



International Actuarial Association
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Institute of Actuaries of India
Statutory body established under an Act of Parliament



**21st Global
Conference
of Actuaries**

17th - 19th February 2020 | Mumbai, India

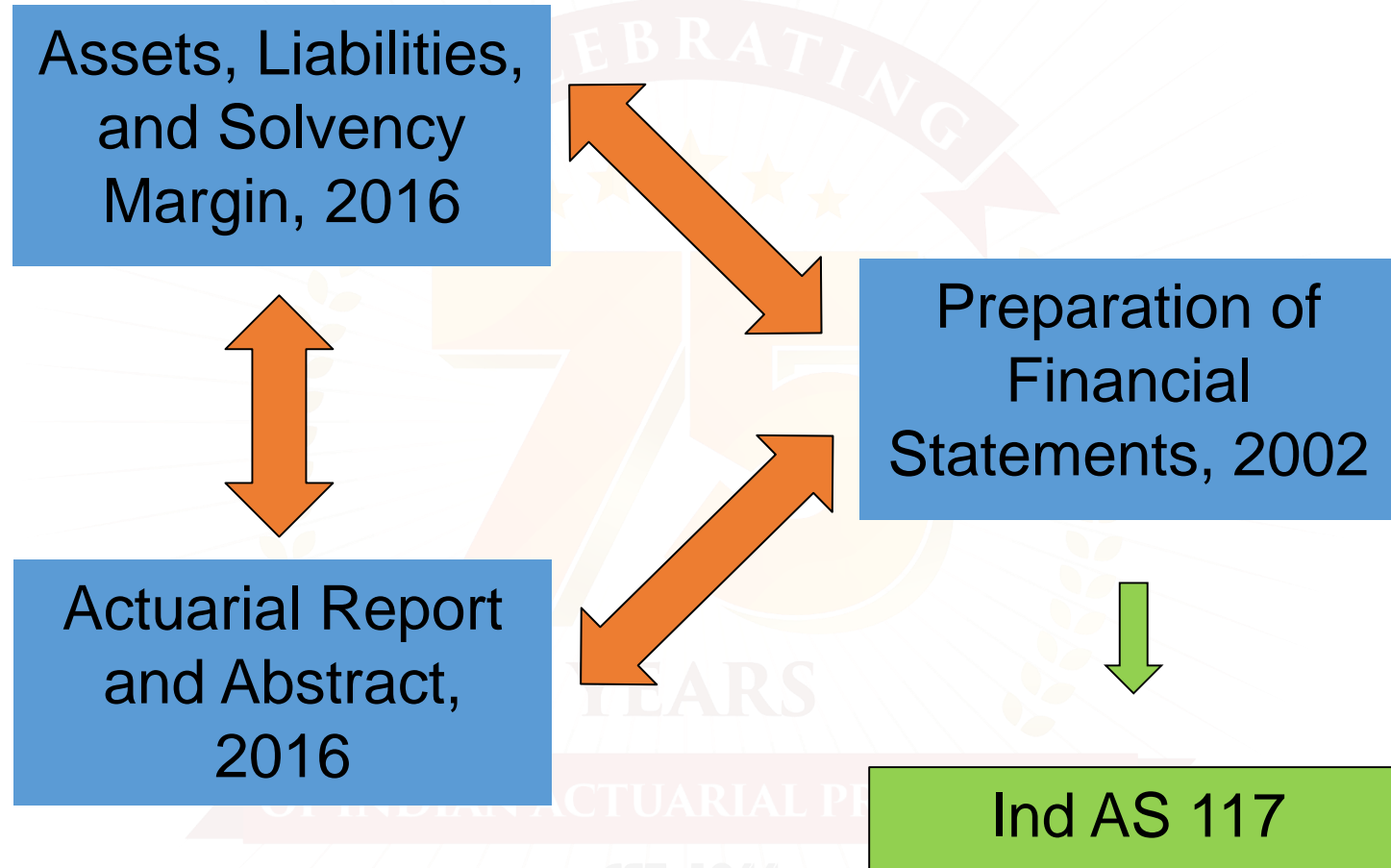
IFRS 17 implementation in the Gulf

Philip Jackson

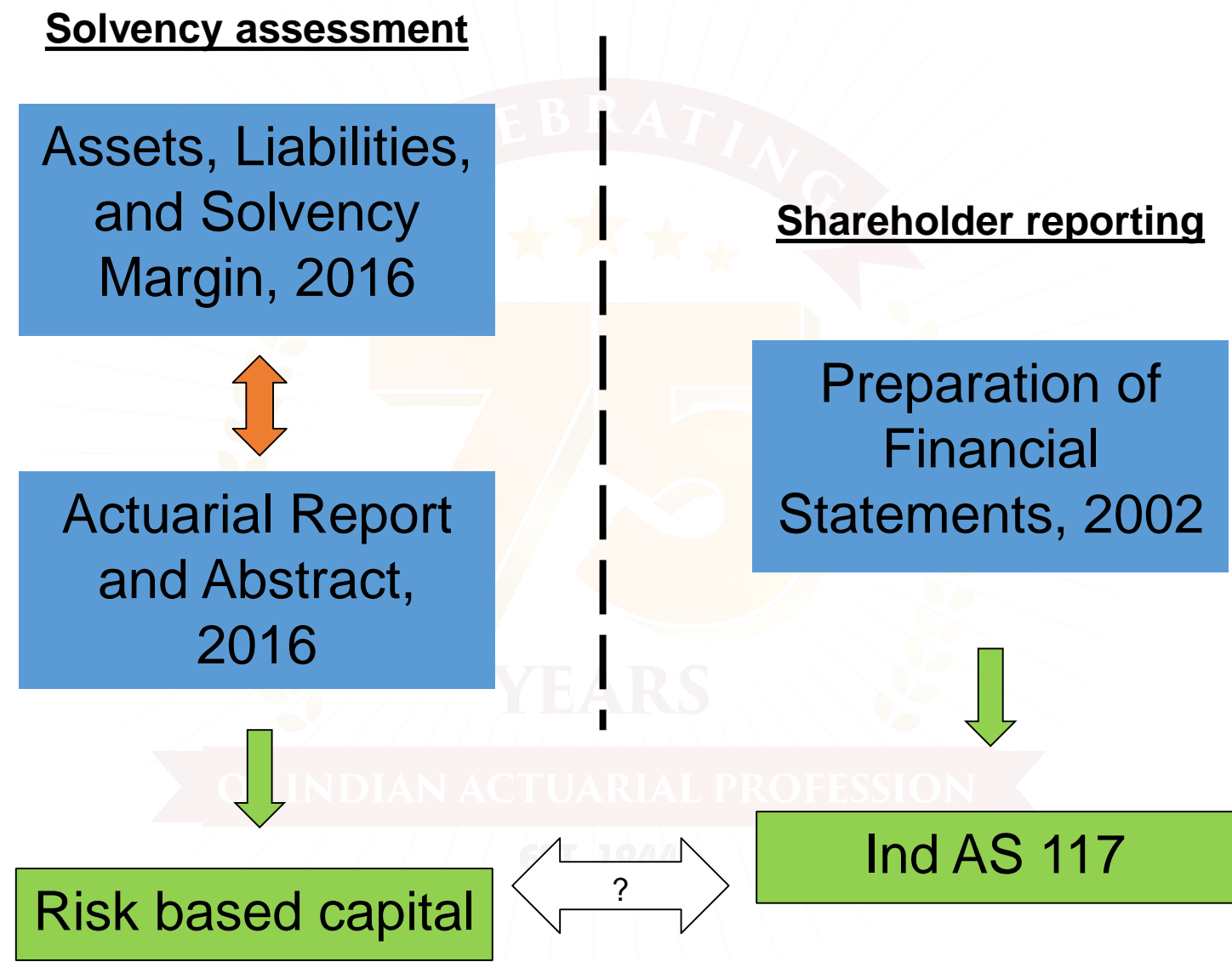
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19th February 2020

