

Click [here](#) if you are having trouble viewing this message.



Updates on HKFRS/IFRS 17 Insurance Contracts from the Standard Setting Department of the Hong Kong Institute of Certified Public Accountants (22 March 2021)

(Issue 9)

Dear HKICPA insurance subscribers,

International and domestic developments on Amendments to IFRS 17

After consideration of due process, the Institute's Financial Reporting Standards Committee (FRSC) finalised endorsement of, and issued as of October 2020, the final *Amendments to HKFRS 17* (the Amendments), with an effective date of 1 January 2023. The Amendments are fully aligned with *Amendments to IFRS 17* as issued by the International Accounting Standards Board (IASB).

In its endorsement and finalisation of the Amendments, the FRSC took into account the concerns from local stakeholders on the original effective date, the endorsement status of other jurisdictions, and the importance of moving towards a globally consistent effective date.

The Institute also circulated a [letter](#) to the Hong Kong authorized insurers with the assistance of the Insurance Authority to update them of the FRSC's endorsement.

A copy of the full text of HKFRS 17, including the Amendments, is available in the Institute's [Members' Handbook](#) on the HKICPA website.

Next steps

The Institute will continue to monitor international and local developments with regards to the implementation of HKFRS/IFRS 17. The Institute recommends that entities make constructive use of the deferral of the effective date to 1 January 2023, and continue their implementation efforts in order to be in the position to successfully apply the HKFRS/IFRS 17 by this date.

Hong Kong Insurance Implementation Support Group (HKIISG) update

The HKIISG continues to meet regularly to discuss implementation issues related to HKFRS/IFRS 17, ongoing support is provided to stakeholders through the HKIISG. There were four HKIISG meetings held in 2020, and one thus far in 2021.

[Meeting dates in 2021](#) have been posted on the HKICPA website, and the first meeting was held on [February 2021 with three submissions](#).

Stakeholders interested in HKFRS 17 implementation are invited to:

- register as an observer to attend a meeting;
- submit an implementation question; and/or

- follow meeting outcomes (via agenda papers, meeting summaries, and the submission log, with links below).

[Agenda papers and meeting summaries for all HKIISG meetings](#), [information how to register as an observer](#), and [details on how to submit an implementation question](#) may be found on our websites.

Training and other resources on HKFRS/IFRS 17

Resources and educational materials may be found on the Institute's Insurance [webpage](#). Additionally, the IASB's [implementation support webpage](#) contains a series of educational webcasts and webinars on the requirements of the Standard. The IASB also published [regular podcasts](#) covering decisions made during the Amendments to IFRS 17 project. The Institute, in collaboration with KPMG, also offers an [e-course](#) covering technical topics on IFRS 17. The course consists of multiple interactive modules to allow flexible learning. Institute members can register at preferential rates using a discount code in the members' area of the Institute's webpage.

The Institute continues to monitor the ongoing COVID-19 situation for face-to face events, and further details from the Institute on the coronavirus situation are available on the [COVID-19 CPA Information Centre](#).

Frequently asked questions on the interaction between HKFRS 16 Leases and the Hong Kong Insurance (General Business) (Valuation) Rules

On 29 October 2020, the Insurance Authority issued a circular on [Applying the provisions of Insurance \(General Business\) \(Valuation\) Rules in the valuation of right of use asset and related lease liability](#) (the "circular"). The intention of that circular is to provide general guidance on the application of Insurance (General Business) (Valuation) Rules (Cap.41G) (the "Valuation Rules") with respect to the determination of the value of a right-of-use ("ROU") asset of leased premises and related lease liability, as set out in HKFRS 16 *Leases*.

The staff of the Institute have prepared a [frequently asked questions](#) in December 2020 to notify Institute members of the circular and explain its relation to Hong Kong Financial Reporting Standards. Institute members and other users of this guidance should also read the original text of HKFRS 16 *Leases*, as found in the Institute's Members' Handbook, and the circular.

Conclusion

If you have colleagues or peers that would like to receive these updates, please ask them to subscribe by e-mailing insurance@hkicpa.org.hk. Past newsletters are available [here](#).

Sincerely,

Standard Setting Department
Hong Kong Institute of Certified Public Accountants



Install the HKICPA Events app



Disclaimer: Some sections contain information from outside sources. We endeavour to link to reputable sources but the Institute is not responsible for the accuracy of the content and the content does not necessarily represent the views of the Institute.

This email together with the file(s) transmitted is intended solely for addressee(s) only and may contain confidential or privileged information. If you received this email in error, please contact the sender and delete it together with its attachment(s) from your computer(s). You should note that the views expressed in this email are those of the author and do not necessarily represent those of the Institute. The recipient should check this email and all attachments for the presence of virus. The Institute will not accept liability for any damage caused by any viruses transmitted with this email.

[Manage communication preferences](#) | [Privacy policy](#) | [Personal information](#) | [Contact us](#)

Copyright © 2021 Hong Kong Institute of CPAs. All rights reserved.