



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION

**PRESS RELEASE
21 JANUARY 2019**

INSURANCE COMMISSIONER FUNA DELAYS IFRS 17 TO 01 JANUARY 2023

Insurance Commissioner Dennis B. Funa has deferred the effective date for International Financial Reporting Standard (IFRS 17) Insurance Contracts for life and non-life insurance companies in the country to 01 January 2023—granting an additional one-year period from the date of effectivity proposed by the International Accounting Standards Board (IASB).

IFRS 17-Insurance Contracts was issued by the IASB on 18 May 2017 with a mandatory effective date of annual periods beginning on or after 01 January 2021 which was later deferred to annual periods beginning on or after 01 January 2022.

The implementation of IFRS 17 was bombarded by challenges such as tight timeline, determination of model, lack of clarity, resources and expertise, tight budget, report and disclosure, and lack of IT infrastructure.

According to Commissioner Funa, there is a necessity for an additional period of time, in addition to that proposed by the IASB, to prepare for the implementation of IFRS 17.

He cited that other countries have varying implementing periods for IFRS 17 in their jurisdiction.

“In the case of India, they will have an early adoption of IFRS beginning either year 2020 or 2021. Malaysia, on the other hand, will adopt it on 2021 but subject to the development of IASB. In fact, only Thailand intends to comply with IFRS 17 based on the deferred date proposed by the IASB,” said Commissioner Funa.

He added, “Other countries such as China, Hongkong, Japan, Macao, Taiwan and United Arab of Emirates are still assessing the feasibility of implementing IFRS 17.”

Commissioner Funa noted that local insurers who are willing and ready to comply with IFRS 17 are not precluded to implement the same.

“Insurers who wish to voluntarily comply with the IFRS 17 before the deferred effectivity date are not precluded to implement the same. In fact, based on the issue papers submitted to the Insurance Commission, there are insurance companies set to

implement IFRS 17 due to the requirement of their respective parent companies,” said Commissioner Funa.

Commissioner Funa added that pre-need companies, health maintenance organizations and mutual benefit associations shall maintain compliance with the current accounting standards until further required by the Insurance Commission to comply with the IFRS 17.

The IFRS is a set of accounting standards that are recognized by at least 166 countries, including the Philippines, and provides a guide on how particular types of transactions and other events should be reported in the financial statements.

IFRS 17 Insurance Contracts, which superseded IFRS 4 Insurance Contracts, establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts issued.

It also required similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued.



ATTY. JOANNE FRANCES D.O. CASTRO
Media Relations Officer
jfdc.castro@insurance.gov.ph