

PRESS RELEASE

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For immediate release

IASB to consult on temporary measures relating to the effective dates for IFRS 9 and the new insurance contracts Standard

The International Accounting Standards Board (IASB) has today confirmed that it will consult on a package of temporary measures to address concerns about issues arising from implementing the financial instruments Standard before the new insurance contracts Standard comes into effect.

The financial instruments Standard, IFRS 9 *Financial Instruments*, was issued in July last year and has an effective date of 1 January 2018. At that time, the IASB said it would consider potential challenges arising if IFRS 9 is implemented before the new insurance contracts Standard.

The measures confirmed today would amend IFRS 4 *Insurance Contracts* to give companies whose business model is to predominantly issue insurance contracts the option to defer the effective date of IFRS 9 until 2021 (the 'deferral approach'). It would also give insurers who implement IFRS 9 the option to remove from profit or loss some of the accounting mismatches and temporary volatility that could occur before the new insurance contracts Standard is implemented (the 'overlay approach').

The insurance contracts Standard is currently being deliberated by the IASB and a final Standard is expected to be issued in 2016.

An Exposure Draft setting out these measures will be published later this year for public consultation. If confirmed after the public consultation, these measures will not affect companies that do not issue insurance contracts.

End

Notes to editors:

- Further details on the insurance contracts Standard project can be found here: <http://www.ifrs.org/Current-Projects/IASB-Projects/Insurance-Contracts/Pages/Insurance-Contracts.aspx>
- The 'deferral approach' would expire on 1 January 2021, however insurers would be able to apply the 'overlay approach'. Both approaches would expire when the new insurance contracts Standard is implemented.
- The IASB will confirm any amendments early next year when they have considered feedback to the consultation.
- The effective date of the new insurance contracts Standard will be determined by the IASB closer to the issue date.

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About the IFRS Foundation, IASB and IFRS

The IFRS Foundation is an independent, not-for-profit organisation, overseen by a Monitoring Board of public authorities. Its vision of a single set of global accounting standards is supported by G20 leaders and other international organisations with responsibility for the global financial system.

The mission of the IFRS Foundation is to develop International Financial Reporting Standards that bring transparency, accountability and efficiency to financial markets around the world, fostering trust, growth and long-term financial stability. The International Accounting Standards Board (IASB) is the standard-setting body of the IFRS Foundation, made up of independent experts from diverse professional and geographical backgrounds. IFRS are adopted by more than 100 countries globally.

For detailed information on the organisation's structure, the standard-setting process and the spread of IFRS, visit www.ifrs.org.