



October 2020

Amendment to FRS 101
Reduced Disclosure Framework
Effective date of IFRS 17

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Amendment to FRS 101
Reduced Disclosure Framework
Effective date of IFRS 17

Amendment to FRS 101 Reduced Disclosure Framework – Effective date of IFRS 17 amends an accounting standard. It is issued by the Financial Reporting Council, as a prescribed body, for application in the United Kingdom and the Republic of Ireland.

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Overview

- (i) The FRC's overriding objective in setting accounting standards is to enable users of accounts to receive high-quality understandable financial reporting proportionate to the size and complexity of the entity and users' information needs.

FRS 101 *Reduced Disclosure Framework* – Effective date of IFRS 17

- (ii) In July 2019 FRS 101 was amended to change the definition of a 'qualifying entity' such that entities that are both required to comply with Schedule 3 to the Regulations¹ (or similar) and have contracts that are within the scope of IFRS 17 *Insurance Contracts* may not be qualifying entities. This change applied from the effective date of IFRS 17, 1 January 2021.
- (iii) In June 2020, the IASB amended IFRS 17 to change, amongst other matters, its effective date to 1 January 2023. When the July 2019 amendments to FRS 101 were issued, it was noted that the effective date of the changes to the defined term 'qualifying entity' would be changed, if the effective date of IFRS 17 was changed. This amendment to FRS 101 aligns the effective dates.

¹ Irish entities shall refer to the European Union (Insurance Undertakings: Financial Statements) Regulations 2015 (S.I. No. 262 of 2015), as amended by the European Union (Insurance Undertakings: Financial Statements) (Amendment) Regulations 2016 (S.I. No. 213 of 2016) (Insurance Undertakings Regulations 2015 (as amended)).

Amendment to FRS 101 *Reduced Disclosure Framework*

Amendment to FRS 101

- 1 The following paragraph sets out the amendment to FRS 101 *Reduced Disclosure Framework* (inserted text is underlined, deleted text is struck through).
- 2 Paragraph 15 is amended as follows:
 - 15 In July 2019 amendments were made to this FRS to change the definition of a qualifying entity to exclude entities that are both required to apply Schedule 3 to the Regulations (or similar) and have contracts that are within the scope of IFRS 17 *Insurance Contracts*. These amendments are effective for accounting periods beginning on or after 1 January 2024~~3~~.

If an entity applies the recognition, measurement and disclosure requirements of IFRS 17 early, these amendments to FRS 101 shall be applied at the same time.

Amendments to other FRSs

- 3 The following paragraphs set out the consequential amendments to the following standards (inserted text is underlined, deleted text is struck through):
 - (a) FRS 100 *Application of Financial Reporting Requirements*; and
 - (b) FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Amendment to FRS 100 *Application of Financial Reporting Requirements*

4 Paragraph 10B is amended as follows:

10B In July 2019 amendments were made to this FRS as a result of the 2018/19 cycle of amendments to FRS 101 to change the definition of a qualifying entity for the purposes of FRS 100 and FRS 101 to exclude entities that are both required to apply Schedule 3 to the Regulations (or similar) and have contracts that are within the scope of IFRS 17 *Insurance Contracts*. These amendments are effective for accounting periods beginning on or after 1 January 2024~~3~~.

If an entity applies the July 2019 amendments to FRS 101 early, these amendments to FRS 100 shall be applied at the same time.

Amendment to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland

Section 1 Scope

5 Paragraph 1.21 is amended as follows:

1.21 In July 2019 an amendment was made to Appendix III *Note on legal requirements* of this FRS as a result of the 2018/19 cycle of amendments to FRS 101. This amendment is effective for accounting periods beginning on or after 1 January 2024³.

If an entity applies the July 2019 amendments to FRS 101 early, this amendment to FRS 102 shall be applied at the same time.

Approval by the FRC

Amendment to FRS 101 Reduced Disclosure Framework – Effective date of IFRS 17 was approved for issue by the Financial Reporting Council on 29 September 2020.

Amendments to Basis for Conclusions *FRS 101 Reduced Disclosure Framework*

1 The following amendments are made to the Basis for Conclusions *FRS 101 Reduced Disclosure Framework* (inserted text is underlined, deleted text is struck through).

2 Paragraph 61I is amended as follows:

61I ~~Originally the amendments' will be effective date was for accounting periods beginning on or after 1 January 2021. This date aligned with the original effective date of IFRS 17. This will enable insurance companies that currently apply FRS 101 to continue to do so until IFRS 17 becomes effective. In June 2020, the IASB is considering decided to defer the effective date changes to of IFRS 17, including a change to its effective date to 1 January 2023. Therefore in October 2020, if the effective date for the of IFRS 17-related changes a further amendment will be made to this FRS to maintain was alignment of effective dates with the revised effective date of IFRS 17. This change ensures that insurance companies that apply FRS 101 can do so until IFRS 17 becomes effective.~~

3 Table 1 *Exposure drafts and consultation documents* is amended as follows (inserted in order of date when finalised amendments were issued):

Exposure draft	Date of issue	Finalised as	Date of issue
N/A		<u>Amendment to FRS 101 Reduced Disclosure Framework – Effective date of IFRS 17</u>	<u>Oct 2020</u>

4 The following amendments are made to Table 2 *IASB publications*:

IFRS or amendment	Date issued by IASB	Date effective	Date endorsed
47 IFRS 17 <i>Insurance Contracts</i>	May 2017	1 Jan 2024 3	TBC
<u>Effective date of IFRS 17 (October 2020)</u>			
56 <u>Amendments to IFRS 17</u>	<u>Jun 2020</u>	<u>1 Jan 2023</u>	<u>TBC</u>



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