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Executive summary
IFRS 17 fundamentally changes the way in which insurers account for contracts, with far-reaching effects on a range of business functions. A strategic and carefully considered approach to IFRS 17 implementation can help insurers to identify, improve and even transform ineffective and inefficient systems and business processes.

In May 2020, we conducted a survey on IFRS 17 projects to gain an understanding of how insurers operating in South Africa are conducting their IFRS 17 programmes. The responses provide insights into approaches followed, progress made and challenges faced by those tasked with implementing IFRS 17 for their organisations. We received responses from 14 insurers — including four life, five short-term and five composite insurer groups — to understand their IFRS 17 journey so far.

The results of the survey is presented in key themes that emerge around the interest of the board of directors, the impact of the updated standard issued in June 2020, implementation challenges, costs and progress.

The board should be kept abreast of the implementation progress to ensure the necessary time and resources are allocated. Our survey identified greater involvement by the boards of the large insurance companies. Even though key performance indicators (KPIs) are not yet top of mind, boards should start considering updated KPIs as this will shape how the business will be analysed by investors in the future.

An updated IFRS 17 standard was published in June 2020. One of the most significant updates is the effective application date of the standard, which changed to 1 January 2023 from 1 January 2021. This amendment has been welcomed by insurers as it provides greater confidence that they will be able to implement the standard (77%) as well as be able to modernise and improve their systems (38%), among many other identified benefits.

Even with the deferral of IFRS 17 application, insurers are faced with many implementation challenges, of which the most significant and common challenge, by far, is the integration of various solutions needed to produce the IFRS 17 results. Insurers should not underestimate the challenges that are brought about by the granularity of required data and how data will flow between policy administration systems, cash flow/CSM modelling tools and finance applications.

We found that implementation costs are top of mind for boards. Insurers are spending significant amounts on implementing the standard. Many insurers have changed their initial implementation cost estimates — some by between 31% to 50% or even more. Insurers should therefore continuously consider whether their planned resources are adequate as they progress with their IFRS 17 journeys. We provide insight on the areas where insurers are spending the most time and money.

In terms of IT vendors, we were interested in gaining insight into how insurers are planning to approach the technology requirements brought about by the complex reporting requirements. We see a difference in approach here between the large and smaller insurers. The time needed to implement new vendor solutions should not be underestimated.

We established the stage of completion of various implementation projects and, not surprisingly, found that the large insurers are more advanced in their journey than the rest of our participants.

Insurers are facing a variety of immediate financial and operational challenges as a direct result of the COVID-19 lockdown. Finance leaders have to balance necessary cost cutting efforts with digital transformation initiatives to strengthen the resilience of their businesses. In this context, we believe you will find this survey useful in assessing your IFRS 17 journey and progress so far against some of your peers.
Boards’ interests
Boards’ involvement in IFRS 17

PwC Observation: It is pleasing to observe that more than 70% of participants’ Boards regularly monitor the IFRS 17 project plans and progress. Large companies are ahead in training their board members on IFRS 17 (80%) and in engaging their board members on the financial impact of IFRS 17 (80%). The rest of the survey participants still need to make further progress in those areas.

The next steps for all companies is to consider the level of education, what KPIs will be determined and how results under IFRS 17 will be communicated to the market. We expect this to change as insurers progress with their implementation plans.

Those charged with governance has to consider many aspects around the implementation of IFRS 17.

Read more about it here.
Boards’ areas of interest

The following represents the interest of the Boards ranked from highest to lowest by the participants:

01 Financial performance impact

02 Implementation costs
   Plans and progress updates

03 Compliance

04 Operational impact

05 IT impact
   Management information/KPIs

Other areas of interest include the tax impact of IFRS 17 and change management.
Impact on management information

It appears to be practical for management information to be presented using IFRS 17 numbers (with some adjustments in certain cases). Insurers are changing their reporting systems not only for IFRS financial statements, but for management information as well. However, along with their management information, insurers need to start thinking on the impact of IFRS 17 on KPIs.

*https://www.pwc.co.uk/audit-assurance/assets/pdf/impact-of-ifrs-17-on-insurance-performance-reporting.pdf

IFRS 17 will not change the amount of profit insurers make over the lifetime of their insurance business, but it has the potential to massively shift the trajectory of these profits. The impact will not just be felt in the financial statements, but also many of the key performance indicators (KPIs) that insurers use to run their business and which shape how their business is judged by analysts and investors. KPIs will also influence senior remuneration.

