

IA|BE Regulatory Watch 3 16 October 2019

We hereby present you a new issue of the IA|BE Regulatory Watch. Through this publication we want to inform you of changes and updates in the regulatory framework that could impact your day-to-day work.

As we operate in a heavily regulated industry, we can't claim to be complete. Our main aim is to make you aware of the changes and to trigger your attention.

We distinguish 3 categories: regulatory items from Belgian (BE), European (EUR) and International (INT) instances.

The IA|BE Regulatory Watch is based on publicly available information.

BE 2019 1010: NBB releases draft circular on Loss Absorbing Capacity of Deferred Taxes under Solvency II

- French version available at IA|BE; Dutch version not yet available
- Circular would take effect as of 1 January 2020

INT 2019 1010: IAA Resource and Environment Working Group Releases a Discussion Paper on Climate Change, Insurance and Vulnerable Populations.

- https://www.actuaries.org/IAA/Documents/Publications/News_Releases/2019/News_Release_Climate_Change_Vulnerable_Populations_EN.pdf

EUR 2019 0930 : EIOPA issues opinion on sustainability within Solvency II

- EIOPA reinforces its call for the stewardship role of (re)insurers in contributing to climate change adaptation and mitigation.
 - EIOPA found no current evidence to support a change in the calibration of capital requirements for “green” or “brown” assets
 - The impact of underwriting practices on the environment needs to be considered
 - Solvency II as a risk-based forward-looking framework is well equipped to accommodate sustainability risks and factors
 - Climate change increases uncertainty about the occurrence and impact of physical or transition risks and undertakings should not be complacent
 - The scenario analysis as part of undertakings’ risk management is key
- <https://eiopa.europa.eu/Publications/Press%20Releases/2019-09-30%20PressReleaseSustainabilityOpinion.pdf>

INT – 2019 0923 : IFRS 17: Global insurance associations call for delay of IFRS 17 so improvements can be made to standard

A wide group of international insurance associations — including Insurance Europe — has called on the International Accounting Standards Board (IASB) to make further improvements to International Financial Reporting Standards (IFRS) 17 – insurance contracts and to change the effective date to 1 January 2023.

While recognising that the IASB has made improvements in a number of areas, the associations warned that a number of significant issues have not been addressed and added that additional changes are still required to obtain a high-quality standard that can be implemented at a reasonable cost.

The associations called on the IASB to take the time necessary to make the changes needed to ensure a strong global commitment to the new standard. In addition, the significant implementation concerns that have been raised by the industry remain and must be taken into account. Therefore, they called for a delay to the global effective date of IFRS17 (and IFRS 9) for insurers until 1 January 2023 in order to ensure a successful implementation.

The associations are:

- Insurance Europe
- Canadian Life & Health Insurance Association
- Financial Service Council of New Zealand
- Insurance Bureau of Canada
- Insurance Council of New Zealand
- Insurance Council of Australia
- Korea Life Insurance Association
- National Association of Mutual Insurance Companies

<https://www.insuranceeurope.eu/sites/default/files/attachments/Global%20insurance%20industry%20letter%20on%20Exposure%20Draft%20E2%80%93%20Amendments%20to%20IFRS%2017.pdf>

BE – 2019 0913: FSMA launches Consultation on the draft circular regarding regular reporting by the institutions for occupational retirement provision

- <https://www.fsma.be/nl/news/consultatie-over-de-ontwerp-circulaire-betreffende-de-regelmatige-rapportering-door-de>
- <https://www.fsma.be/fr/news/consultation-sur-un-projet-de-circulaire-relatif-au-reporting-regulier-par-les-institutions-de>

EUR – 2019 0909: AAE publishes a review of EIOPA's analysis of IFRS 17

- The review looked at a number of key areas covered in the EIOPA analysis, performing a detailed analysis of the requirements and definitions of Solvency II and IFRS 17 in order to validate the high level conclusions provided by EIOPA: (i) Definition of cash flows, (ii) Grouping and aggregation of contracts and contract boundaries, (iii) Determination of the appropriate discount rate, (iv) Risk adjustment and (v) Reinsurance.
- <https://actuary.eu/wp-content/uploads/2019/09/20190911-IFRS17-summary-FINAL.pdf>

EUR – 2019 0911: CRO Forum publishes “Managing Liquidity Risk: Industry Practices and recommendations for CROs”

- <https://www.thecroforum.org/2019/09/11/managing-liquidity-risk-industry-practices-and-recommendations-for-cros/>

BE – 2019 0903: Communication NBB_2019_22: overview of periodical reports by insurance and reinsurance companies to NBB as of 2020

- [Detailed table of the requirements in annex of the communication](#)
- https://www.nbb.be/doc/cp/nl/2019/20190903_nbb_2019_22_ecorporate.pdf
- https://www.nbb.be/doc/cp/fr/2019/20190903_nbb_2019_22_ecorporate.pdf

EUR – 2019 0902: AAE comments on EFRAG’s draft comment letter on the IASB’s ED/2019/4 amendments to IFRS 17

- <https://actuary.eu/wp-content/uploads/2019/09/20190902-EFRAG-response-final.pdf>