

19 August 2019
Ms Kris Peach
Chair
Australian Accounting Standards Board
PO Box 204, Collins Street West
Melbourne, Victoria, 8007

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Dear Kris

Re: ED 293 Amendments to Australian Accounting Standards – Disclosure in Special Purpose Financial Statements of Compliance with Recognition and Measurement Requirements

QBE Insurance Group Limited (QBE) is an Australian-based public company listed on the Australian Securities Exchange and is Australia's largest international insurance and reinsurance company, with operations in 29 countries and territories. We are also one of the top 20 global insurers and reinsurers as measured by net earned premium.

QBE's main interest in this topic, and the focus of our submission, is financial reporting by subsidiary entities of a listed Group.

QBE concurs with the recommendations set out in ED 293. We note that one of the main reasons for developing this exposure draft is the perception that users of Special Purpose Financial Statements (SPFS) cannot in all cases access the information they need. We appreciate that this may be the case with some reporting entities but consider that, in the case of wholly-owned subsidiaries of listed Groups where the main users are the shareholders and directors, they can obtain whatever additional information they might need.

QBE's proposed approach for wholly-owned subsidiaries of listed Groups is to require full application of recognition and measurement requirements of IFRS, retention of the consolidation exception in AASB 10 and very limited disclosure requirements. Any requirements in excess of minimal disclosure would add a significant cost burden to preparers and, by definition, would not benefit users. QBE plans to comment further on this matter in responding to ED 295 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

We are happy to discuss and further clarify the point raised in this letter. Please contact Anne Driver on anne.driver@qbe.com to coordinate further input.

Yours sincerely,



Joan Cleary
Group Financial Controller



Appendix 1 – Specific matters for comment

We agree with all matters except the relief from having to disclose whether an entity has any subsidiaries, investments in associates or joint ventures. The justification given is that this is not required for general purpose financial statements, but we would contend that for the sake of a simple statement this would remove any ambiguity around whether an entity has subsidiaries.

Appendix 2 – General matters for comment

Overall, we do not have any issues with the specific requirements of ED 293 and believe that the proposals will result in SPFS being more useful to users and are in the best interests of the Australian economy. We do not envisage these requirements adding materially to costs.