



Deadline: 30 April 2019

Please use this template to comment on the [2nd Exposure Draft of ISAP 4 on IFRS 17 Insurance Contracts](#), and the proposed revisions to the [Glossary for ISAP 4](#).

The IAA invites comments on this 2nd Exposure Draft, particularly on the questions set out below. Comments are most helpful if they:

- (a) Are comments on the questions as stated;
- (b) Take full account of what is already addressed in the [consultation report on the 1st exposure draft](#).
- (b) Indicate the specific paragraph or group of paragraphs to which they relate;
- (c) Contain a clear rationale; and
- (d) Include any alternative that the IAA should consider, if applicable within the scope of the [Statement of Intent for ISAP 4](#).

Identification and instructions		
Name of Individual:	Please indicate if your comments are personal, or represent your organization:	Comments represent those of the Australian Actuaries Institute
Name of organization		Australian Actuaries Institute (contact: Linda Vogel, General Counsel, Professionalism)
Disclosure of comments:	Please indicate if your comments should be treated as confidential, and if so why:	Comments are not confidential
Instructions for filling in and sending the template	<p>Please follow the following instructions for filling in the template:</p> <ul style="list-style-type: none"> ⇒ Do not write in the yellow shaded cells ⇒ Write in the white cells ⇒ When commenting on a specific paragraph: <ul style="list-style-type: none"> ○ Please use a separate row for each paragraph, sub paragraph, or bullet. ○ Please include the full reference in the first column such as “Introduction 3rd paragraph 2nd bullet” or “2.6.1.b.ii” ○ Please insert/append extra rows as needed. <p>Please send the completed template, renamed with the organization’s or individual’s name, attached in <u>Word Format</u>, to ISAP4.comments@actuaries.org</p>	



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	Specific Questions asked by the ASC	Response
Q1.	Is the guidance clear and unambiguous? If not, how should it be changed?	Yes
Q2.	Is the guidance sufficient and appropriate? If not, how should it be changed?	Generally, yes, except for the Actuaries' role in interpretation of IFRS 17, It should make clear that it is not the role of the Actuary to interpret accounting standards. See below re General Comments.

	General Comments on the ISAP 4 – 2 nd Exposure Draft
	<p>We reiterate the feedback that we provided on the first Exposure Draft that care must be taken to ensure that the role of the actuary is clear. It is not the role of the actuary to interpret accounting standards but rather to support the principal or entity in their preparation or audit. Accordingly, ISAP 4 is guidance for actuaries providing actuarial services in the context of IFRS 17, and this does not extend to providing guidance or interpretation of IFRS 17 itself.</p> <p>Similarly, 'accounting services' are not automatically excluded from the scope of ISAP 4 – they may involve 'actuarial considerations', and so would be 'actuarial services' covered by this ISAP. However, if they do not involve actuarial considerations then they would not be subject to this ISAP.</p> <p>We believe the areas contemplated by the draft ISAP are appropriate to the role of the actuary. However we believe an overarching statement upfront on the role of Actuary in interpretation is necessary, to avoid Actuaries providing "accounting" advice that they do not have the qualifications and experience to give.</p>

Comments on specific paragraphs of the ISAP 4 - 2 nd Exposure Draft		
Full paragraph reference	Change proposed to the paragraph (markup preferred)	Reason the change is needed (can be kept very brief or left blank if obvious from the change)



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1.4	The word 'Standing' (in 'Standings Interpretations Committee' should be deleted or have a lower case 's'.	The committee is just known as the 'Interpretations Committee'.
2.5	Delete 'whether it is the general measurement approach, the premium allocation approach (PAA) or the variable fee approach'.	This clarification is unnecessary, and detracts from the main point that the selection process should be subject to ISAP 1.

Comments on specific definitions in the Exposure Draft of the updated Glossary

Note that only the proposed revisions are open for comment

Defined Term	Change proposed to the definition (markup preferred)	Reason the change is needed (can be kept very brief or left blank if obvious from the change)