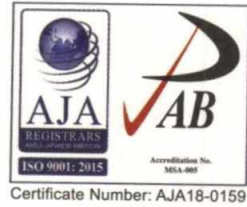




Republic of the Philippines  
 Department of Finance  
**INSURANCE COMMISSION**  
 1071 United Nations Avenue  
 Manila



Circular Letter No.:	<b>2020-62</b>
Date:	<b>18 May 2020</b>
Amends:	<b>CL No. 2018-69 d. 28 Dec. 2018</b>

## CIRCULAR LETTER

**TO : ALL INSURANCE AND PROFESSIONAL REINSURANCE COMPANIES AUTHORIZED TO DO BUSINESS IN THE PHILIPPINES**

**SUBJECT : AMENDMENT OF SEC 1 OF CL NO. 2018-69; DEFERRAL OF IFRS 17 IMPLEMENTATION**

**WHEREAS**, the Coronavirus Disease 2019 (“COVID-19”) has spread in different parts of the world, including the Philippines;

**WHEREAS**, the COVID-19 outbreak has recently been characterized by the World Health Organization as a pandemic;

**WHEREAS**, due to the COVID-19 outbreak, this Commission has issued various Circular Letters to provide operational and regulatory compliance on its regulated entities such as moving the deadlines for the filing financial reports and submission of various regulatory documentary requirements;

**WHEREAS**, on 07 April 2020, the Office of the President, through Executive Secretary Salvador C. Medialdea, issued a *Memorandum from the Secretary with Subject: Extension of the Enhanced Community Quarantine Over the Entire Luzon Until 30 April 2020*, which extends the Enhanced Community Quarantine Period (“ECQ Period”) until 11:59 p.m. of 30 April 2020 which is later extended until 11:59 p.m of 15 May 2020;

**WHEREAS**, the economic impact of the crisis to the public, as well as the restricted business operations due to the extended quarantine has caused adverse effects on the financial performance of insurance companies;

**WHEREAS**, with the challenges brought by the pandemic, the insurance sector will likewise have to deal with the implementation of IFRS 17, which requires substantial investments in accounting systems, IT-related infrastructure and capacity building of human resources in order to meet the technical requirements needed to implement the said standard;

**WHEREAS**, the Insurance Commission (IC) issued Circular Letter (CL) No. 2018-69, deferring the implementation of IFRS 17 to 01 January 2023, an additional one-year period from the date of effectivity by the International Accounting Standards Board (IASB);

**WHEREAS**, the Securities and Exchange Commission (SEC), in a discussion with IC, confirmed that the relief provided by the IC to its regulated entities related to the adoption of the said standard does not run counter to the provisions of Securities Regulation Code Rule 68;

**WHEREAS**, the SEC advise IC' regulated entities certain disclosures to be reflected in the Notes to the Financial Statements;

**WHEREAS**, the IC issued CL 2019-66, dated 22 November 2019, required insurers and reinsurers who will adopt IFRS17 using the IC deferred timeline to disclose on an entity-specific mode the impact of IFRS 17 in the Notes to their Financial Statements effective upon the date the IASB implements IFRS17;

**WHEREAS**, 17 March 2020, the International Accounting Standards Board (IASB) has decided to further defer the effective date of IFRS17 standard to annual reporting periods beginning on or after 01 January 2023.

**WHEREAS**, under the current COVID-19 situation, the IC recognizes that the insurance industry will realign its priority programs and focus on modifying its business operations under a "New Normal";

**WHEREAS**, the IC sees the need to provide support to the insurance industry and further defer the implementation of IFRS17 and delaying its full implementation for the insurance industry two (2) years after the IASB implemented it;

**NOW, THEREFORE**, in view of all the foregoing and in accordance with the undersigned's powers under Section 437 of the Insurance Code of the Philippines, as amended by Republic Act No. 10607, provisions under Section 1 of CL No. 2018-69 is amended as follows:

**SECTION 1. DEFERRAL OF IMPLEMENTATION FOR LIFE AND NON-LIFE INSURANCE COMPANIES**

*The implementation of IFRS 17 for Life and Non-life insurance industries is hereby deferred **two (2) years after its effective date as decided by IASB.***

Except as amended hereby, all other provisions of CL No. 2018-69 and Section 2 of CL No. 2019-66 disclosure requirements shall remain effective. The un-amended provisions of CL No. 2018-69 and CL No. 2019-66 the amendment introduced herein shall be read and construed as a single circular.

This Circular shall take effect immediately.



**DENNIS B. FUNA**  
Insurance Commissioner

