

**PRESS RELEASE**

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For immediate release

**International Accounting Standards Board confirms amendments to current insurance contracts Standard**

**The International Accounting Standards Board (the Board) has today confirmed it will amend the current insurance contracts Standard, IFRS 4. This is to address issues that may arise from implementing the new financial instruments Standard, IFRS 9, before implementing the new insurance contracts Standard which will replace IFRS 4.**

At its May meeting, the Board concluded deliberations on this topic and asked staff to draft the final amendments to IFRS 4 *Insurance Contracts*, which the Board expects to issue in September 2016.

The new insurance contracts Standard is currently being drafted and the Board expects to issue it around the end of 2016 with an effective date no earlier than 2020. Both IFRS 9 *Financial Instruments*, effective 1 January 2018, and the new insurance contracts Standard are relevant to companies that issue insurance contracts.

Responding to some companies' concerns about the timing of the implementation of the two Standards and the related consequences, the Board has, following public consultation, confirmed that it will issue amendments to IFRS 4 that:

- give companies that issue insurance contracts the option to remove from profit or loss the volatility that may be caused by certain changes in the measurement of financial assets when applying IFRS 9 before the new insurance contracts Standard; and
- give companies whose predominant activities are insurance-related an optional temporary exemption from applying IFRS 9 until 2021.

The amendments to IFRS 4 will supplement existing options in that Standard that could be used to address the volatility that may be caused by applying IFRS 9 before the new insurance contracts Standard.

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**Notes to editors:**

- Further information about the project can be found [here](#).

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**About the IFRS Foundation**

The IFRS Foundation is an independent, not-for-profit organisation, overseen by a Monitoring Board of public authorities. Its vision of a single set of global accounting standards is supported by G20 leaders and other international organisations with responsibility for the global financial system.

The mission of the IFRS Foundation is to develop IFRS Standards that bring transparency, accountability and efficiency to financial markets around the world, fostering trust, growth and long-term financial stability. The International Accounting Standards Board is the standard-setting body of the IFRS Foundation, made up of independent experts from diverse professional and geographical backgrounds. IFRS Standards are adopted by more than 100 countries globally.

For detailed information on the organisation's structure, the standard-setting process and the spread of IFRS Standards, visit [www.ifrs.org](http://www.ifrs.org).

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