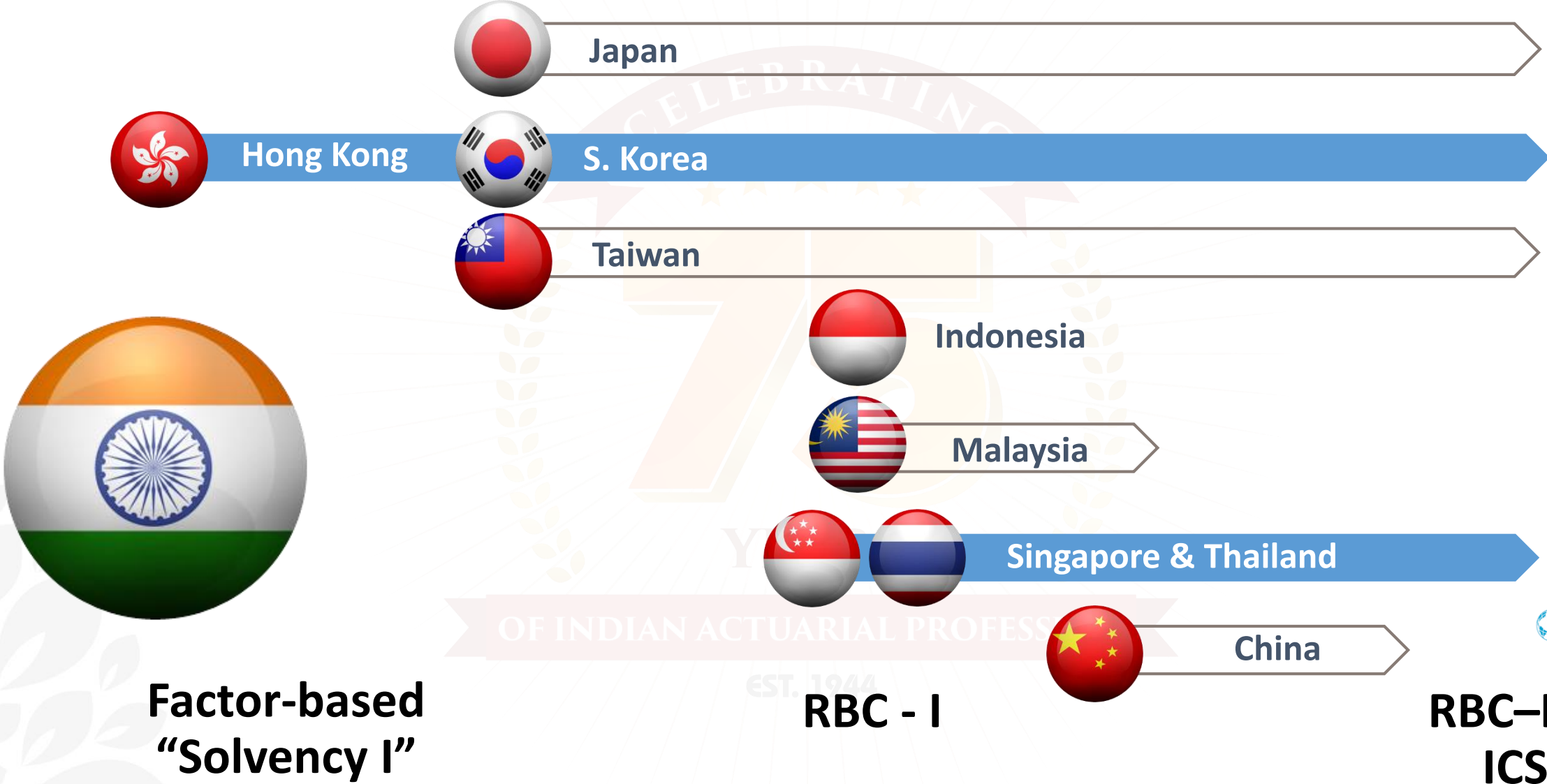
Accounting / Solvency - India



Accounting / Solvency - India



Evolution of RBC in the region



Factor-based
"Solvency I"

RBC - I

RBC-II /
ICS

IFRS 17 - Company project Plans

Companies to update regulators on progress & impacts assessments

2019

- Planning
- Gap Analysis
- Comply vs Transform?

