

VFA Focus Group Update

- AASB 17 TRG Meeting
- 17 June 2021



VFA Focus Group (“VFAFG”)

A focus group of the AASB TRG.

The purpose and function is to provide a forum for communication and to support preparers with VFA specific topics or issues.

Preparers drive problem statements for discussion. If problems are deadlocked, the VFAFG can facilitate discussions with AALC, AASB 17 TRG or IASB staff.

Membership	Role
Res Life, Suncorp, TAL, MLC Insurance, AIA and Zurich.	Preparers
Big 4 participants	Provide input and global context
Anne Driver	Chair of the AASB TRG
Tom Moodie	Co-ordinator

Topics / Issues discussed	Outputs
Presentation of VFA revenue	Paper tabled at September 2020 AASB TRG
VFA eligibility criteria	Paper tabled at March 2021 AASB TRG
Cohorts required on transition	Paper tabled at March 2021 AASB TRG
Modifications	Paper discussed and closed by Focus Group
Mutualisation cash flows	Paper discussed and closed by Focus Group

Topics / Issues discussed
Reliance on existing requirements in Life Act to prescribe AASB 17 treatment
Measurement of VFA for acquired business (possible impacts incl. FRA)
Practical implementation issues: Policy loans in FCF
Practical implementation issue: Policyholder taxes in FCF, including impact on bonuses

Cadence of meetings: Fortnightly/monthly (or as requested) beginning 6th August 2020