

Summary of the UKEB’s Public Session held on 9 May 2022 at 11:45 via Microsoft Teams

The UKEB met for the public session remotely on 9 May 2022. The video recording of the meeting and the agenda papers have been made available on the UKEB’s website.

PRESENT:

Name	Designation
Pauline Wallace	Chair
Amir Amel-Zadeh	Member
Mike Ashley	Member
Phil Aspin	Member
Kathryn Cearns	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 (HMRC)
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 that the UKEB website had been experiencing some unfortunate technical issues during the past week. This had impacted the functionality for uploading Board papers on the UKEB website. Alternative methods were used to ensure the meeting papers were available to stakeholders on a timely fashion and in line with the UKEB terms of reference.

Declarations of interest

The Board noted the following declarations of interest:

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

IFRS 17 – Adoption of IFRS 17

The Board considered the IFRS 17 *Insurance Contracts* Endorsement Assessment Criteria (ECA), which had been amended to reflect recommendations by the Board at its previous

meeting in April 2022. In particular, changes had been made to the description of the legislative framework and approach to the assessment. Furthermore, wording in the ECA had been amended to clarify that adopting an absolute rather than a relative approach to the technical accounting criteria is not something the UKEB has elected to do, but is what the legislation requires.

The Board considered the IFRS 17 Feedback Statement, which had been amended to reflect recommendations by the Board at its previous meeting in April 2022. The key change related to the impact of the Board's deliberations on the CSM allocation of annuities issue on the overall true and fair view conclusions.

The Board considered the final draft Due Process Compliance Statement (DPCS), which had been amended to reflect recommendations by the Board at its previous meeting in April 2022. The DPCS had been amended to clarify how the UKEB has developed its due process during the project and the Board's overall conclusion that appropriate due process was complied with.

The Board considered a letter received on 6 May 2022 from a stakeholder, which is available on the UKEB website. The comments in the letter were in relation to adequacy of due process and Counsel's opinion relating to the UKEB's obligations in respect of the true and fair view criteria set out in the Statutory Instrument that sets out the adoption criteria. The Board noted that the Chair had responded to the letter. The Board also noted that Counsel's opinion was sought in the context of the overall responsibilities of the Board and is one of a number of pieces of evidence that the Board uses in its assessment of standards in the exercise of its independent decision-making.

Lastly, it was noted that the DPCS sets out all the steps taken to ensure compliance with due process. The Board reiterated that the development of the UKEB Due Process Handbook had been carried out in tandem with the work on IFRS 17. However, the Board was satisfied that the relevant due process steps and how they ensured compliance with the UKEB's responsibilities and its guiding principles in the Terms of Reference had been considered regularly at its public meetings. There had also been a substantive level of engagement and input from stakeholders. The Board concluded that it was satisfied that thorough due process had been followed to allow it to conclude that IFRS 17 is not contrary to the true and fair view principle.

The Board noted that, subject to some editorial amendments agreed during the meeting, it was satisfied that the ECA and Feedback Statement provided an adequate assessment of the work carried out in relation to the statutory adoption criteria.

The Board considered the draft IFRS 17 Adoption Statement and carried out a tentative vote on the adoption of IFRS 17 by a show of hands. All 11 Board members tentatively voted in favour of adoption.

It was noted that, following the meeting, the UKEB Secretariat would make the required amendments to the ECA and carry out a final check with the Board to ensure that it was content with the amendments. The Board would then provide formal written votes on the adoption of IFRS 17. In line with the UKEB's Terms of Reference, the result of the formal vote would be made public within three working days.

The meeting ended at 12:45pm.