



Advisory No.:	RS-2023-022
Classification:	Regulatory and Supervisory Advisory
Date:	29 November 2023

INSURANCE COMMISSION ADVISORY

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

SUBJECT : REQUEST FOR COMMENTS ON THE DRAFT CIRCULAR LETTER (“CL”): APPLICATION OF PHILIPPINE FINANCIAL REPORTING STANDARDS (“PFRS”) 17 *INSURANCE CONTRACTS* TO THE AUDITED FINANCIAL STATEMENTS (“AFS”) AND REPORTORIAL REQUIREMENTS OF THE INSURANCE COMMISSION (“IC”)

Section 189 of Republic Act (“RA”) No. 10607, otherwise known as the “Amended Insurance Code,” provides that all companies regulated by the IC, unless otherwise required by law, should comply with the financial reporting frameworks (“FRF”) adopted by the IC for purposes of creating the statutory financial reports and the annual statements to be submitted to the IC.

Thereafter, the IC issued CL No. 2016-65 to ensure the transparent and consistent application of accounting principles in the statutory financial reports submitted by the insurance and professional reinsurance companies.

With the implementation of PFRS 17, fundamental changes are introduced to the recording and reporting of business transactions across the insurance industry. This has prompted the IC to update the FRF to incorporate the requirements and principles of the said accounting standard.

Relative thereto and pursuant to Rule 68 of the Securities Regulation Code (“SRC”),¹ all insurance and professional reinsurance companies are hereby requested to provide comments/feedback on the following documents using the prescribed format:

¹ Pursuant to Rule 68 of the SRC, the SEC shall have the authority, subject to prior consultation with concerned parties, to prescribe the most appropriate requirement that shall form part of the applicable financial reporting framework of corporations. In prescribing the applicable financial reporting framework for a particular class or sub-class of entities, the SEC shall consider the pronouncements and interpretations of the Philippine Financial Reporting Standards Council¹. However, a financial reporting framework other than the PFRSs that complies with the regulatory reportorial requirements of the concerned regulatory agency such as the Bangko Sentral ng Pilipinas or the Insurance Commission may be allowed by the SEC.

1. Draft CL – Application of PFRS 17 *Insurance Contracts* to the Audited Financial Statements and Reportorial Requirements of the IC;
2. Annex A – Supplementary Information in the Notes to the Financial Statements for Periods Ending 31 December 2023 and/or 2024; and
3. Annex B – Updated FRF for Insurance and Professional Reinsurance Companies.

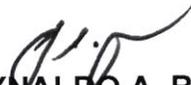
Prescribed Format

Document Name	Section/Provision/Accounts	Comment/s	Recommendation/s

Comments/feedback shall be submitted to the Financial Examination Group through the following e-mail addresses **within fifteen (15) working days from issuance of this Advisory**:

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|----------------------------------|--|
| 1. Mr. Mark Eugene C. Samson | mec.samson@insurance.gov.ph |
| 2. Mr. Louie Angelo R. Huliganga | lar.huliganga@insurance.gov.ph |

Thank you.


REYNALDO A. REGALADO
 Insurance Commissioner

