



# IAIS

INTERNATIONAL ASSOCIATION OF  
INSURANCE SUPERVISORS

Ref: 20/24  
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Transmitted electronically

Mr. Hans Hoogervorst  
Chairman  
International Accounting Standards Board  
7 Westferry Circus  
Canary Wharf  
London E14 4HD  
United Kingdom

**RE: IFRS Standards Exposure Draft: *Interest Rate Benchmark Reform-  
Phase 2, Proposed amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS  
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Dear Mr Hoogervorst:

The International Association of Insurance Supervisors (IAIS) welcomes the opportunity to comment on the International Accounting Standard Board (IASB) Exposure Draft *Interest Rate Benchmark Reform Phase 2, Proposed amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16*.

The IAIS mission is to promote effective and globally consistent supervision of the insurance industry in order to develop and maintain fair, safe and stable insurance markets for the benefit and protection of policyholders and to contribute to global financial stability.

The global insurance sector is a significant participant in the derivative market, and utilises other instruments impacted by benchmark rate reform. As such, the IAIS has a keen interest in the IASB's work in this area. The IAIS is concerned about the potential implications of the replacement of existing interest rate benchmarks on financial reporting and supported the IASB's proposal on the pre-replacement hedge accounting issues.

The IAIS continues to be supportive of the project and appreciates the speed and thoughtfulness that the IASB has employed in developing the important proposals in this Exposure Draft. We believe that the proposals should be effective in providing useful information to users of the financial statements and supporting preparers through the transition to alternative benchmark rates. In particular, we are supportive of the amendments to IFRS 4 that are predominantly relevant for insurers. We also support the view that IFRS 17 already provides an adequate basis to account for modifications to insurance contracts in the context of IBOR reform. We would therefore encourage the IASB to finalise this phase of the project as soon as possible.

If you have further questions regarding this letter, please contact Jay Muska at the IAIS Secretariat (tel: +41 61 280 8953; email: [jay.muska@bis.org](mailto:jay.muska@bis.org)) or Markus Grund, Chair of the IAIS Accounting and Auditing Working Group (tel: +49 228 4108 3671; email: [markus.grund@bafin.de](mailto:markus.grund@bafin.de)).

Yours sincerely,



Victoria Saporta  
Chair, Executive Committee



Paolo Cadoni  
Acting Chair, Policy Development  
Committee