

This paper has been prepared by the EFRAG Secretariat for discussion at a public meeting of EFRAG TEG. The paper forms part of an early stage of the development of a potential EFRAG position. Consequently, the paper does not represent the official views of EFRAG or any individual member of the EFRAG Board or EFRAG TEG. The paper is made available to enable the public to follow the discussions in the meeting. Tentative decisions are made in public and reported in the EFRAG Update. EFRAG positions, as approved by the EFRAG Board, are published as comment letters, discussion or position papers, or in any other form considered appropriate in the circumstances.

Initial application of IFRS 17 and IFRS 9 – Comparative information - Cover Note

Objective

- 1 The objective of this session is to discuss and recommend to the EFRAG Board, subject to non-substantial changes, a preparatory version of EFRAG's draft comment letter to the future IASB ED on Initial application of IFRS 17 and IFRS 9 – comparative information, based on the available IASB Agenda Papers.

Background

- 2 The IASB Staff is currently finalising the upcoming ED on the Initial application of IFRS 17 and IFRS 9 – comparative information. The ED is expected to be published at the end of July for a comment period of 60 days. The issue of the comparatives is an urgent issue as insurers will apply the comparative information on IFRS 17 and IFRS 9 as from 2022 (and some insurers even as from 2021).
- 3 Given the urgency, the EFRAG Secretariat has developed a preparatory EFRAG's DCL, to be approved by EFRAG TEG and EFRAG Board subject to non-substantial drafting changes following the issuance of the ED at the end of July. This document permits following the EFRAG due process and to be in the position to start the public consultation as soon as the ED is issued. This preparatory DCL has been written based on information available in IASB staff papers and tentative decisions. Hence, the wording will have to be fine-tuned once the ED is publicly available.
- 4 In this way, it allows EFRAG to issue a DCL shortly after the publication of the ED, permitting constituents more time to react and adhering to EFRAG's due process.

Question for EFRAG TEG members

- 5 Do EFRAG TEG members recommend the preparatory draft comment letter to be approved by the EFRAG Board subject to non-substantial changes?

Next steps

- 6 The IASB is expected to issue the ED end of July for a comment period of 60 days. The EFRAG Secretariat expects the final proposals to be available before the end of 2021.
- 7 The EFRAG Secretariat is working along the following procedural steps:

8 July	EFRAG IAWG – receive comments to the Preparatory DCL
14-15 July	EFRAG TEG – request for recommendation to the EFRAG Board subject to non-substantial changes

Initial application of IFRS 17 and IFRS 9 – Cover Note

17 July	EFRAG Board – written consultation – request for approval subject to non-substantial changes
Last week of July	Expected issuance of the ED – updating the DCL aligning it with the ED
1 st week August	Tentative extra EFRAG TEG and Board meetings or written procedure in case of substantial changes
2 nd week August	Issuance of the EFRAG DCL - In absence of substantial changes, one week earlier
15 September	Expected end of comment period EFRAG DCL
Last week of September	Expected end of comment period IASB ED

Agenda Papers

- 8 In addition to this cover note, agenda paper 10-02 – *Initial application of IFRS 17 and IFRS 9 – comparative information – preparatory DCL* – has been provided for the session.