One of the big challenges is that, in some cases, there is no easy adjustment from the existing KPIs to KPIs derived from the new IFRS 17 reporting model. We might also see new KPIs emerge, for example, around the IFRS 17 contractual service margin (CSM) concept.

Refer to The impact of IFRS 17 on insurance performance and reporting* for further insights.
Auditors’ involvement
Auditors’ involvement

How do insurers see the level of involvement of their external auditors in implementing IFRS 17?

PwC Observation: Overall, there seems to be a moderate level of external auditors’ involvement during the implementation process. There is a strong correlation between those insurers that have a high level of involvement by external auditors and when they considered them to promote/enhance their IFRS 17 implementation plans.
**PwC Observation:** Insurers should consider their implementation plan and the key milestones to be achieved. Consider at which point in the process it would be appropriate to involve your auditor.
Impact of amendments to IFRS 17
## Amendments to IFRS 17

**Ranking of the latest amendments that has the most impact on implementation**

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amendment to the date of application</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Reinsurance contracts – recognising profits for underlying onerous insurance contracts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Presentation at a portfolio level in the balance sheet</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Expected recovery of insurance acquisition cash flows</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Transition</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Including I-E tax in the fulfilment cash flows if directly chargeable to the policyholder</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Changes to the scope</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Risk mitigation option</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Coverage units – incorporating coverage units for investment-return service and investment-related services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Clarification of investment expenses to be included in the fulfilment cash flows</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Deferral of IFRS 17

What impact does the deferral to 1 January 2023 have on insurers?

- 77% have greater confidence that they will be able to implement the standard.
- 38% will be able to modernise and improve their systems.
- 17% plan to change their people development Strategy (training and knowledge share).
- 15% be able to refine their accounting approach and modelling methodology.
- 15% the deferral has no impact in their implementation plan.
- 8% expect a significant increase in costs. While 31% expect a minor increase.

Other impacts of the deferral include (1 respondent each):
- Deferral of spend budgeted for.
- Stakeholders are unhappy with the deferral;
- Financial impact assessment can improve as well as engagement with stakeholders; and
- Different accounting policy choices in the standard can be tested in a better way.
Implementation challenges
Challenging implementation areas

1 Challenges

- Finance functions in insurance organisations are strained due to the voluminous data flows.
- IFRS 17 may cause further disruption to their reporting calendar obligations as a result of new metrics.
- Potential limitations to produce both management information and statutory reports from unsophisticated finance reporting systems and reliance on manual processes, whilst still maintaining a good control environment.
- The lack of an insurance subledger, which is controlled by finance, places greater reliance on their policy administration vendors. Existing Service Level Agreements may limit timely changes to produce the appropriate level of data.
- Current processes and handovers between actuarial and finance may pose challenges to cater for the increase in dependencies between these areas, especially if there is a wider geographical presence of that insurer to produce standardised consolidated reporting.

2 Considerations

- Defining a standardised data model and data architecture to enable consistent understanding and management of data quality.
- Defining a high level architecture and landing key design decisions with assumptions to accelerate implementation.
- Designing a Chart of Accounts based on Group Wide Disclosures which caters not only for IFRS 17, but also management information and allowing for customisation without impacting the Group Disclosures.
- Consider central solutions to service multiple business units such as an Insurance Subledger, thereby enabling granular contract and product accounting and “decoupling” accounting rules from the policy administration systems.
- Defining a target reporting calendar across the delivery model and overlaying processes which identifies suppliers of information, customers of that information, control activities as well as the critical path. This will allow for insurers to flex timelines and assess the impact to downstream processes.

The mix of the most challenging implementation areas varies among respondents. However, the integration of all technology solutions is by far the most common challenge being faced by insurers.

