

ERNAKULAM BRANCH OF SIRC of ICAI

COMMENTS on

Exposure Draft of Amendments to Ind AS 117 for Comments

(a) Do you think that the transition option (classification overlay-paragraphs C28A C28E) available to entities that first apply Ind AS 117 and Ind AS 109 at the same time, similar to the one provided in the aforesaid amendments to IFRS 17, could be relevant for 3 Indian entities.

Response

The transition option (classification overlay-paragraphs C28A C28E) is available to entities that first apply Ind AS 117 and Ind AS 109 at the same time, similar to the one provided in the aforesaid amendments to IFRS 17.

It is better for the Indian entities to adhere to the transitional adjustment in accordance with the amendments to IFRS 17.

It is required An entity must provide disclosures that enable users of financial statements to identify the effect of groups of insurance contracts measured at the transition date when applying the fair value approach on the contractual service margin and insurance revenue in subsequent periods. To achieve this, IFRS 17 requires various disclosures to be made each reporting period until the contracts which exist at transition have expired or been extinguished. The purpose of this is to enable users of financial statements to understand the nature and significance of the methods used and judgments applied in determining the transition amounts

IT is required for the entity should disclose a reconciliation of the opening to the closing balance of the cumulative amounts included in other comprehensive income for financial assets measured at fair value through other comprehensive income related to the groups of insurance contracts. The reconciliation should include, for example, gains or losses recognised

in other comprehensive income in the period and gains or losses previously recognised in other comprehensive income in previous periods reclassified in the period to profit or loss

An entity need not disclose previously unpublished information about claims development that occurred earlier than five years before the end of the annual reporting period in which it first applies IFRS 17. However, if an entity does not disclose that information, it shall disclose that fact.