



Project:	Insurance Activities in the Public Sector	Meeting	AASB December 2022 (M192)
Topic:	Consider ballot draft amending Standards	Agenda Item:	4.1
Contact(s):	Angus Thomson athomson@asb.gov.au Patricia Au pau@asb.gov.au	Date of this agenda paper:	30 November 2022
		Project Priority:	Medium
		Decision-Making:	High
		Project Status:	Consider ballot draft amending Standards

Objectives of this agenda item

- 1 The objectives of this agenda item are for the Board to:
 - (a) in respect of the Board's decision to defer the application date of AASB 17 *Insurance Contracts* for public sector entities:
 - (i) **consider** the mandatory application date of AASB 17 for public sector entities (Agenda Paper 4.2); and
 - (ii) **approve** issuing the amending Standard AASB 2022-X *Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments* by voting on the ballot draft (Agenda Paper 4.3) at the December 2022 meeting; and
 - (b) for the purposes of finalising the Board's proposed public-sector-specific modifications to AASB 17:
 - (i) **consider** comments received on the [Fatal-Flaw Review \(FFR\) draft version](#) of proposed amending Standard AASB 2022-Y *Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector* (Agenda Paper 4.4);
 - (ii) **consider** staff's recommended changes to the proposed AASB 17 modifications from the FFR draft version, as shown in marked-up text in Agenda Paper 4.5; and
 - (iii) **approve** issuing the amending Standard by voting on the ballot draft (Agenda Paper 4.6) at the December 2022 meeting.

Reasons for bringing this agenda item to the Board

AASB 17 application date

- 2 The Board decided to defer the application date of AASB 17 for public sector entities to annual periods beginning on or after 1 July 2025 (earlier application permitted). However, some stakeholders have recently sought an extension to the deferral. As a result, staff conducted outreach with key stakeholders on the mandatory application date. This is discussed in Agenda Paper 4.2.

Consequential amendments

- 3 At its November 2022 meeting, the Board decided on the content of the amending Standard AASB 2022-X that would amend various Standards to permit public sector entities to continue applying AASB 4 *Insurance Contracts* and AASB 1023 *General Insurance Contracts* until AASB 17 is applied. The Board decided to consider the ballot draft of that Standard for voting at the

December 2022 meeting – please refer to Agenda Paper 4.3. The date of making (page 5), the month of issue (cover page) and the Standard number will be inserted into the Standard following a decision by the Board to make the Standard.

- 4 Staff note that changes will need to be made to the ballot draft if the Board decides to extend the AASB 17 application date for public sector entities beyond periods beginning on or after 1 July 2025.
- 5 The Basis for Conclusions in AASB 2022-Y (which contains the public sector modifications to AASB 17) is written in a way that assumes AASB 2022-X (which contains the consequential amendments) has been issued prior to finalising AASB 2022-Y, staff will ask the Board to vote on AASB 2022-X prior to voting on AASB 2022-Y at the December meeting.

Public-sector-specific modifications to AASB 17

- 6 After considering feedback received on Exposure Draft AASB ED 319/NZASB ED 2022-3 *Insurance contracts in the Public Sector*, on 26 October 2022, the Board issued for comment a FFR draft version of proposed Standard AASB 2022-Y. Appendix B of Agenda Paper 4.4 is a summary of AASB 17 modifications in the FFR draft version compared with the proposals in the Exposure Draft.
- 7 The comment period for the FFR draft version of proposed Standard AASB 2022-Y closed on 11 November 2022. Three written submissions have been received and are included in the supplementary folder as Agenda Paper 4.7. Staff have also received informal feedback from a range of stakeholders. Staff analysis of comments received is contained in Agenda Paper 4.4.
- 8 To assist Board members' review of the ballot draft, Agenda Paper 4.5 includes marked-up text showing all changes made to the FFR draft version for the ballot draft version.
- 9 Agenda Paper 4.6 is the ballot draft of AASB 2022-Y, which contains the same content as Agenda Paper 4.5 but in clean text, for Board members' consideration and voting. The date of making (page 5), the month of issue (cover) and the Standard number will be inserted into the Standard following a decision by the Board to make the Standard.

Papers for this agenda item

Agenda Paper 4.2 Staff paper on the mandatory application date of AASB 17 for public sector entities

Agenda Paper 4.3 Ballot draft Standard AASB 2022-X *Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments* (for voting)

Agenda Paper 4.4 Staff paper analysing comments received on FFR draft version

Agenda Paper 4.5 Marked-up version of draft Standard showing changes made to the proposed AASB 17 modifications in the FFR draft version

Agenda Paper 4.6 Ballot draft Standard AASB 2022-Y *Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector* (for voting)

Agenda Paper 4.7 Submissions received on the FFR draft version [in supplementary folder]

- 10 At its December 2022 meeting, the NZASB will also be considering the mandatory application date, the feedback from the FFR draft version, and voting to approve the same public sector modifications as contained in the ballot draft Standard AASB 2022-Y, subject to NZASB staff preparing a New Zealand version of the Standard to be approved out-of-session by the NZASB Chair.