

CEIOPS | Sebastian-Kneipp-Str. 41 | 60439 Frankfurt | Germany

Mr. Stig Enevoldsen
Chairman of the Technical Experts Group
EFRAG
Avenue des Arts 41
1040 Brussels

Contact: Alberto Corinti

Phone: +49 (0) 69 95 11 19 22 | Fax: +49 (0) 69 95 11 19 18
alberto.corinti@ceiops.org

04.10.2005| **CEIOPS's position on the EFRAG letter on the adoption of "Amendment to IAS 1 Presentation of financial statements - Capital disclosures" and of "IFRS7 – Financial instruments disclosures".**

On behalf of CEIOPS (Committee of European Insurance and Occupational Pensions Supervisors), I am pleased to provide you with some comments on your letters concerning the adoption of "Amendment to IAS 1 Presentation of financial statements - Capital disclosures" and of "IFRS7 – Financial instruments disclosures".

EU insurance supervisors support the mentioned adoptions since they enhance the understandability and comparability of financial statements.

In principle, we believe that IFRS4 should not have been amended pending phase 1 of the IASB insurance project, in order to avoid undue overburden for insurance undertakings which have already been preparing for current IFRS4. However, we acknowledge that the amendments to IFRS4 envisaged by IFRS7 enhance the comparability of insurance contracts with other financial instruments.

To this regard, we also acknowledge improvements of IFRS7 in comparison to ED7. In particular, the disclosure of a sensitivity analysis for each type of market risk that was required by ED7 would not have fit insurance contracts, since they usually cover interacting risks. EU insurance supervisors therefore welcome the possibility to use a sensitivity analysis reflecting interdependencies between risk variables envisaged under IFRS4.§39.d.ii as amended by IFRS7.

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Should you wish to have any further clarification on CEIOPS's advice or to discuss it more in depth, please do not hesitate to contact Mr Fausto Parente by e-mail (fausto.parente@isvap.it) or by phone at +39-06-42.133.481.

Yours sincerely,

Alberto Corinti
CEIOPS Secretary General

