
**SINGAPORE FINANCIAL REPORTING STANDARDS
(INTERNATIONAL)**

**Initial Application of SFRS(I) 17 and SFRS(I) 9
— Comparative Information**

(Amendment to SFRS(I) 17)

AMENDMENT TO SFRS(I) 17:
INITIAL APPLICATION OF SFRS(I) 17 AND SFRS(I) 9—COMPARATIVE INFORMATION

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Amendment to SFRS(I) 17 *Insurance Contracts*

Paragraphs C2A, C28A—C28E, C33A and the heading before paragraph C28A are added. For ease of reading these paragraphs have not been underlined. Paragraph C29 is not amended, but is included in grey text for ease of reference.

Appendix C Effective date and transition

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Effective date

...

C2A *Initial Application of SFRS(I) 17 and SFRS(I) 9—Comparative Information*, issued in December 2021, added paragraphs C28A—C28E and C33A. An entity that chooses to apply paragraphs C28A—C28E and C33A shall apply them on initial application of SFRS(I) 17.

Transition

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Comparative information

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Entities that first apply SFRS(I) 17 and SFRS(I) 9 at the same time

- C28A An entity that first applies SFRS(I) 17 and SFRS(I) 9 at the same time is permitted to apply paragraphs C28B—C28E (classification overlay) for the purpose of presenting comparative information about a financial asset if the comparative information for that financial asset has not restated for SFRS(I) 9. Comparative information for a financial asset will not be restated for SFRS(I) 9 if either the entity chooses not to restate prior periods (see paragraph 7.2.15 of SFRS(I) 9), or the entity restates prior periods but the financial asset has been derecognised during those prior periods (see paragraph 7.2.1 of SFRS(I) 9).
- C28B An entity applying the classification overlay to a financial asset shall present comparative information as if the classification and measurement requirements of SFRS(I) 9 had been applied to that financial asset. The entity shall use reasonable and supportable information available at the transition date (see paragraph C2(b)) to determine how the entity expects the financial asset would be classified and measured on initial application of SFRS(I) 9 (for example, an entity might use preliminary assessments performed to prepare for the initial application of SFRS(I) 9).
- C28C In applying the classification overlay to a financial asset, an entity is not required to apply the impairment requirements in Section 5.5 of SFRS(I) 9. If, based on the classification determined applying paragraph C28B, the financial asset would be subject to the impairment requirements in Section 5.5 of SFRS(I) 9 but the entity does not apply those requirements in applying the classification overlay, the entity shall continue to present any amount recognised in respect of impairment in the prior period in accordance with SFRS(I) 1-39 *Financial Instruments: Recognition and Measurement*. Otherwise, any such amounts shall be reversed.

AMENDMENT TO SFRS(I) 17:
INITIAL APPLICATION OF SFRS(I) 17 AND SFRS(I) 9—COMPARATIVE INFORMATION

- C28D Any difference between the previous carrying amount of a financial asset and the carrying amount at the transition date that results from applying paragraphs C28B—C28C shall be recognised in opening retained earnings (or other component of equity, as appropriate) at the transition date.
- C28E An entity that applies paragraphs C28B—C28D shall:
- (a) disclose qualitative information that enables users of financial statements to understand:
 - (i) the extent to which the classification overlay has been applied (for example, whether it has been applied to all financial assets derecognised in the comparative period);
 - (ii) whether and to what extent the impairment requirements in Section 5.5 of SFRS(I) 9 have been applied (see paragraph C28C);
 - (b) only apply those paragraphs to comparative information for reporting periods between the transition date to SFRS(I) 17 and the date of initial application of SFRS(I) 17 (see paragraphs C2 and C25); and
 - (c) at the date of initial application of SFRS(I) 9, apply the transition requirements in SFRS(I) 9 (see Section 7.2 of SFRS(I) 9).

Redesignation of financial assets

- C29 At the date of initial application of SFRS(I) 17, an entity that had applied SFRS(I) 9 to annual reporting periods before the initial application of SFRS(I) 17:
- (a) may reassess whether an eligible financial asset meets the condition in paragraph 4.1.2(a) or paragraph 4.1.2A(a) of SFRS(I) 9. A financial asset is eligible only if the financial asset is not held in respect of an activity that is unconnected with contracts within the scope of IFRS 17. Examples of financial assets that would not be eligible for reassessment are financial assets held in respect of banking activities or financial assets held in funds relating to investment contracts that are outside the scope of SFRS(I) 17.
 - (b) shall revoke its previous designation of a financial asset as measured at fair value through profit or loss if the condition in paragraph 4.1.5 of SFRS(I) 9 is no longer met because of the application of SFRS(I) 17.
 - (c) may designate a financial asset as measured at fair value through profit or loss if the condition in paragraph 4.1.5 of SFRS(I) 9 is met.
 - (d) may designate an investment in an equity instrument as at fair value through other comprehensive income applying paragraph 5.7.5 of SFRS(I) 9.
 - (e) may revoke its previous designation of an investment in an equity instrument as at fair value through other comprehensive income applying paragraph 5.7.5 of SFRS(I) 9.
- ...
- C33A For a financial asset derecognised between the transition date and date of initial application of SFRS(I) 17, an entity may apply paragraphs C28B—C28E (classification overlay) for the purpose of presenting comparative information as if paragraph C29 had been applied to that asset. Such an entity shall adapt the requirements of paragraphs C28B—C28E so that the classification overlay is based on how the entity expects the financial asset would be designated applying paragraph C29 at the date of initial application of SFRS(I) 17.