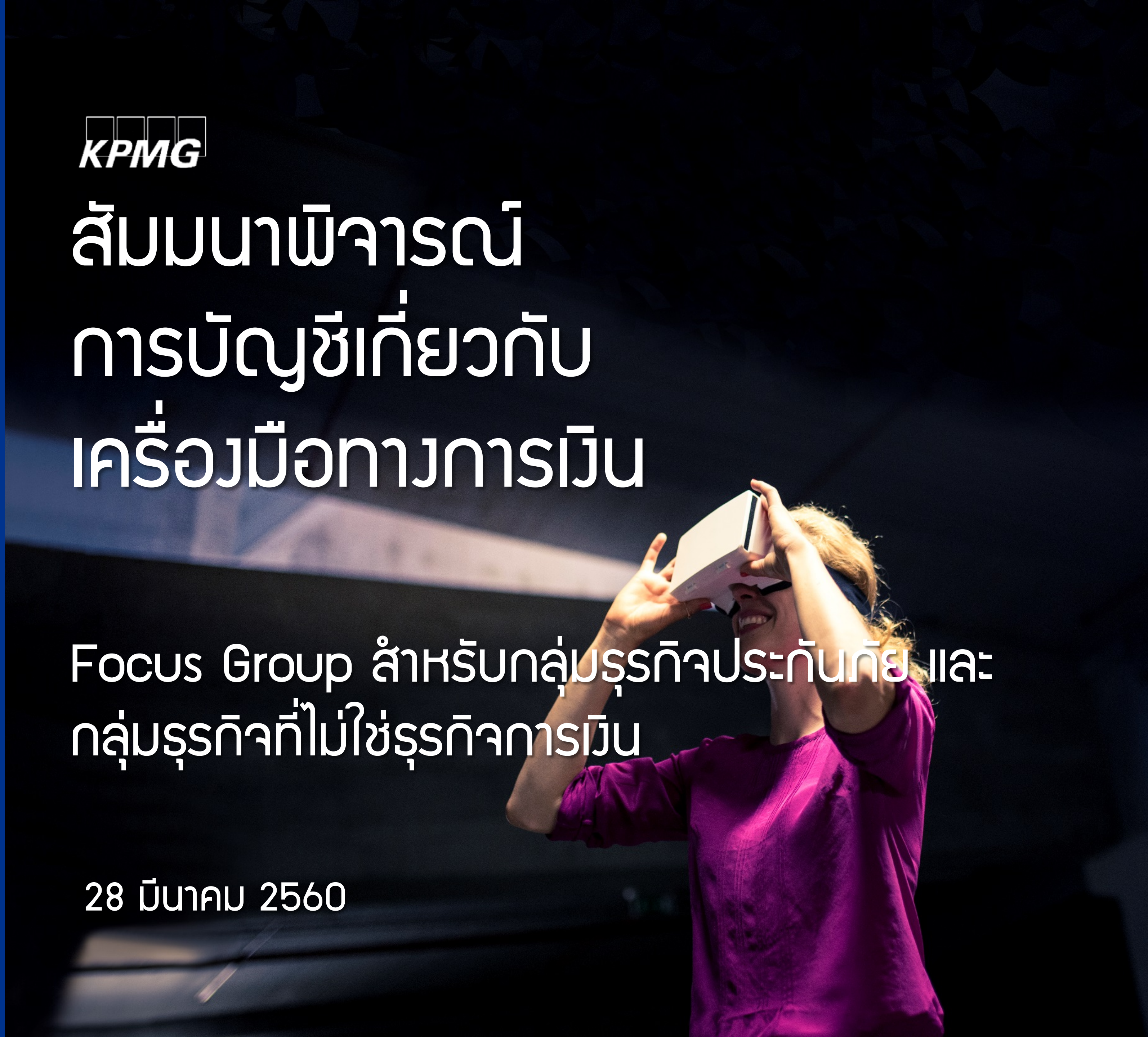

KPMG

สัมมนาพิจารณ์ การบัญชีเกี่ยวกับเครื่องมือทางการเงิน

Focus Group สำหรับกลุ่มธุรกิจประกันภัย และกลุ่มธุรกิจที่ไม่ใช่ธุรกิจการเงิน

28 มีนาคม 2560

Thai General Impact

ผลกระทบ

สินทรัพย์	ผลกระทบ
เงินลงทุนในตราสารทุนของหุ้นในตลาดหลักทรัพย์ฯ ที่วัดมูลค่า ด้วย FVTOCI	กำไรหรือขาดทุนจากการขายจะแสดงกำไรขาดทุนเบ็ดเสร็จอื่นและไม่ปรากฏในกำไรหรือขาดทุน
เงินลงทุนในตราสารทุนของหุ้นนอกตลาดหลักทรัพย์ฯ	วัดด้วยมูลค่ายุติธรรม ซึ่งเดิมวัดด้วยราคาทุนหักด้อยค่า
ตราสารอนุพันธ์	วัดด้วยมูลค่ายุติธรรม
เงินให้กู้ยืมหรือเงินกู้ยืมด้วยอัตราดอกเบี้ยขั้นบันได หรือมีค่าธรรมเนียมเมื่อเริ่มแรก	ดอกเบี้ยรับหรือดอกเบี้ยจ่ายจะแสดงด้วยอัตราดอกเบี้ยที่แท้จริง ซึ่งอาจแตกต่างจากกระแสเงินสด
ลูกหนี้หรือเงินให้กู้ยืม – ด้อยค่า	มูลค่า

Impact – Insurance

Significant judgements required

Potential impact	Actions to consider
• Ensuring financial assets are classified appropriately under IFRS 9 will require insurers to: – determine the objective of the business model in which financial assets are managed; and – where relevant, analyse the contractual cash flow characteristics of financial assets (e.g. whether the contractual cash flows give rise, on specified dates, to cash flows that are solely payments of principal and interest).	• Perform a comprehensive review of financial assets to ensure that they are appropriately classified and measured. • Decide how to apply the expected credit loss model to different financial assets. • Develop impairment methodologies and controls to ensure judgement is exercised consistently and supported by appropriate evidence. • Update accounting policies to incorporate the new requirements.

Significant judgements required (cont.)

Potential impact	Actions to consider
• Applying the expected credit loss model to calculate impairment for debt instruments measured at amortised cost or FVOCI and certain financial guarantees and loan commitments willrequire: – robust estimates of expected credit losses; – identification of the point at which there is a significant increase in credit risk since initial recognition of an asset; and – decisions as to how key terms will be defined in the context of their financial assets.	

Profit or loss and equity implications

Potential impact	Actions to consider
• Volatility in profit or loss and equity may arise as a result of mismatches between the measurement bases for financial assets and insurance contract liabilities and from the presentation of gains and losses in the statement of profit or loss and OCI. These mismatches may be caused by: – the effects of changes in discount rates; – changes in other market factors (e.g. equity prices); or – timing or accounting differences between the settlement or disposal of assets and liabilities.	• Identify options and elections available under IFRS 9 and the forthcoming insurance contracts standard to minimise mismatches between the accounting for insurance contract liabilities and the financial assets held to back them. • Evaluate the impact of accounting change on regulatory capital resources and requirements, corporate taxes, management compensation metrics and key performance indicators. • Develop communication plans for shareholders, analysts and employees who may be affected – e.g. finance and compliance teams.