50% of respondents
## Implementation challenges

### Top 3 areas (by type of insurance company)

<table>
<thead>
<tr>
<th>Integration of all solutions</th>
<th>Aggregate</th>
<th>Composite</th>
<th>Life</th>
<th>Short-term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Determining cash flows directly attributable to insurance contracts</td>
<td>2nd</td>
<td>1st</td>
<td>2nd</td>
<td>2nd</td>
</tr>
<tr>
<td>Ceded reinsurance</td>
<td>3rd</td>
<td>2nd</td>
<td>2nd</td>
<td>2nd</td>
</tr>
<tr>
<td>Intragroup implication on consolidation</td>
<td>3rd</td>
<td>2nd</td>
<td>3rd</td>
<td>3rd</td>
</tr>
<tr>
<td>Tax</td>
<td>3rd</td>
<td>2nd</td>
<td>3rd</td>
<td>3rd</td>
</tr>
<tr>
<td>Obtaining cash flow movements at the correct level</td>
<td>3rd</td>
<td>2nd</td>
<td>2nd</td>
<td>2nd</td>
</tr>
<tr>
<td>Determining the risk adjustment</td>
<td>3rd</td>
<td>2nd</td>
<td>2nd</td>
<td>3rd</td>
</tr>
<tr>
<td>Aligning management information and IFRS 17 results</td>
<td></td>
<td>2nd</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Determining the contractual service margin</td>
<td>3rd</td>
<td>3rd</td>
<td>2nd</td>
<td>3rd</td>
</tr>
</tbody>
</table>
Implementation costs
Estimated implementation costs

Costs include those relating to perform gap analyses, project management, change management, audit costs, training, cost of contractors or temporary staff as a percentage of Gross written premium.

**PwC Observation:** For the Large companies, implementation costs are expected to be less than 1% of their gross written premium. On the other hand, the Rest of participants expect a higher relative implementation cost, mostly between 1% to 5% of their gross written premium. This could be linked to the higher reliance on vendor solutions as explored later in the survey.
Estimated implementation costs

Estimated implementation costs (Rand value)

- R1 Million to R50 Million: 67%
- R50 Million to R200 Million: 40%
- More than R200 Million: 33%

PwC Observation: The expected implementation costs for IFRS 17 are significant and budgets are under strain. Insurers should be cognisant of the required costs and resources.

Note this result was based off 8 respondents.
Change in estimate of the total cost of implementation from initial cost estimate

PwC Observation: Most of the large companies have notable changes to their initial estimated implementation costs. As large companies are in further stage of the implementation process than the rest of survey participants, it seems that there may be a possibility that the initial implementation costs were underestimated by all companies. Therefore, the rest of the survey participants should continuously revise their initial estimate as they progress through the implementation process to avoid significant deviations between budget and actual costs.
Majority of the implementation costs are spent on the following areas:

- **IT vendors**: 
  - Large companies: 40%
  - Rest of participants: 38%

- **Actuaries**: 
  - Large companies: 40%
  - Rest of participants: 14%

- **External auditors**: 
  - Large companies: 20%
  - Rest of participants: 14%

- **Contract workers**: 
  - Large companies: 0%
  - Rest of participants: 25%

- **Other**: 
  - Large companies: 9%

**PwC Observation**: Large companies are spending mostly on actuaries and IT vendors. For the rest of the survey participants, spending is mostly on IT vendors and contract workers. The implementation process is technology driven which explains the spending on IT vendor solutions.
Implementation progress
# Implementation progress

## Stage of completion at the various implementation phases

<table>
<thead>
<tr>
<th></th>
<th>Not yet started</th>
<th>Started</th>
<th>Half-way</th>
<th>Substantially completed</th>
<th>Completed</th>
<th>Implemented</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High-level gap analysis</strong></td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>Large companies</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>Rest of the survey participants</td>
<td>0%</td>
<td>34%</td>
<td>0%</td>
<td>22%</td>
<td>44%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>In-depth gap analysis</strong></td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>20%</td>
<td>80%</td>
<td>0%</td>
</tr>
<tr>
<td>Large companies</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>20%</td>
<td>80%</td>
<td>0%</td>
</tr>
<tr>
<td>Rest of the survey participants</td>
<td>12%</td>
<td>33%</td>
<td>33%</td>
<td>11%</td>
<td>11%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>System impact assessment</strong></td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>20%</td>
<td>80%</td>
<td>0%</td>
</tr>
<tr>
<td>Large companies</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>20%</td>
<td>80%</td>
<td>0%</td>
</tr>
<tr>
<td>Rest of the survey participants</td>
<td>12%</td>
<td>33%</td>
<td>22%</td>
<td>22%</td>
<td>11%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Testing of new systems and processes</strong></td>
<td>20%</td>
<td>40%</td>
<td>20%</td>
<td>20%</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>Large companies</td>
<td>20%</td>
<td>40%</td>
<td>20%</td>
<td>20%</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>Rest of the survey participants</td>
<td>56%</td>
<td>44%</td>
<td>0%</td>
<td>22%</td>
<td>44%</td>
<td>0%</td>
</tr>
</tbody>
</table>