2020

- IFRS17 final?
- Financial impact
- Systems impact
- Methodology
- Resources
- Chart of Accounts
- Prioritise
- Governance
- Forecasting
- Data

2021

- Optimise
- Methodology
- End-to-end dry Run
- Systems
- Knowledge Transfer
- Stakeholder education
- New KPIs
- YE21 (IFRS 4/17)

2022

- Go live?
- Additional year?
- YE22 on IFRS 17
- Parallel financials
- KPIs
- Audits
- Stakeholder education

2023?

- Possible extension?
- One transitional date to maximize comparisons (entity, group, regions)
- Do it right!

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IFRS 17 - Regulatory Activities - Middle East



Country	Gap Analysis	Impact Assessment	Design	Implementation	Regulatory Adoption?
UAE (Ins Auth.)	<ul style="list-style-type: none"> 2019 Mar 	<ul style="list-style-type: none"> 2020 Mar 	<ul style="list-style-type: none"> Quarterly Updates Discussions already happening 	<ul style="list-style-type: none"> 2021 Parallel reporting for year-end 2021 Optimise Systems & processes Quarterly evaluation of the results 	TBD
Saudi Arabia (SAMA)	<ul style="list-style-type: none"> 2019 Mar 	<ul style="list-style-type: none"> 2020 Mar 	<ul style="list-style-type: none"> Tbd... Consulting with the Saudi Organization for Certified Public Accountants (SOCPA) 	<ul style="list-style-type: none"> Tbd... Consulting with SOCPA. Implementation plan (phase 3)? Implementation & dry runs (phase 4) 	TBD
Qatar (QCB)	<ul style="list-style-type: none"> 2019 May 		<ul style="list-style-type: none"> 2020 Sept Rules & Processes for implementation 	<ul style="list-style-type: none"> 2020 Parallel reporting for year-end 2021 Optimise 	TBD
Oman (CMA)	<ul style="list-style-type: none"> 2019 Sep 		<ul style="list-style-type: none"> 2020 June 	<ul style="list-style-type: none"> 2021 Dec Half-yearly updates 	TBD
Jordan , Bahrain, Lebanon	<ul style="list-style-type: none"> 2020 Mar 				

IFRS 17 - Regulatory Activities - Malaysia

Companies required to provide their project plan and budgets on IFRS17 to regulators in 2017

Companies then are required to provide quarterly updates on their IFRS17 implementation progress

No further testings apart from QT2 for IFRS17 back in 2018.

BNM recently issued new valuation guidelines, in an attempt to streamline some aspects of IFRS17 with the statutory valuation (e.g. discount rates). BNM still expects differences between stat valn and IFRS17 valuation.

IFRS 17 - Life vs NonLife Challenges

Life insurers

Significant accounting changes are almost certain to occur under the new standard

Sources of complexity include...



Use of current estimates



Disaggregating changes in LRC



Tracking the **CSM** at a group level



Qualifying for the PAA



LIC discounting



Onerous contracts

Non-life insurers

Accounting for non-life insurers may have **similarities to current practice**

But **major impacts** may arise around...

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IFRS 17 - Implementation Challenges

- No “Local GAAP” → IFRS is compulsory!
- Change (“ground zero”, new accounting, managing business)
- Ownership at all levels (Resources & Knowledge transfer)
- Cost implications (resources, systems)
- Loss of focus? Still have to run the business in the meantime?
- New KPIs - Are we losing a treasure of information?
- Industry fora (knowledge sharing, quality management)
- Effective date 2022 vs 2023?
- Emergence of the “AccounTuary”: A new species?



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Thank You