



22 June 2022

To: **Members of the Hong Kong Institute of CPAs**
All other interested parties

**INVITATION TO COMMENT ON IFRS INTERPRETATIONS COMMITTEE
TENTATIVE AGENDA DECISION**

Comments to be received by 22 July 2022

The IFRS Interpretations Committee (IC) works together with the International Accounting Standards Board to support the consistent application of IFRS Accounting Standards. They do so by, among other things, issuing narrow-scope amendments and IFRIC Interpretations, and publishing agenda decisions to address application questions.

If the IC decides that a standard-setting project should not be added to the work plan, it explains why in a tentative agenda decision, and requests comments within a period normally of 60 days. An agenda decision explains why a standard-setting project has not been added to the work plan and, in many cases, includes explanatory material. Agenda decisions cannot add or change requirements in IFRS Accounting Standards.

At its June meeting, the IC discussed an application question in relation to [Multi-currency Groups of Insurance Contracts \(IFRS 17 and IAS 21\)](#). The request asked whether an entity considers currency exchange rate risks when applying IFRS 17 *Insurance Contracts* to identify portfolios of insurance contracts; and how an entity applies IAS 21 *The Effects of Changes in Foreign Exchange Rates* in conjunction with IFRS 17 in measuring a group of insurance contracts that generate cash flows in more than one currency (a multi-currency group of insurance contracts). The IC considered whether to add to the work plan a standard-setting project on how to account for the foreign currency aspects of insurance contracts. The IC observed that there is no evidence that such a project would be sufficiently narrow in scope that the International Accounting Standards Board or the IC could address it in an efficient manner. The IC tentatively decided not to add a standard-setting project to the work plan.

The Financial Reporting Standards Committee of the Hong Kong Institute of Certified Public Accountants is seeking comments on the above tentative agenda decisions by **22 July 2022** to allow your comments to be considered in developing its response. Comments should be supported by specific reasoning and should be submitted in written form.

Comments may be sent by mail, fax or e-mail to:

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Comments will be acknowledged and may be made available for public review unless otherwise requested by the respondent.