



NFRA interacts with Life Insurance Industry on AS 117 for accounting for insurance contracts

प्रविष्टि तिथि: 23 FEB 2023 1:12PM by PIB Delhi

The Executive Body of National Financial Reporting Authority (NFRA) held interaction with members from Life Insurance Industry yesterday to discuss the proposed changes that Ind AS 117 seeks to bring to accounting for insurance contracts. Representatives from IRDAI also participated.

IndAS 117 is based on high quality global standard IFRS 17, Insurance Contracts issued by the International Accounting Standard Board of IFRS Foundation. IFRS 17 which was originally issued in May 2017 has become globally effective from 1 January 2023. It is expected to help investors and others better understand insurers' risk exposure, profitability and financial position.

NFRA received the ICAI proposal for IndAS 117, along with the results of public consultations carried out since 2018. Several Life Insurance Entities had offered their comments on the exposure drafts issued by ICAI. Ind AS 117 is specifically designed to capture the unique features of the insurance and investment contracts of the Insurance Entities and introduces a paradigm shift in the measurement, presentation and disclosures in the financial statements of the Insurance Entities.

Dr Ajay Bhushan Pandey, Chairperson NFRA emphasized the central role played by the Insurance Industry in the global economy; he said that based on an IASB study, with US\$13 trillion in assets, insurers account for 12 per cent of the total assets of listed companies in 2015. Given the importance of the insurance sector, it was important to appreciate the practices and standards followed by the Industry and the expected benefits of their convergence with international standards and best practices.

Fruitful deliberations were held wherein representatives from IRDAI and members from the Life Insurance Industry provided valuable insights into the intricacies of the proposed Ind AS 117 and the wide consultations, capacity building and knowledge sharing efforts that are being carried out towards preparedness and to equip companies and professionals (accounting, actuaries and technology teams) to handle change.

RM/PPG/KMN

(रिलीज़ आईडी: 1901643) आगतुक पटल : 832

इस विज्ञप्ति को इन भाषाओं में पढ़ें: Urdu , Hindi , Tamil , Telugu