

September 26, 2021

IFRS Foundation
7 West ferry Circus
Canary Wharf
London E14 4HD
United Kingdom

Dear Colleagues,

The Saudi Organization for Chartered and Professional Accountants (SOCPA) appreciates the efforts of the IASB and welcomes the opportunity to comment on the Exposure Draft ED/2021/8, *Initial Application of IFRS 17 and IFRS 9— Comparative Information Proposed amendment to IFRS 17*.

SOCPA agrees in principle with the proposed amendment. The implementation of IFRS 17 with the requirement to present comparative information applying the requirements of IFRS 17 for the annual reporting period immediately preceding the date of initial application resembles the “*First-time Adoption of International Financial Reporting Standards*”. For smoothing transition to the IFRS, the IASB sets out in IFRS 1 many exemptions from other IFRSs and even exceptions to the retrospective application of other IFRSs in order to ease the transition and to provide useful information to the users of financial statements. Therefore, SOCPA welcomes the relief offered by the amendment, which is an optional and is not expected to disrupt the ongoing preparation for transition to IFRS 17. We notice, however, that the proposed amendment gives more relief by allowing entities to apply the amendment to instrument-by-instrument. From our experience with the *First-time Adoption of International Financial Reporting Standards*, entities may choose to apply the “deemed cost” option selectively to achieve an opportunistic outcome. This same situation may also happen when applying the proposed amendment to IFRS 17. The assessment whether, for a particular financial asset, the benefits of applying the proposed amendment outweigh the costs is highly judgemental. Therefore, the Board may redeliberate the issue when finalising the amendment to make sure whether the risk of achieving an opportunistic outcome is mitigated.

Please feel free to contact Dr. Abdulrahman Alrazeen at (razeena@socpa.org.sa) for any clarification or further information.

Sincerely,



Dr. Ahmad Almeghames

SOCPA Chief Executive Officer