

UK Endorsement Board

Technical Advisory Group on IFRS 17 *Insurance Contracts*

Purpose and responsibilities

The purpose of the Insurance TAG will be to support initially the FRC and the Endorsement Board secretariat and, once it is established, the Endorsement Board in developing advice to the Secretary of State for Business, Energy and Industrial Strategy on the adoption of IFRS 17 *Insurance Contracts* for use in the UK in accordance with the requirements laid out in SI 2019/685.¹

The role of the TAG includes sharing specialised knowledge to enhance the Endorsement Board and its secretariat's understanding of accounting issues specific to insurance contracts. This will include technical advice to assist the secretariat in carrying out the following activities:

- Identifying UK-specific interpretation and implementation issues related to IFRS 17
- Preparing and undertaking outreach work with preparers, users, auditors and other interested stakeholders
- Performing an assessment of IFRS 17 against the endorsement criteria set out in Statutory Instrument 2019/685 and in accordance with guidance from HMG
- Preparing draft and final endorsement assessment documents setting out the results of the Endorsement Board and its secretariat's assessment

The Insurance TAG is not a decision-making body, but advisory in nature.

In carrying out its work, the Insurance TAG shall have regard to the UK public interest. This includes having regard to the Secretary of State's interest in ensuring a high degree of transparency and international comparability of financial statements, and the efficient allocation of capital, including the smooth functioning of capital markets in the UK, in accordance with the terms of SI 2019/685.

Composition of the Insurance TAG

The proposed composition of the Insurance TAG is set out in the Appendix. Members are appointed in their personal capacity and may be represented by alternates at the discretion of the Chair.

The Insurance TAG will be chaired by the Endorsement Board's Technical Director, or if not yet appointed, the FRC Director of Accounting and Reporting Policy.

Representatives of other interested organisations (including but not limited to market regulators e.g. the FRC, the Prudential Regulation Authority and the Financial Conduct Authority, CCAB bodies e.g. the Institute of Chartered Accountants in England & Wales, ICAS and ACCA) may be invited to attend the meetings of the TAG as observers with speaking rights. Representatives of other international organisations, e.g. the European Financial Reporting Advisory Group, may also be invited to attend the meetings if deemed beneficial to the work of the group.

The TAG can, through its Chairman, invite other specialists to its meetings for specific agenda items.

¹ SI 2019/685 grants power to the Secretary of State to delegate the endorsement function to an independent body established for the purpose. In due course the Endorsement Board may therefore make decisions on the adoption of international accounting standards rather than advise the Secretary of State. The legislation can be found here: <http://www.legislation.gov.uk/ukSI/2019/685/made>

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Meetings and administrative arrangements

The TAG is expected to provide advice over the course of the development of the endorsement criteria assessment by the Endorsement Board, which is expected to be completed in 2021. Meetings will be held either virtually or physically and are expected to last from 2 to 4 hours. If held physically they will take place in London and will be timed to enable most members to travel to and from London on the same day. Meetings are expected to take place approximately monthly.

The TAG does not express its views publicly. All meetings of the TAG are closed sessions, i.e. not open to public observers. Summaries of meetings will be published, initially on the FRC website. TAG members will be required to treat as confidential all information acquired in the exercise of their function as members.

Advice may also sometimes be sought between meeting dates via email, telephone, video conference or other electronic means.

Endorsement Board secretariat staff will generally prepare the papers for TAG meetings, although TAG members may also be requested to submit papers when appropriate. Administrative support to the TAG may be provided by either the Endorsement Board secretariat or by FRC staff.

Notice of each meeting, confirming the date, time and venue, will be sent to each member at least 10 working days in advance. The aim is for meeting agendas and papers to be made available not less than five working days before the TAG meeting, and Endorsement Board secretariat staff will endeavour to make a draft summary available not later than ten working days after each meeting.

Relationship with FRC

If the Endorsement Board's Technical Director is not yet appointed at the time the Insurance TAG meets, then the FRC's Director of Accounting and Reporting Policy will act as its Chair. Any FRC staff involved in the IFRS 17 endorsement project may prepare papers and attend meetings. By invitation of the Chair other FRC staff may attend the meetings of the TAG when appropriate to improve their understanding of the issues at stake and the recommendations of the TAG.

Remuneration for members

Members of the TAG will not be remunerated.

TAG members will be reimbursed for reasonable travel and other costs incurred in participating in the activities.

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Appendix - Intended composition of IFRS 17 Technical Advisory Group

Membership of the IFRS 17 Technical Advisory Group shall comprise the TAG Chair plus members with the following backgrounds to the extent possible:

Category	Number
Preparers of accounts	2–3
Auditors and accounting firms	2–3
Investor and other users of accounts	1–3
Actuarial and systems	1-2
Other	1–2
Total (target)	9-11
Chair (FRC)	1
Observers	Up to 5

The Chair of the TAG will seek to ensure that the TAG is diverse in terms of the skills, experience, background, race, gender and other characteristics of its members.