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IASB delays new insurance contract rules for one year: PwC comments

Singapore, 14 November 2018 – Commenting on the decision from today’s IASB meeting, subject to the IASB’s due process, that the IFRS17 insurance accounting standard will be delayed by one year and the extension of the deferral of IFRS 9 to the same date, Alex Bertolotti, Global IFRS17 leader at PwC, said:

“Today’s announcement of a one-year delay to the implementation of IFRS17 will be welcomed by many in the insurance community. The additional time will help alleviate some risk from existing plans, however many companies

still have a lot to do and cannot afford to press pause.

“Some insurers have been lobbying for this delay for a while, as the initial time frame was exceedingly tight. Others have been requesting clarification over certain aspects of the standard, without which it would have been difficult or prohibitively costly to move ahead.

“The impact of the one year delay can only be fully assessed after reviewing potential changes to the standard which the IASB Board will consider in December.

“Our message to insurers would be not to stop - there’s so much to do. If you haven’t started, get a move on. To stand still is to fall behind.”

Commenting on the implications to insurers, Ang Sock Sun, Insurance Accounting and Regulatory Advisory Leader, PwC Singapore said:

“The announcement from the IASB of a one year delay to the effective implementation date to 2022 for IFRS 17 and the extension of the deferral of IFRS 9 will be welcomed by many insurers. However, it does not mean insurers should slow down or pause implementation programmes. The delay will help de-risk existing projects but there are still so much more to do.

“It will be interesting to see what the European Financial Reporting Advisory Group (EFRAG) does as they will still need to endorse the standard. Insurers will still need to assess impact of the potential changes to the standard which the IASB Board will consider in December.”

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