



Australian Government

Australian Accounting Standards Board

# International implementation status

## AASB 17 TRG Meeting 7 December 2020

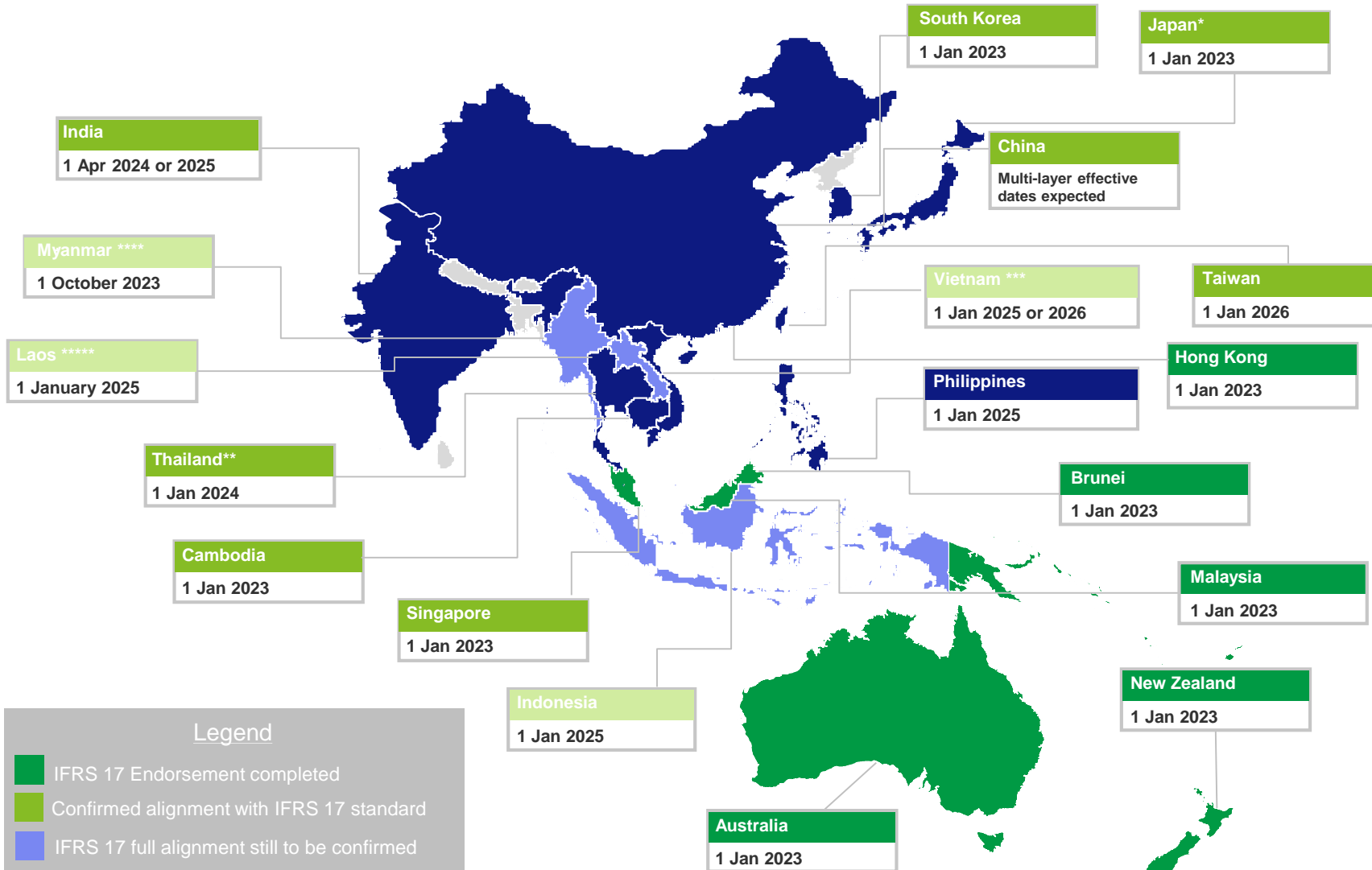
### Presenter

James Barden

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# IFRS 17 ADOPTION STATUS – APAC FOCUS

## Adoption Status & Effective Dates @ Q3 2020



**Legend**

- IFRS 17 Endorsement completed
- Confirmed alignment with IFRS 17 standard
- IFRS 17 full alignment still to be confirmed

**Other Countries of Note:**

- European Union**  
EFRAG has issued its Draft Endorsement Advice on IFRS17 Insurance Contracts as amended in June 2020. Comments are requested by 29 January 2021
- United States**  
Partial alignment with IFRS 17 requirements through US GAAP's LDTI. Effective date varies between 2022-2025
- Canada**  
Amendments endorsed and effective date aligned – 1 January 2023
- UK**  
UK Endorsement Board process underway – proposed effective date 1 January 2023. Comments on survey closed 30 Nov 20.

