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Comments should be submitted by 17 May 2022.

While not being the preferred way, if comment letters are to be sent after the deadline, please submit your comment letter to [CommentLetter@efrag.org](mailto:CommentLetter@efrag.org).

IFRS Interpretations Committee  
7 Westferry Circus, Canary Wharf  
London E14 4HD  
United Kingdom

[XX Month 2022]

[To the Chair of the IFRS Interpretations Committee and cc The IASB Chair]

Dear Mr Mackenzie (cc Andreas Barckow),

***RE: IFRS IC Tentative Agenda Decisions in the final phase of implementing IFRS 17 Insurance Contracts***

EFRAG is appreciative and supports the IFRS Interpretations Committee's (IFRS IC's) work and efforts to bring consistency in the application of IFRS Standards and welcomes that the IFRS IC is reacting swiftly to submissions that it has received.

Nonetheless, I am writing to make you aware of concerns that EFRAG has heard from some of its constituents about possible agenda decisions that may raise challenges in the next months, when the insurance preparers are finalising their implementation of IFRS 17, as evidenced by the decisions taken by the IFRS IC as published in the March 2022 IFRS IC Update.

EFRAG, has been made aware of concerns by some constituents in the context of the latest IFRS IC Tentative Agenda Decision on Transfer of Insurance Coverage under a Group of Annuity Contracts (IFRS 17 *Insurance Contracts*) that was issued in March 2022. These constituents believe that, in light of the challenges arising from the implementation of IFRS 17, other interpretation issues may come to the attention of the IFRS IC in the coming months and have concerns about the IFRS IC considering such application questions less than one year before the date of first application of IFRS 17. In their view, this would unduly disrupt the implementation of the Standard.

In their view, due to the complexity of the Standard, and as insurance entities often are – throughout 2022 – performing a 'parallel run' of IFRS 4/IAS 39 and IFRS 17/IFRS 9, these entities are currently in a critical period of implementation and facing a high workload. Therefore, there is a concern that during the 'run up' phase towards applying IFRS 17, any change now will not only bring unforeseen costs but also require lead time in implementation as it requires updates to the IT-systems as well as testing beforehand. Significant changes to the current implementation of IFRS 17 would therefore require a reasonable period of time to adopt these changes, which could go beyond that what can usually be expected following an Agenda Decision, given the current implementation phase.

Given the significant efforts that insurance entities are currently undertaking to successfully implement IFRS 17, EFRAG kindly reminds the IFRS IC of any potential impact that an Agenda Decision may have on the timetable of IFRS 17 implementation

*IFRS IC Tentative Agenda Decisions in the final phase of implementing IFRS 17  
Insurance Contracts*

projects at this stage and emphasises the importance of the outreach that the IFRS IC undertakes before any Tentative Agenda Decisions.

Yours sincerely,

Jean-Paul Gauzès  
**President of the EFRAG FR Board**