

STAFF PAPER

November 2019

IASB[®] meeting

Project	Amendments to IFRS 17		
Paper topic	Cover note		
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Introduction

1. The purpose of this meeting is to provide the International Accounting Standards Board (Board) with a summary of the feedback from the comment letters on the Exposure Draft *Amendments to IFRS 17*. This cover note provides:
 - (a) background on the Exposure Draft;
 - (b) an overview of the papers for this meeting; and
 - (c) an outline of next steps.
2. The Board is asked to decide on a redeliberation plan at this meeting.

Background

3. The Board recognises that IFRS 17 *Insurance Contracts* introduces fundamental changes and that implementing the new accounting requirements involves significant operational costs, including system development costs.
4. Consequently, since IFRS 17 was issued, the Board has been carrying out activities to support and monitor entities' progress in implementing the Standard. These activities included establishing the Transition Resource Group for IFRS 17 to discuss implementation questions, and meeting stakeholders affected by the changes introduced by IFRS 17, including preparers and users of financial statements, auditors and regulators.

5. These activities have enabled entities to better understand the new requirements and to prepare for the application of IFRS 17. They have also helped the Board to understand the concerns and challenges some entities have identified while implementing the Standard.
6. To respond to these concerns and challenges, the Board developed the Exposure Draft to propose a package of targeted amendments to IFRS 17. The amendments provide meaningful support to entities implementing the Standard, by reducing implementation costs and making it easier for entities to explain the results of applying IFRS 17 to users of financial statements.
7. IFRS 17 is urgently needed to address many inadequacies in the wide range of insurance accounting practice used in applying IFRS 4 *Insurance Contracts* and significant implementation activities are already underway. Accordingly, in developing the Exposure Draft the Board decided that any amendments to IFRS 17 must not:
 - (a) change the fundamental principles of the Standard because that would result in a significant loss of useful information for users of financial statements relative to that which would otherwise result from applying IFRS 17;
 - (b) unduly disrupt implementation already underway; or
 - (c) further delay the effective date of IFRS 17.
8. The Board issued the Exposure Draft on 26 June 2019 and the comment period ended on 25 September 2019.

Purpose and papers for this meeting

9. Agenda Paper 2A *Comment letter summary—overview and introduction* provides an overview of the comment letters and overall feedback on the Exposure Draft.
10. Agenda Paper 2B *Comment letter summary—feedback on the questions in the Exposure Draft* summarises the feedback from the comment letters on the ten questions in the Exposure Draft.

11. Agenda Paper 2C *Comment letter summary—other comments* summarises:
 - (a) comments on areas for which amendments to IFRS 17 were considered but not proposed; and
 - (b) other comments.
12. Agenda Paper 2D *Redeliberation plan* sets out the staff recommended plan for redeliberations and asks whether the Board agrees with that plan. The redeliberation plan is based on the staff thoughts included in Agenda Papers 2B and 2C.

Next steps

13. As noted in Agenda Paper 2D the staff plan to present papers to the Board at future meetings in the period from December 2019 to February 2020.
14. The staff expect that the timetable would allow sufficient time for the Board to further consider the feedback on those topics and to finalise any resulting amendments, in line with the Board's plan as stated in the Exposure Draft, in mid-2020.