\* Japan - Eligible listed companies in Japan are permitted to apply IFRS as designated by the FSA in the consolidated financial statements

\*\* Thailand – Alignment pending update on translation process

\*\*\* Vietnam - Insurers with holding companies overseas applying IFRS aligned with the IASB can apply IFRS 17 at the same time of the group (i.e. 1 January 2023)

\*\*\*\* Myanmar - IFRS Standards for financial reporting periods begin or after the 2022–2023 financial year. Early adoption of IFRS Standards is permitted.

\*\*\*\*\* Laos - The entities that are not ready to implement IFRS should prepare an action plan that show how they will comply within 4 years by 2021.

# EFRAG ENDORSEMENT STATUS



## European Union

### IFRS 17 adoption

On 30 September 2020, the European Financial Reporting Advisory Group (EFRAG) has issued its Draft Endorsement Advice on IFRS 17 *Insurance Contracts* as amended in June 2020. Comments are requested by 29 January 2021. The EFRAG Draft Endorsement Advice can be found [here](#). (i)

Apart from the requirement to apply annual cohorts to intergenerationally-mutualised contracts, all the other requirements of IFRS 17 are assessed, on balance to meet the technical qualitative criteria and to be conducive to the European public good. There is no consensus on the annual cohort requirement for intergenerationally-mutualised contracts. Nine EFRAG Board members believe that the annual cohorts requirement meets the above endorsement criteria, whereas seven EFRAG Board members believe it do not. (ii)

Following this public consultation, the EFRAG Board will deliberate and issue a final endorsement advice which will be submitted to the European Commission. The endorsement process in Europe is expected to continue throughout 2021 before a final decision is made to allow for the official adoption of IFRS 17 as an EU Regulation.

The EFRAG General Assembly also extended the mandate of all EFRAG Board members that was to expire on 31 October 2021 by six months to 30 April 2021 to allow the EFRAG Board in its current composition to finalise the endorsement advice. (iii)

### References:

- (i) <https://efrag-website.azurewebsites.net/News/Project-443/EFRAG-requests-comments-on-its-Draft-Endorsement-Advice-on-IFRS-17-Ins?AspxAutoDetectCookieSupport=1>
- (ii) <https://www.efrag.org/Activities/289/IFRS-17---Insurance-Contracts>
- (iii) <https://efrag.org/News/Public-260/Changes-to-the-composition-of-the-EFRAG-Board->



# APPENDIX: HIGH LEVEL OVERVIEW OF TOPICS AMENDED BY THE IASB AS PART OF THE FINAL AMENDED IFRS 17 STANDARD

## International Accounting Standards Board

### Insurance Contracts

In March 2004 the International Accounting Standards Board (Board) issued IFRS 4 *Insurance Contracts*. IFRS 4 was an interim standard which was meant to be in place until the Board completed its project on insurance contracts. IFRS 4 permitted entities to use a wide variety of accounting practices for insurance contracts, reflecting national accounting requirements and variations of those requirements, subject to limited improvements and specified disclosures.

In May 2017, the Board completed its project on insurance contracts with the issuance of IFRS 17 *Insurance Contracts*. IFRS 17 replaces IFRS 4 and sets out principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of IFRS 17.

In June 2020, the Board issued *Amendments to IFRS 17*. The objective of the amendments is to assist entities implementing the Standard, while not unduly disrupting implementation or diminishing the usefulness of the information provided by applying IFRS 17.

Other Standards have made minor consequential amendments to IFRS 17, including *Amendments to References to the Conceptual Framework in IFRS Standards* (issued March 2018) and *Definition of Material* (Amendments to IAS 1 and IAS 8) (issued October 2018).

 Topics discussed extensively across the Australian industry

