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Subject:	COMMISSION REGULATION (EU) .../... of XXX amending Regulation (EC) No 1126/2008 as regards International Financial Reporting Standard 17

Delegations will find attached document D081043/01.

Encl.: D081043/01



EUROPEAN
COMMISSION

Brussels, **XXX**
[...] (2022) **XXX** draft

D081043/01

COMMISSION REGULATION (EU) .../...

of **XXX**

**amending Regulation (EC) No 1126/2008 as regards International Financial Reporting
Standard 17**

(Text with EEA relevance)

COMMISSION REGULATION (EU) .../...

of **XXX**

amending Regulation (EC) No 1126/2008 as regards International Financial Reporting Standard 17

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards¹, and in particular Article 3(1) thereof,

Whereas:

- (1) By Commission Regulation (EC) No 1126/2008², certain international accounting standards and interpretations that were in existence on 15 October 2008 were adopted.
- (2) On 19 November 2021, by Commission Regulation (EU) 2021/2036³ the Commission adopted the new International Financial Reporting Standard (IFRS) 17 *Insurance Contracts* as issued by the International Accounting Standards Board (IASB) in May 2017 and amended by it in June 2020. That standard is to apply from 1 January 2023 onwards. Earlier application is permitted.
- (3) On 9 December 2021, the IASB published a further amendment to IFRS 17. The amendment to the transition requirements in IFRS 17 allows companies to overcome one-time classification differences of comparative information of the previous reporting period upon initial application of IFRS 17 and IFRS 9 *Financial Instruments*.
- (4) The optional classification overlay introduced by that amendment enables companies to increase the usefulness of comparative information presented upon the initial application of IFRS 17 and IFRS 9. The scope covers financial assets linked to insurance liabilities, which have not been restated for IFRS 9 so far.
- (5) Following the consultation with the European Financial Reporting Advisory Group, the Commission concludes that the amendment to IFRS 17 *Insurance Contracts* meets the criteria for adoption set out in Article 3(2) of Regulation (EC) No 1606/2002.
- (6) Regulation (EC) No 1126/2008 should therefore be amended accordingly.

¹ OJ L 243, 11.9.2002, p. 1.

² Commission Regulation (EC) No 1126/2008 of 3 November 2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council (OJ L 320, 29.11.2008, p. 1).

³ Commission Regulation (EU) 2021/2036 of 19 November 2021 amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standard 17 (OJ L 416, 23.11.2021, p. 3).

(7) The measures provided for in this Regulation are in accordance with the opinion of the Accounting Regulatory Committee,
HAS ADOPTED THIS REGULATION:

Article 1

In the Annex to Regulation (EC) No 1126/2008, International Financial Reporting Standard (IFRS) 17 *Insurance Contracts* is amended as set out in the Annex to this Regulation.

Article 2

Companies can apply the amendment referred to in Article 1 only on initial application of IFRS 17 *Insurance Contracts* and IFRS 9 *Financial Instruments*.

Article 3

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.
Done at Brussels,

For the Commission
The President
Ursula von der Leyen