

PRESS RELEASE

Actuarial Association of Europe publishes AAE Discussion Paper on the roles of actuaries in relation to IFRS 17

Brussels, 11 November 2020:

The Actuarial Association of Europe (AAE) published a paper on [roles of actuaries in relation to IFRS 17](#). The AAE welcomes many aspects of the improvements targeted by the IFRS 17 standard. However, the AAE recognises the complexities in the new regime and calls for a prominent role for qualified actuaries both in entities required to comply with IFRS 17 and in auditors in carrying out their assurance work relating to relevant insurance companies.

IFRS 17 as a principle based standard leaves considerable room for interpretation and inconsistency in assumptions and methodology between entities. The AAE observes that one way of dealing with the complexity associated with the principles, and securing a more harmonised approach, is to encourage the use of standardised methodologies and actuarial principles executed by professionals who are qualified through education and experience in assessing the value of insurance liabilities.

Consequently, the AAE believes that actuaries can and should be required to take statutory roles relating to the preparation by insurance companies and groups of IFRS 17 accounts, and that the involvement of actuaries in this way would add professionalism and consistency to the valuation of insurance liabilities under IFRS 17. The AAE believes that such roles should be defined as part of the accounting regulatory framework for insurance companies and groups reporting under IFRS 17.

In considering the audit of IFRS 17 accounts, the AAE recognises the auditors' statutory roles and responsibilities in relation to preparing and auditing financial statements, and the AAE proposes to cooperate with the audit profession to define the best possible statutory framework for actuaries and auditors to cooperate. This should in our opinion involve a requirement for auditors to engage with actuarial experts in auditing IFRS 17 insurance liabilities.

We expect that these proposals would contribute to a consistency in methodology and interpretation which would support some of the key aims of the IFRS 17 standard.

The AAE will be available to expand on these proposals, as well as to define further the framework which might apply for required roles of actuaries in preparers and auditors, and to consider additional education and standards which might be useful for its members to help them discharge their requirements.

- End of press release -

Notes for editors

1. For further information please contact Monique Schuilenburg, Operations Manager (tel. +32 2 201 60 21), moniques@actuary.eu
2. Copies of all AAE press releases are available on the AAE website (www.actuary.eu)
3. The Actuarial Association of Europe (AAE) was established in 1978 under the name Groupe Consultatif to represent actuarial associations in Europe. Its primary purpose is to provide advice and opinions to the various organisations of the European Union - the Commission, the Council of Ministers, the European Parliament, the European Supervisors and their committees – on actuarial issues in European legislation. The AAE currently has 36 member associations in 35 European countries, representing over 26,000 actuaries. Advice and comments provided by the AAE on behalf of the European actuarial profession are totally independent of industry interests. The Actuarial Association of Europe is registered in the EU Transparency Register under number 550855911144-54