

Paris, December 13th, 2016

Mr Jean-Paul Gauzes
President of EFRAG Board
EFRAG
Square de Meeûs 35
1000 Brussels, Belgium
commentletters@efrag.org

Object : **EFRAG's invitation to comment on EFRAG's assessments on applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts : Amendments to IFRS 4**

Dear Mr Gauzes,

L'Institut des Actuaires (the French public interest association representing 3 200 actuaries) welcomes the EFRAG's invitation for comments on EFRAG's assessments on applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts: Amendments to IFRS 4

L'Institut des Actuaires welcome the EFRAG's efforts to provide a solution to the issue resulting from the non-alignment of the effective dates for IFRS 9 and IFRS 17.

We support the analysis on "Potential competition issues within the EU" presented in Appendix 3 that recognises the weight of bank insurance in Europe within the insurance industry, and the fact that a significant part is not able to benefit from the deferral optional exemption.

L'Institut des Actuaires strongly support the need for a "level playing field" between all entities involved in insurance activities in Europe since comparison throughout the insurance market is more meaningful than comparing insurance and non-insurance assets within a conglomerate.

The loss of performance induced by the application of IFRS 9 for bank insurers is damaging to those companies and to the global insurance

market. Moreover, the additional cost of implementing the overlay approach is not justified.

As a consequence, regarding the concerns raised by the misalignment of the effective dates of IFRS 9 and IFRS 17, l'Institut des Actuaires considers:

1. that the overlay approach, that would be available to all entities undertaking insurance activities, is not a practicable alternative neither for stand-alone insurers nor for bank insurers, and
2. strongly supports the fact that the deferral approach should be made available to all entities undertaking insurance activities. The scope of the temporary exemption should be defined below the reporting level entity including consolidated insurance entities.

Please, do not hesitate to contact us +33 1 43 22 11 11 - contact Pierre Thérond- should you require any further information.

Yours sincerely

David Dubois

Président