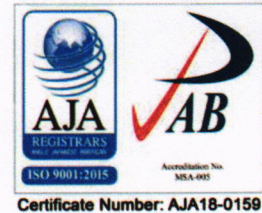




Republic of the Philippines  
Department of Finance  
**INSURANCE COMMISSION**



<b>CIRCULAR LETTER (CL) NO.</b>	:	2018-69
<b>DATE</b>	:	28 December 2018
<b>SUPPLEMENTS</b>	:	

**CIRCULAR LETTER**

**TO : ALL REGULATED ENTITIES**  
**SUBJECT : DEFERRAL OF IMPLEMENTATION OF INTERNATIONAL FINANCIAL REPORTING STANDARD 17- INSURANCE CONTRACTS**

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**WHEREAS**, the International Accounting Standards Board (IASB) has issued an accounting standard, known as the International Financial Reporting Standards (IFRS) 17 on 18 May 2017, which has mandatory effective date of annual periods beginning on or after 01 January 2021.

**WHEREAS**, the IFRS is a set of accounting standards that are recognized by at least 166 countries (including the Philippines) and provides a guide on how particular types of transactions and other events should be reported in the financial statements.<sup>1</sup>

**WHEREAS**, IFRS 17 Insurance Contracts establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. IFRS 17 supersedes IFRS 4 Insurance Contracts.<sup>2</sup>

**WHEREAS**, The implementation of IFRS 17 are bombarded by challenges such as tight timeline, determination of model, lack of clarity, lack of resources, lack of expertise, tight budget, report and disclosure, and lack of IT infrastructure. Notwithstanding, the potential

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<sup>1</sup> Who uses IFRS standards, retrieved from <https://www.ifrs.org/use-around-the-world/use-of-ifrs-standards-by-jurisdiction/#analysis>

<sup>2</sup> p. 1161, IFRS 17 Insurance Contract, 2017 IFRS Foundation