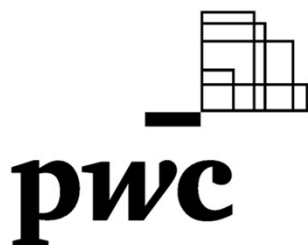
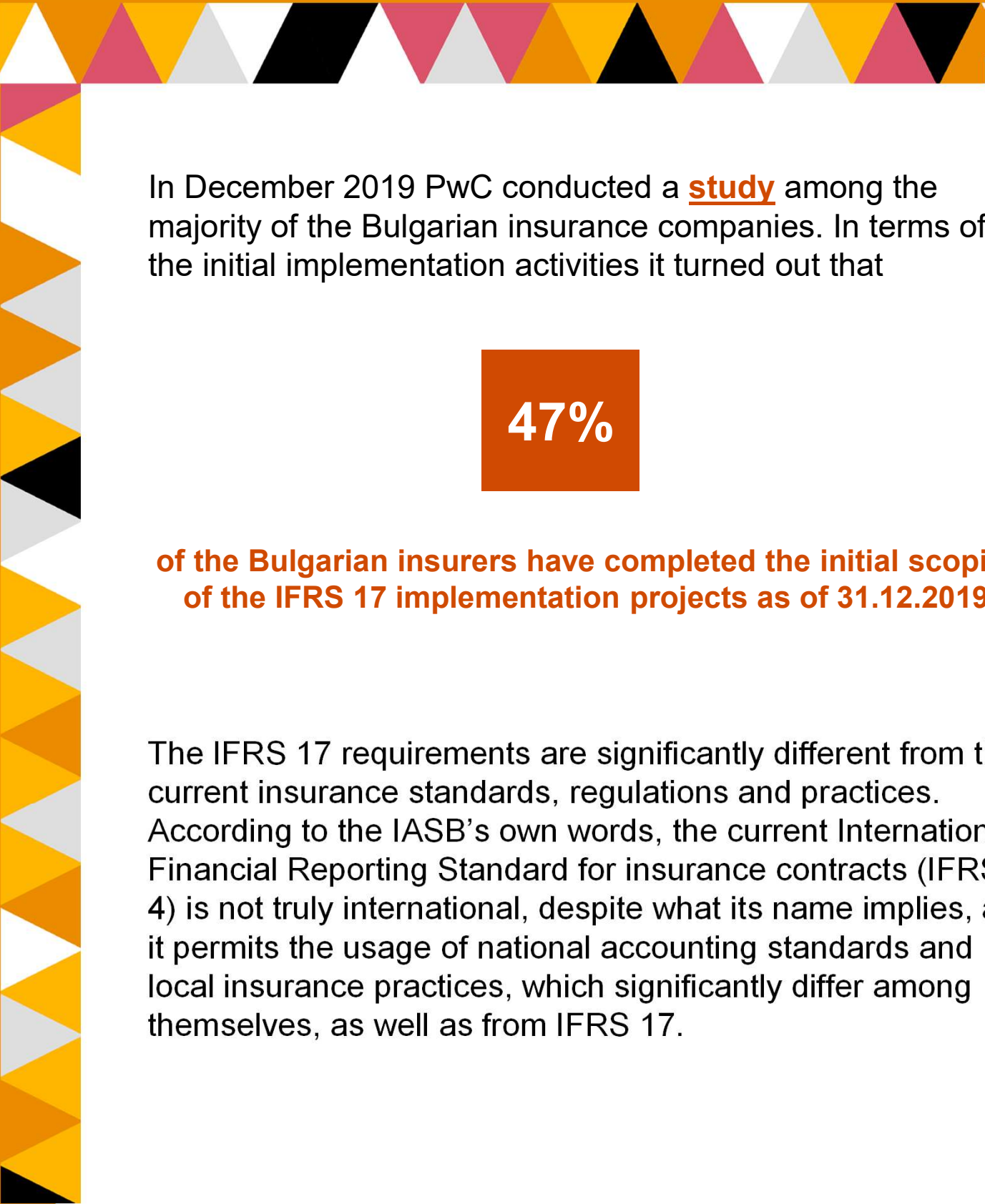


# IFRS 17

On 17 March 2020 the International Accounting Standards Board (IASB) decided to set the effective date of the new IFRS 17 *Insurance contracts* (IFRS 17) to 1 January 2023. This means that all Bulgarian insurers will have to prepare IFRS 17 compliant balances as of the beginning of the comparative period, i.e. as soon as 1 January 2022.

According to a global analysis of the IASB, it takes on average 3.5 years for IFRS 17 to be implemented. This is due to the significant changes required for the systems, data, processes, actuarial models and financial reporting.





In December 2019 PwC conducted a study among the majority of the Bulgarian insurance companies. In terms of the initial implementation activities it turned out that

**47%**

**of the Bulgarian insurers have completed the initial scoping of the IFRS 17 implementation projects as of 31.12.2019.**

The IFRS 17 requirements are significantly different from the current insurance standards, regulations and practices. According to the IASB's own words, the current International Financial Reporting Standard for insurance contracts (IFRS 4) is not truly international, despite what its name implies, as it permits the usage of national accounting standards and local insurance practices, which significantly differ among themselves, as well as from IFRS 17.

Bulgarian insurance companies will require significant support in their implementation projects.

PwC Bulgaria has the most experienced team of insurance specialists which can provide support in the following ways:

1

Extensive 5-day training-workshop, (delivered in Bulgarian or English), including more than 100 practical case studies, questions and illustrations, tailored to the needs and requirements of the respective insurer. Since the implementation of both IFRS 17 and IFRS 9 is multidisciplinary exercise, involving financial reporting, financial and insurance risk modelling, as well as processes, systems and data requirements, this workshop will be facilitated by local PwC insurance specialists with in-depth expertise in those areas and intimate knowledge of the Bulgarian insurance sector specifics.

2

Assistance in the methodological implementation of the new requirements of the standard, including development of risk models, impact assessment on the financial statements, key performance indicators, systems, data and processes of the insurance companies (including help in data analysis, definition and migration).

3

The **In a Box** software solution, developed by PwC, that has been successfully implemented in many of our clients all over the world.

# Our team



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