**PwC Observation:** The results for the various implementation phases noted that many participants still have a lot to do and cannot afford to press pause; this is particularly true for the Rest of the participants that may not have the amount of resources as the Large Companies.
Training of business areas

PwC Observation: So far only all of the survey participants’ actuarial departments have been trained on IFRS 17. IFRS 17 is a collaborative standard between the actuarial department and the financial reporting department as well as others. We would have expected more training to be completed by this stage (for audit committee, executive committee and tax department). Insurers should also revamp and reconsider training based on the new released standard.
## Technology approach for the various solution components

### Large companies

<table>
<thead>
<tr>
<th></th>
<th>CSM</th>
<th>Cash flow Projection models</th>
<th>General ledger</th>
<th>Subledger</th>
<th>Disclosure Reporting tools</th>
<th>Database and ETL</th>
</tr>
</thead>
<tbody>
<tr>
<td>New vendor solution</td>
<td>0%</td>
<td>0%</td>
<td>20%</td>
<td>25%</td>
<td>25%</td>
<td>20%</td>
</tr>
<tr>
<td>Re-use existing</td>
<td>0%</td>
<td>80%</td>
<td>80%</td>
<td>25%</td>
<td>75%</td>
<td>0%</td>
</tr>
<tr>
<td>vendor solution</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In-house development</td>
<td>40%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>(full system overhaul)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In-house development</td>
<td>60%</td>
<td>20%</td>
<td>0%</td>
<td>50%</td>
<td>0%</td>
<td>80%</td>
</tr>
<tr>
<td>(meeting minimum</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>requirements)</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

**PwC Observation:** Large companies are mostly focussed on developing in-house solutions which meet the minimum requirements as well as the re-use of existing vendor solutions. For cash flow projection models, general ledger and disclosure reporting tools, most of the large companies are using existing vendor solutions, which may be due to the investment made on those technologies in the past for various reporting bases. For CSM, subledger and database & ETL technology solutions, most of the large companies are developing these internally.
## Technology approach for the various solution components

### Rest of survey participants

<table>
<thead>
<tr>
<th>Component</th>
<th>New vendor solution</th>
<th>Re-use existing vendor solution</th>
<th>In-house development (full system overhaul)</th>
<th>In-house development (meeting minimum requirements)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSM</td>
<td>71%</td>
<td>29%</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>Cash flow Projection models</td>
<td>29%</td>
<td>57%</td>
<td>38%</td>
<td>38%</td>
</tr>
<tr>
<td>General ledger</td>
<td>14%</td>
<td>43%</td>
<td>0%</td>
<td>14%</td>
</tr>
<tr>
<td>Subledger</td>
<td>72%</td>
<td>14%</td>
<td>14%</td>
<td>29%</td>
</tr>
<tr>
<td>Disclosure Reporting tools</td>
<td>38%</td>
<td>38%</td>
<td>38%</td>
<td>0%</td>
</tr>
<tr>
<td>Database and ETL</td>
<td>25%</td>
<td>12%</td>
<td>25%</td>
<td>38%</td>
</tr>
</tbody>
</table>

**PwC Observation:** Unlike the large companies, the rest of the survey participants are investing in new vendor solutions and in the re-use of existing ones. In-house development of technology solutions is limited among these participants, probably due to the lack of in-house resources.
Stage of progress for the various solution components

### Large companies

<table>
<thead>
<tr>
<th>Component</th>
<th>Not started yet</th>
<th>Design phase</th>
<th>Detailed specifications agreed</th>
<th>Build phase</th>
<th>Testing phase</th>
<th>Operational</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CSM</strong></td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>40%</td>
<td>60%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Cash flow projection models</strong></td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>20%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>General ledger</strong></td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>60%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Subledger</strong></td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Disclosure reporting tools</strong></td>
<td>20%</td>
<td>40%</td>
<td>40%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Database and ETL</strong></td>
<td>20%</td>
<td>0%</td>
<td>20%</td>
<td>40%</td>
<td>20%</td>
<td>0%</td>
</tr>
</tbody>
</table>

