i.e., 1 January 2023.

We fully agree with the comments made in EFRAG's DL regarding the significant concerns about IFRS IC discussions regarding IFRS 17 application issues less than one year before the date of first application of IFRS 17 and stressing the importance of the outreach that the IFRS IC undertakes before any Tentative Agenda Decisions. From our view, this outreach should include the TRG for IFRS 17 to utilize the high level of specific insurance accounting expertise and operational experience from the ongoing implementation projects as well as industry

practice of the TRG members including preparers and auditors. Furthermore, we respectfully recommend to the IFRS IC to consider potential alternative options to proceed (e.g., collection and deferral of some submissions then to be dealt with in the context of the Post-implementation Review on IFRS 17). Should the IFRS IC identify the necessity to deal with an IFRS 17 related submission arriving, we would like to respectfully ask to follow a specifically diligent approach when analyzing and deciding on the request submitted. .

We hope that our feedback is helpful for you. Please feel free to contact Dr. Chunqian Shen ([Chunqian.Shen@allianz.com](mailto:Chunqian.Shen@allianz.com)) or us personally to discuss any matters raised in this letter.

Yours sincerely,



**Dr. Roman Sauer**

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