To: IAA Subcommittee on Actuarial Standards

re: Second Exposure Drafts of Potential IAA Standards regarding International Financial Reporting Standards


Business Combinations

This draft on Business Combinations has been expanded from the previous draft and now includes a significant amount of valuable guidance on the topic. The CIA believes that there is now adequate substance to warrant classification as a Class 4 IASP on Business Combinations.

Guidance regarding investment contracts with Discretionary Participation Features would not be needed in Canada, since there is no material volume of business of that type.

The Institute questions whether an effective date for the IASP is necessary given that the guidance is not binding. In our view, the appropriate application of the guidance would depend on the situation at hand, regardless of an effective date.

Disclosure

The draft IASP on Disclosure contains a number of useful suggestions, however, one clarification of scope would be helpful. Section 1 of the document is unclear about whether or not the scope of the draft includes investment contracts and service contracts. The following statement would suggest that it does: “References to insurance contracts, insurance assets, or insurance liabilities also include the equivalent items from investment contracts subject to IAS 39 and IFRS 7 and service contracts described in IAS 18.” However, the following sentence, the first in the next paragraph, would suggest that it does not: “The guidance provided in this PG is generally limited to disclosure regarding contracts within the scope of IFRS 4.”

The CIA appreciates this opportunity to contribute to the development of IAA guidance and would be happy to provide any further explanation regarding the views expressed in this submission.

Respectfully submitted,

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President