



# IFRS Interpretation Committee – Comment on tentative agenda decision: ‘Premiums Receivable from an Intermediary IFRS 17 and IFRS 9’

## IFoA Response

The Institute and Faculty of Actuaries (IFoA) is a royal chartered, not-for-profit, professional body. We represent and regulate over 32,000 actuaries worldwide, and oversee their education at all stages of qualification and development throughout their careers.

1. The Institute and Faculty of Actuaries (IFoA) welcomes the opportunity to comment on the tentative agenda decision made by the International Accounting Standards Board (IASB) IFRS Interpretation Committee (the ‘Committee’) on the Premiums Receivable from an Intermediary (IFRS 17 and IFRS 9).
2. The tentative agenda decision of Committee is set out here:  
  
<https://www.ifrs.org/projects/work-plan/premiums-receivable-from-an-intermediary-ifrs-17-and-ifrs-9/tentative-agenda-decision-and-comment-letters/#consultation>.
3. We have been actively engaged in the development of IFRS 17 for a number of years including responding to each Exposure Draft published by the IASB and through supporting the global IFRS 17 work of the International Actuarial Association (IAA).
4. It is important to note that, as for any IFoA response, we have considered the tentative agenda decision made by the Committee from an independent, public interest perspective.
5. We welcome the Committee considering the question as to how an insurer applies the requirements in IFRS 17 Insurance Contracts and/ or IFRS 9 Financial Instruments to premiums receivable from an intermediary. In our experience these arrangements can take various forms and we have observed insurers proposing to adopt either View 1 (premiums within IFRS 17 cash flows) or View 2 (premiums treated as a separate financial asset applying IFRS 9) as considered by the Committee.
6. We observe merits and challenges with both View 1 and View 2. We agree with the tentative decision that an insurer could account for premiums paid by a policyholder and receivable from an intermediary applying either IFRS 17 or IFRS 9. As the tentative decision sets out, IFRS 17 is silent on when future cash flows within the boundary of an insurance contract are removed from the measurement of a group of insurance contracts, and so alternative views are possible.

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7. We believe that permitting a choice is also appropriate, given the advanced stages of implementing IFRS 17 that many preparers find themselves, as we enter the first formal reporting on IFRS 17 in 2023 (including 2022 comparatives).
8. We request that the Committee considers carefully any new IFRS 17 topics taken onto its agenda over the remainder of 2023 and H1 2024. This is in view of the need for a stable accounting basis as insurers formally report audited financial statements for the first time at 31 December 2023 (or equivalent date).

Should you want to discuss any of the points raised please contact me, Technical Policy Manager (steven.graham@actuaries.org.uk) in the first instance.

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Yours Sincerely,

Steven Graham  
**On behalf of Institute and Faculty of Actuaries**