

Summary of the UKEB’s Public Session held on 17 September 2021 at 9.30am via Microsoft Teams

The UKEB met for the public session remotely on 17 September 2021. A video recording of the meeting and the agenda papers discussed during the meeting are available to view 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
Joyce Grant	Observer from the Financial Reporting Council
Lee Pillar	Observer from Financial Conduct Authority
Andrew Murray	Observer from The Bank of England
Hamed Kamal	Observer from Department for Business, Energy and Industrial Strategy
Christopher Haworth	Observer from Her Majesty’s Revenue and Customs

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

Administrative matters

Apologies were received from Kathryn Cearns. All other Board members were in attendance.

Declarations of interest

The Board noted Katherine Coates' executive role providing advice to insurance companies, albeit not specifically on IFRS 17, and that Paul Lee's employer provided advice to pension schemes on bulk annuities. Phil Aspin restated his role as a Director of United Utilities.

Update to IFRS 17 project plan

The Board approved a change to the original IFRS 17 project plan, agreeing that the Board's September meeting should focus on the draft assessments of the remaining technical issues previously prioritised by the Board (see technical papers below) and other significant technical issues relating to IFRS 17 endorsement.

Separate papers on the long-term public good and true and fair assessment of IFRS 17 would be presented at the October Board meeting.

Any minor amendments made to the technical papers to reflect comments made at the October Board meeting would be reviewed by the Chair and the IFRS 17 subgroup, with the option to escalate any substantive changes to the full Board consideration if required.

All the UKEB's initial views and assessments would be collated within the Draft Endorsement Criteria Assessment (DECA) and published on the UKEB website for stakeholder comment after the October Board meeting.

IFRS 17: Technical paper on with-profits inherited estates

The Board considered the Secretariat's draft assessment of the issues surrounding the treatment of with-profits inherited estates under IFRS 17.

The Board noted that IFRS 17 did not require specific disclosures in this area and that the post-implementation review process may examine the approaches to presentation and disclosure taken by the industry.

The Board confirmed it was content with the direction taken by the Secretariat in the presented papers.

IFRS 17: Technical paper on profitability buckets and annual cohorts.

The Board considered the Secretariat's draft assessment of IFRS 17 impact on profitability bucket and annual cohorts. It noted that concerns had been expressed, particularly by some EU companies, that the level of aggregation required under the standard might not result in useful information for some contracts and could impose a significant operational burden. An optional carve-out was being considered by the EU. Views on this topic would be sought from UK stakeholders and the effect of the optional carve out, particularly in terms of transparency

to the market or consistency within international groups, would be considered within the long-term public good assessment in the DECA.

The Board confirmed it was content with the direction taken by the Secretariat in the presented papers.

IFRS 17: Technical paper on Contractual Service Margin (CSM) allocation for annuities

The Board viewed and commented on the Secretariat's preliminary assessment of IFRS 17's requirements for CSM allocation for annuities.

The Board agreed it was content with the format and content of the preliminary assessment, subject to the outcome of industry's engagement with the IASB.

It was noted at the 20 July meeting, that it would be helpful for industry to prepare a comprehensive technical paper as the basis for an approach by industry to the IASB requesting formal advice. This paper was in progress and an update would be provided to the Board at its October meeting.

IFRS 17: Technical paper on other significant issues

The Board considered a paper on 'other significant issues' relating to the endorsement of IFRS 17 which had been identified by the Secretariat, the Insurance TAG and through stakeholder engagement.

The Board discussed the paper and agreed this assessment should be included as an appendix to the published DECA. Other areas which had not been considered in such depth would be referenced together elsewhere within the DECA.

Endorsement of 2020 Narrow Scope Amendments – DECA

The Board approved the publication of a Draft Endorsement Criteria Assessment (DECA) on three annual improvements amendments from the *Annual improvements to IFRS® Standards 2018–2020 cycle* and three IASB narrow scope amendments (relating to IAS 16, IAS 37 and IFRS 3).

Regulatory Assets and Regulatory Liabilities – Feedback Statement

The Board provided comments on the UKEB's feedback statement in relation to the IASB's Exposure Draft *Regulatory Assets and Regulatory Liabilities* and approved it for publication on the UKEB's website. The Board requested that Feedback Statement referred to the compressed timetable for obtaining stakeholder feedback which the UKEB had been required to work within.

IASB Agenda Consultation – comment letter and feedback statement

The Board reviewed the proposed final comment letter and feedback statement relating to the IASB's third agenda consultation (which had been published in 2021). It made some minor

comments on the phrasing of the letter and approved it for issue to the IASB. It also approved the feedback statement for publication on the UKEB website.

IFRS 17 Narrow-Scope Amendment – Final Comment Letter and Feedback Statement

The Board noted feedback received from stakeholders regarding the UKEB's draft comment letter on a narrow-scope amendment to IFRS 17 proposed by the IASB. It approved the final comment letter for issue to the IASB and also approved the feedback statement, subject to a change of format, for publication on the UKEB website.

Project initiation Plan (PIP) on the IASB's pilot approach to disclosure requirements

IASB's deadline for the receipt of responses to its Exposure Draft *Disclosures Requirements in IFRS Standards—A Pilot Approach* had been extended to 12 January 2022. The Board noted the consequential update to the Secretariat's PIP. Educational videos on implications of the project had been published on the UKEB website.

The Board approved the revised PIP.

Lack of Exchangeability – Feedback Statement

The Board approved the Feedback Statement to the IASB's Exposure Draft *Lack of Exchangeability (Amendments to IAS 21)* for publication. The comment letter had already been approved at the 20 July 2021 UKEB meeting and submitted to the IASB on 31 August 2021.

The meeting ended at 12:45 pm.