

## Summary of UKEB's Public Session held on 20 July 2021 at 1:30 am via Microsoft Teams

The UKEB met in public session remotely on 20 July 2021. A recording of that meeting and the agenda papers discussed are available on the UKEB's website. The meeting was attended by the following.

Name	Designation
Pauline Wallace	Chair
Amir Amel-Zadeh	Member
Liz Murrall	Member
Giles Mullins	Member
Katherine Coates	Member
Kathryn Cearns	Member
Michael Wells	Member
Paul Lee	Member
Phil Aspin	Member
Sandra Thompson	Member
Andrew Death	Observer- Department for Business, Energy & Industrial Strategy
Andrew Murray	Alternate Observer- Bank of England
Lee Pillar	Alternate Observer- Financial Conduct Authority
Joyce Grant	Observer- Financial Reporting Council
Chris Haworth	Observer- Her Majesty's Revenue and Customs

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

### Administrative Matters

Apologies were noted for Mike Ashley.

Paul Lee noted that his employer advises many UK defined benefit pension schemes to which IFRS 17 will be relevant. The firm has advised a number through the de-risking process, including reaching commercial buy-out agreements using bulk annuities from insurance companies. These commercial transactions have provided certainty and security to thousands of individual beneficiaries. The Board noted the declaration.

### Draft Due Process Handbook

The UKEB provided input on the draft due process steps for thought leadership, research programme, and post-implementation reviews proposed by the Secretariat for inclusion in the Board's Due Process Handbook ("the Handbook").

The UKEB also noted the Secretariat's proposed timeline for public consultation and completion of the Handbook, which sets out that:

- A consolidated draft of the Handbook is expected to be brought to the Board for approval at its October 2021 meeting.
- The formal approval to publish the draft Handbook for public consultation is expected to be considered at the November 2021 Board meeting.
- The final Handbook is expected to be issued no later than May 2022.

## **IFRS 17 *Insurance Contracts* Technical Papers: Discount Rates and Contractual Service Margin**

The UKEB discussed the paper on Discount Rates and, subject to minor amendments, was content with the technical content of the preliminary assessment and the approach to reporting that assessment.

The Board also discussed the paper on Contractual Service Margin allocation for annuities and agreed that representatives of insurance companies and auditors should be encouraged to prepare a comprehensive technical paper as the basis for an approach to the IASB for further clarification on that issue.

Further technical papers and a consolidated version of the Draft Endorsement Criteria Assessment (DECA) for IFRS 17 is expected to be presented to the Board at its September 2021 meeting.

## **IFRS 17 *Insurance Contracts* – Narrow-scope amendment**

The UKEB noted the time constraints for this project and that the Exposure Draft is expected to be published by the end of July. The Board delegated the review and approval of the draft comment letter to a sub-committee of the board. The draft comment letter is expected to be published for stakeholder comment by 9 August 2021.

## **Business Combinations Under Common Control**

The UKEB provided input and approved the final comment letter for publication, subject to that input being reflected therein. The UKEB also reviewed, provided input and approved the feedback statement, subject to that input being reflected therein.

## **Disclosure Requirements in IFRS Standards – A Pilot Approach**

The UKEB noted that the timelines of the project may change as the IASB is considering an extension of the comment deadline on the project to allow further field-testing of the proposals. The UKEB approved the project initiation plan subject to changes to the IASB comment deadline.

The UKEB reviewed and provided input into the draft comment letter. The amended letter will be approved via email and published for stakeholder comment during August 2021.

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## **Lack of Exchangeability**

The UKEB considered the project initiation plan and advised a revision to the plan to ensure the final UKEB comment letter meets the IASB deadline.

The Board also provided input on the draft comment letter and delegated the authority to the Chair to approve the publication of the draft comment letter for stakeholder comment.

## **IFRS Foundation proposals for a sustainability standards board**

The UKEB considered and agreed with the Secretariat recommendation to submit a comment letter to the IFRS Foundation on its proposals to set up a sustainability standards board. The Board provided input on the draft letter and delegated the authority to the Chair to approve the final comment letter for submission to the IFRS Foundation.

The meeting ended at 4:40 pm.