

STAFF PAPER

October 2021

IASB® meeting

Project	Initial Application of IFRS 17 and IFRS 9—Comparative Information (Amendment to IFRS 17)	
Paper topic	Finalising the amendment	
CONTACT(S)	Laura Kennedy	lkennedy@ifrs.org
	Iliriana Feka	ifeka@ifrs.org
	Riana Wiesner	rwiesner@ifrs.org

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Introduction

1. This paper has been prepared for the Board's redeliberations of the amendment to IFRS 17 *Insurance Contracts* proposed in the Exposure Draft [Initial Application of IFRS 17 and IFRS 9—Comparative Information](#) (Exposure Draft).
2. Agenda Papers 2–2B of this Board meeting discuss the Exposure Draft, feedback, and topics for redeliberation based on feedback. This paper asks Board members:
 - (a) whether they are satisfied that the Board has complied with the applicable due process steps and should begin the balloting process to issue the amendment to IFRS 17; and
 - (b) whether they intend to dissent from the issuance of the amendment to IFRS 17.

Summary of the amendment to IFRS 17

3. If the Board agrees with the staff recommendations in Agenda Papers 2A and 2B, the amendment will be finalised as proposed in the Exposure Draft (see Agenda Paper 2 for summary) except that the scope will be amended so that the amendment applies also for:

- (a) financial assets held in respect of activities unconnected to insurance contracts; and
- (b) entities that already applied IFRS 9.

Due process steps taken

4. Paragraphs 6.19–6.24 of [the *Due Process Handbook*](#) set out the steps the Board takes to complete the deliberations of an amendment to an IFRS Standard after the comment period of an exposure draft ends.
5. In line with the *Due Process Handbook*, in this project the Board has:
 - (a) at its May and June 2021 public meetings discussed the issue raised by stakeholders and its proposed response;
 - (b) in July 2021 published for public consultation an exposure draft of the proposed narrow-scope amendment, after confirming that it was satisfied that it had followed the applicable due process steps for publishing an exposure draft;
 - (c) at its October 2021 public meeting:
 - (i) reviewed a summary of feedback from comment letters; and
 - (ii) redeliberated the topics raised in that feedback.
6. The Board did not have a consultative group or conduct field work for this amendment. The amendment is responsive to feedback, narrow-in-scope and optional. As such, for this amendment it was deemed that public consultation in the form of an exposure draft would provide the Board with sufficient information to finalise the amendment.
7. If the Board agrees with the staff recommendations in Agenda Papers 2A–2B, the final amendment will include changes compared to that proposed in the Exposure Draft. When finalising an amendment, the Board needs to consider whether the revised proposal includes any fundamental changes on which respondents have not had the opportunity to comment because they were not contemplated or discussed in the basis for conclusions accompanying the exposure draft. The Board also needs to consider whether it will learn anything new by re-exposing the proposals. If the Board

is satisfied that the revised proposals respond to the feedback received and that it is unlikely that re-exposure will reveal any new concerns, it should proceed to finalise the proposed requirements.

8. In the staff view, re-exposure of this narrow-scope amendment is not needed. Respondents to the Exposure Draft expressed overwhelming support for the amendment, and the changes recommended by staff are responsive to feedback from many respondents. No feedback on the Exposure Draft would indicate that respondents would disagree with those changes.

Next steps

9. This paper asks Board members whether they agree to starting the balloting process for issuing the amendment to IFRS 17.
10. In line with the Board's intention when it proposed the amendment, the staff expect that the final amendment will be issued before the end of 2021. Respondents to the Exposure Draft expressed support for this timeline.
11. The amendment (which is optional) will be applied (once) on initial application of IFRS 17, and will be available to be used for all comparative periods that have been restated for IFRS 17 (including periods before this amendment is finalised, so long as the entity has collected the information needed to apply the amendment for those comparative periods).

Questions for Board members

1. Are you satisfied that the Board has complied with the applicable due process steps and should begin the balloting process to issue the amendment to IFRS 17?
2. Do you intend to dissent from the amendment to IFRS 17?