



Circular Letter (CL) No.:	2022-36
Date:	18 July 2022
Supersedes:	2019-66

CIRCULAR LETTER

TO : ALL INSURANCE AND PROFESSIONAL REINSURANCE COMPANIES AND HEALTH MAINTENANCE ORGANIZATIONS DOING BUSINESS IN THE PHILIPPINES

SUBJECT : SUBMISSION OF STATUS REPORTS AND ADDITIONAL DISCLOSURES IN THE FINANCIAL STATEMENTS RELATIVE TO IFRS 17 *INSURANCE CONTRACTS*

WHEREAS, on 18 May 2017, the International Accounting Standards Board (IASB), an international accounting standard-setting body, issued International Financial Reporting Standards 17 *Insurance Contracts* (IFRS 17), which had a mandatory effectivity date of annual periods beginning on or after 01 January 2021;

WHEREAS, IFRS 17 establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts issued, and likewise requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued;

WHEREAS, pursuant to Securities Regulation Code Rule 68, the Securities and Exchange Commission shall consider the pronouncements and interpretation of (a) the primary regulator of the entities concerned, (b) the Philippine Financial Reporting Standards Council or (c) the IASB in prescribing the applicable financial reporting framework for a particular class or sub-class of entities;

WHEREAS, the Insurance Commission (IC) issued Circular Letter (CL) No. 2018-69 dated 28 December 2018, deferring the implementation of IFRS 17 to 01 January 2023;

WHEREAS, relative to any change in accounting policies and the impact of the deferral of IFRS 17, additional disclosures in the audited financial statements shall be required;

WHEREAS, to ensure effective implementation of IFRS 17, it is imperative to the regulatory body to monitor its regulated entities' progress in the preparation for the adoption of the new accounting standard;

WHEREAS, in view of the foregoing, the IC issued CL No. 2019-66 dated 22 November 2019, requiring all insurance and professional reinsurance companies to submit IFRS 17 status reports covering the periods ending 31 December 2019 to 2022, and likewise to provide additional disclosures in the Notes to the Financial Statements for the period ending 31 December 2022 relative to the impact of IFRS 17;

WHEREAS, on 17 March 2020, the IASB deliberated on the *Amendments to IFRS 17*, which included the deferral of the effective date of IFRS 17 from 01 January 2021 to 01 January 2023;