**PwC Observation:** Except for disclosure reporting tools, most of the large companies are already in the building phase. For 60% of the large companies, their Cash flow projection models are already operational. We also note that 60% of the large companies are in the testing phase for their CSM solution. Overall, large companies are making satisfactory progress in the implementation process.
### Stage of progress for the various solution components

#### Rest of survey the participants

<table>
<thead>
<tr>
<th>Component</th>
<th>Not started yet</th>
<th>Design phase</th>
<th>Detailed specifications agreed</th>
<th>Build phase</th>
<th>Testing phase</th>
<th>Operational</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSM</td>
<td>25%</td>
<td>63%</td>
<td>12%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Cash flow Projection models</td>
<td>25%</td>
<td>50%</td>
<td>12%</td>
<td>13%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>General ledger</td>
<td>25%</td>
<td>38%</td>
<td>37%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Subledger</td>
<td>25%</td>
<td>63%</td>
<td>12%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Disclosure Reporting tools</td>
<td>25%</td>
<td>50%</td>
<td>25%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Database and ETL</td>
<td>38%</td>
<td>50%</td>
<td>0%</td>
<td>0%</td>
<td>12%</td>
<td>0%</td>
</tr>
</tbody>
</table>

**PwC Observation:** There is less progress from the rest of the survey participants compared to large companies. Most of these participants are at the design phase. Although the initial date of application of IFRS 17 has been deferred, companies should target to have their solutions in operation well before. There are significant implementation challenges and companies should avoid last minute surprises.
Transition readiness
Transition Readiness

46% have not yet assessed what transition method they intend to apply
Entities should not underestimate the effort required to comply with the transition requirements
Transition is a project on its own!

Entities should consider:
- Do they have sufficient historical data?
- Will they be able to accurately determine historical assumptions?
- Will they be able to replicate historical models where significant changes were made?
- Will they be able to calibrate the historical risk adjustment?

Will you be able to disclose the qualitative and quantitative impact on transition the year before adoption (IAS 8 para 30).

Focus area of the JSE proactive monitoring report.

83% of those who have decided on their transition method will apply a combination of:
- Fully retrospective,
- The fair value method.

Are the actuaries familiar with IFRS definition of fair value?
Are entities being liberal in the determination of FV?
There is a balance to be struck between having to source less historical data compared to possibly getting a smaller CSM with the fair value method compared to the other transition approaches.

To learn more about the requirements relating to transition, along with frequently asked questions ('FAQs') related to the topic, read the PwC IFRS 17 Transition Spotlight here.
Tax impacts
Know your tax position under IFRS 17

79% of the participants have not yet started with their tax assessments

Only 29% of the participants have trained their tax departments.

For most of the participants who have started their assessments, tax was in the top 3 most complex areas of the standard.

Key tax considerations

1. Greater finance transformation project
   - Tax functions in Insurance organisations are strained due to the voluminous data flows and complexity of the tax legislation
   - IFRS 17 may cause further disruption in managing tax risk effectively
   - IFRS 17 is a great opportunity for tax functions to make the changes
     - in their control environment,
     - to their systems,
     - to their data collection processes and
     - of course and most importantly alignment of tax data inputs to IFRS 17.

2. Transition to IFRS 17 and impact for tax
   - Companies should be well positioned, following their impact assessments, to understand the following:
     - Impact of existing phase in transition rules under section 29A of the Income Tax Act when IFRS 17 is introduced.
     - Day 1 impact of transition on retained earnings and on policyholder liabilities and assets. Consideration as to whether any “phase in” would be necessary to alleviate any liquidity strain for the Insurer.
     - Ongoing impact on the cash flow, timing of tax payments and accounting profit recognition under an IFRS 17 position and an “adjusted” IFRS basis. Deferred tax considerations will also be key in this regard.

3. Engagement with National Treasury and SARS
   - Consultation with the Industry, National Treasury and SARS is necessary to firm views and align the tax legislation and compliance forms with IFRS 17.
   - Upgrading of the tax legislation for any transitional rules after consultative processes have been concluded will be necessary as well.

4. Interaction between different IFRS standards
   - Many insurers would need to apply not only IFRS 17, but perhaps also IFRS 9 and IFRS 15.
   - The interplay between these standards should be unpacked for tax purposes.
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