



**Mr. Gauzès, EFRAG Chairman**

35, Square de Meeûs, B-1000 Brussels  
[jean-paul.gauzes@efrag.org](mailto:jean-paul.gauzes@efrag.org)

Sophienstraße 44 DE – 60487  
Frankfurt am Main, Germany  
Direct number: +49 69 98959519  
Fax number: +49 69 98957529  
E-mail: [office@effas.com](mailto:office@effas.com)  
Internet: [www.effas.com](http://www.effas.com)

Comments: EFRAG's Draft Endorsement  
Advice re. Amendments to IFRS 4 Insurance  
Contracts

**Contact: Ms. Raquel Zaragoza**

July 2, 2020

Dear Sir/Madam:

EFFAS' Commission on Financial Reporting ("CFR", "Commission", "we") has reviewed EFRAG's Draft Endorsement Advice (the "DEA", the "Endorsement") and we are pleased to support EFRAG's conclusion.

We believe that EFRAG'S DEA addresses key points for users:

a). – Regarding the temporary exemption, EFFAS deems reasonable to extend the application of IFRS 9 temporary exemption under IFRS 4 to the effective date of IFRS-17 January 1, 2023, as it was already agreed not to apply IFRS 9 till completion of IFRS 17. From a users' standpoint, mismatches during that period will be eliminated permitting entities to provide complete information based on the 3 standards.

b). – Prudence, reliability and other considerations such as comparability are key factors for users. We acknowledge that as not all entities with insurance activities meet the criteria of insurance companies this might be reasonably accepted when weighing the cost and benefits of a non-exemption approach. As previously mentioned, eliminating mismatches in the same period, outweighs the impact on comparability.

As expressed in DEA's Appendix 3, we support EFRAG's technical assessment on the Amendments,

c). – We think that the Amendments are not expected to cause major additional costs to users. In addition to provide improved information -by aligning the effective date- users' forecasting models, we believe, will be mainly adjusted at the time of the IFRS 17 implementation.



# EFFAS THE EUROPEAN FEDERATION OF FINANCIAL ANALYSTS SOCIETIES

If you would like to further discuss the views expressed in this letter, please do not hesitate to contact us.

Javier de Frutos, Chairman  
On behalf of EFFAS Commission on Financial Reporting

*EFFAS was established in 1962 as an association for nationally based investment professionals in Europe. Headquartered in Frankfurt am Main, EFFAS comprises 16-member organizations representing more than 16,000 investment professionals. The Commission on Financial Reporting is a standing commission of EFFAS aiming at proposing and commenting on financial issues from an analyst standpoint. CFR members are Javier de Frutos (Chairman, IEAF-Spain), Jacques de Greling (Vice-Chairman- SFAF, France), Friedrich Spandl (ÖVFA, Austria), Henning Strom (NFF, Norway), Serge Pattyn (BVFA/ABAF, Belgium) Luca D'Onofrio (AIAF, Italy) and Dr. Carsten Zielke (DVFA, Germany)*