

**AASB Standard**

**AASB 2013-2**

March 2013

# **Amendments to AASB 1038 – Regulatory Capital**



**Australian Government**

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**Australian Accounting  
Standards Board**

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Australian Accounting Standard AASB 2013-2 *Amendments to Australian Accounting Standards – Regulatory Capital* is set out in paragraphs 1 – 6. All the paragraphs have equal authority.

## **PREFACE**

### **Introduction**

This Standard makes amendments to Australian Accounting Standard AASB 1038 *Life Insurance Contracts*.

These amendments arise as a consequence of changes to the Australian Prudential Regulation Authority's reporting requirements relating to life insurers.

### **Main Features of this Standard**

#### **Application Date**

This Standard applies to annual reporting periods ending on or after 31 March 2013. Early application is permitted for annual reporting periods ending on or after 1 January 2013 but before 31 March 2013.

#### **Main Requirements**

This Standard makes amendments to AASB 1038 as a consequence of changes to the Australian Prudential Regulation Authority's reporting requirements relating to life insurers, particularly Prudential Standard LPS 110 *Capital Adequacy*, applicable from 1 January 2013. Primarily the amendments align terminology by changing references to 'solvency' in AASB 1038 to 'capital' and remove a related explanatory paragraph.

## **ACCOUNTING STANDARD AASB 2013-2**

The Australian Accounting Standards Board makes Accounting Standard AASB 2013-2 *Amendments to Australian Accounting Standards – Regulatory Capital* under section 334 of the *Corporations Act 2001*.

Dated 13 March 2013

Kevin M. Stevenson  
Chair – AASB

## **ACCOUNTING STANDARD AASB 2013-2**

### ***AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS – REGULATORY CAPITAL***

#### **Objective**

- 1 The objective of this Standard is to make amendments to AASB 1038 *Life Insurance Contracts* as a consequence of changes to the Australian Prudential Regulation Authority's reporting requirements relating to life insurers, particularly Prudential Standard LPS 110 *Capital Adequacy*, issued in January 2013, as it relates to the prescribed capital amount.

#### **Application**

- 2 **This Standard applies to each entity that is:**
- (a) **a life insurer; or**
  - (b) **the parent in a group that includes a life insurer;**
- when the entity:**
- (c) **is a reporting entity that is required to prepare financial reports in accordance with Part 2M.3 of the Corporations Act;**
  - (d) **is an other reporting entity and prepares general purpose financial statements; or**
  - (e) **prepares financial statements that are, or are held out to be, general purpose financial statements.**

- 3 This Standard applies to annual reporting periods ending on or after 31 March 2013.
- 4 This Standard may be applied to annual reporting periods ending on or after 1 January 2013 but before 31 March 2013. When an entity applies this Standard to such an annual reporting period, it shall disclose that fact.
- 5 This Standard uses underlining, striking out and other typographical material to identify some of the amendments, in order to make the amendments more understandable. However, the amendments made by this Standard do not include that underlining, striking out or other typographical material.

## **Amendments to AASB 1038**

- 6 The heading before paragraph 17.8 and paragraphs 17.8 and 17.10 are amended as follows (new text is underlined and deleted text is struck through) and paragraph 17.8.1 is deleted:

### **Solvency-Regulatory Capital Information**

- 17.8 A life insurer shall disclose the regulatory ~~solvency capital~~ position of each statutory fund. In consolidated financial statements ~~A a~~ group shall disclose the regulatory ~~solvency capital~~ position of each life insurer in the group.

### **Actuarial Information**

- 17.10 The following shall be disclosed in notes:

- (a) if other than the end of the reporting period, the effective date of the actuarial report on policy liabilities and regulatory solvency-capital reserves;
- (b) ...