

Summary of the UKEB’s Public Session held on 17 February 2022 at 10:45am via Microsoft Teams

The UKEB met for the public session remotely on 17 February 2022. A video recording of the meeting and the agenda papers discussed during the meeting are available on the UKEB’s website.

The meeting was attended by the following:

Name	Designation
Pauline Wallace	Chair
Amir Amel-Zadeh	Member
Mike Ashley	Member
Phil Aspin	Member
Katherine Coates	Member
Paul Lee	Member
Giles Mullins	Member
Liz Murrall	Member
Sandra Thompson	Member
Michael Wells	Member
Andrew Death	Observer from The Department for Business, Energy and Industrial Strategy (BEIS)
Joyce Grant	Observer from the Financial Reporting Council (FRC)
Chris Haworth	Observer from Her Majesty’s Revenue and Customs
Andrew Murray	Alternate Observer from the Bank of England (BoE)
Lee Piller	Alternate Observer from the Financial Conduct Authority (FCA)

The topics discussed at that meeting, in order of discussion, were:

Administrative matters

The Board noted apologies from Kathryn Cearns.

Declarations of interest

The Board noted the following declarations of interest:

- Katherine Coates provided advice to insurance companies, albeit not specifically on IFRS 17; and
- Paul Lee’s employer provided advice to pension schemes on bulk annuities.

IFRS 17: Summary of Public Consultation Feedback on DECA

The Board received an update on the Consultation Feedback on the IFRS 17 Draft Endorsement Criteria Assessment (DECA). The 21 consultation responses have been published on the UKEB website, except for those from two respondents who requested that

their responses not be published. 81% of respondents were supportive of the UKEB's tentative overall decision that IFRS 17 met the statutory endorsement criteria and that the UKEB should adopt IFRS 17 for use in the UK. Several respondents expressed conditional support, subject to the satisfactory resolution of the issue relating to CSM allocation for annuities – currently under consideration by the IFRS Interpretations Committee.

The Board agreed with the Secretariat's proposals for addressing the consultation feedback, including revisions to the Endorsement Criteria Assessment (ECA), and noted the revised IFRS 17 project timeline proposing that the final decision to adopt would be considered at its April 2022 meeting. This extension in the timeline would permit the implications of the IFRS Interpretations Committee discussions, along with the draft ECA, draft Feedback Statement and draft Due Process Compliance Statement. to be considered at the UKEB's meeting on 18 March 2022.

IFRS 17: Reinsurance to Close (RITC) Transactions

The Board received an update on the issues arising from the application of IFRS 17 to Lloyd's market RITC transactions. The Board considered information on the accounting effects and the potential scale of the economic impact as well as draft assessments of these elements. Subject to some drafting amendments, the Board approved these draft assessments for inclusion in the final IFRS 17 Endorsement Criteria Assessment (ECA).

Adoption of May 2020 Amendments to International Accounting Standards

The Board considered six amendments to international accounting standards issued by the International Accounting Standards Board (IASB) in May 2020, with an effective date of 1 January 2022:

- (1) three amendments that meet the IASB's criteria for annual improvements from *Annual improvements to IFRS Standards 2018–2020*:
 - (i) Amendment to IFRS 1 *First-time Adoption of International Financial Reporting Standards – Subsidiary as a First-time Adopter*;
 - (ii) Amendment to IFRS 9 *Financial Instruments – Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*; and
 - (iii) Amendment to IAS 41 *Agriculture – Taxation in Fair Value Measurements*.

- (2) three narrow-scope amendments that meet the IASB's criteria for narrow-scope amendments and that were issued separately by the IASB:
 - (i) Amendments to IAS 16 *Property, Plant and Equipment – Property, Plant and Equipment: Proceeds Before Intended Use*;
 - (ii) Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*; and
 - (iii) Amendments to IFRS 3 *Business Combinations – Reference to the Conceptual Framework*.

Voting

The Board cast an indicative vote and all Board members voted in favour of adopting the six amendments. The Board will be issued with a formal ballot after the meeting and Board members will be asked to formally cast their written votes – a separate vote for each of the

six amendments. The finalisation of that formal vote will then commence the process for publication of the amendments.

The Board considered the final wording of the Endorsement Criteria Assessment and suggested some amendments to the true and fair assessment to ensure clarity about the Board's approach to its assessment of the requirements in Regulation 7(1)(a) in SI 2019/685.

The Board also considered the following papers that formed part of the 'Adoption Package': (1) Final Endorsement Criteria Assessment (ECA); (2) Feedback Statement; (3) [Draft] Due Process Compliance Statement; and (4) Adoption Statement.

The Board approved the 'Adoption Package' subject to suggested amendments to the wording.

Subsidiaries without Public Accountability: Disclosures

The Board considered the Draft Final Comment Letter, Draft Feedback Statement, and Due Process Compliance Statement on IASB's Exposure Draft *Subsidiaries without Public Accountability: Disclosures*. The Board noted some minor amendments to the draft comment letter as a result of feedback from stakeholders. Subject to those amendments, the Board approved the publication of the Final Comment Letter and Feedback Statement.

The Due Process Compliance Statement was approved subject to some minor amendments. The updated final version will be tabled for noting at the March 2022 Board meeting.

Documents for Noting

The Board noted the Final Due Process Compliance Statement for the UKEB's influencing work on the IASB's Post-implementation Review, on IFRS 9 *Financial Instruments – Classification and Measurement*, subject to a minor amendment.

Any other business

There was no other business discussed.

The meeting ended at 3:35pm.