Profit or loss and equity implications (cont.)

Potential impact	Actions to consider
• The expected credit loss model is likely to lead to larger and more volatile charges for credit losses on financial assets, but an insurer's own credit risk is not intended to be reflected in the measurement of insurance contract liabilities under the forthcoming standard – limiting any significant offsetting impact.	• Keep up-to-date with developments on the IASB's model for participating insurance contracts through KPMG's publications and newsletters.

Profit or loss and equity implications (cont.)

Potential impact	Actions to consider
• For insurers with significant portfolios of financial assets measured at amortised cost, initial application of the expected credit loss model may result in a potentially large negative impact on equity, as equity will incorporate not only incurred credit losses but also expected credit losses. • Where regulatory capital resources and requirements are based on an entity's IFRS financial statements, the classification of an insurer's financial assets under IFRS 9 may affect those calculations.	

Operation challenges

Potential impact	Actions to consider
• Systems and processes may need to be modified to collect new data and perform new calculations to: – capture fair value, amortised cost and other information needed for classification and measurement; – estimate 12-month and lifetime expected credit losses to calculate impairment; and – satisfy new disclosure requirements.	• Develop a co-ordinated response to implementation that incorporates system and process changes driven by regulation – e.g. Solvency II – and the forthcoming insurance contracts standard. • Upgrade accounting systems to capture necessary information and perform required calculations. • Identify whether there is a need for additional staff with appropriate expertise or to engage external help.

Operation challenges (cont.)

Potential impact	Actions to consider
• Changes to systems and processes may necessitate changes to key internal controls over financial and regulatory reporting or impact the way in which work is performed by relevant personnel. • Depending on the scope of the project, designing and executing a successful accounting change programme can be a complex and time-consuming process, requiring careful management and appropriate resources.	• Develop and execute training plans for employees across functions and locations.

Impact – Financial Institution

Potential impact

Credit losses

Potential impact

- IFRS 9 introduces an expected credit loss (ECL) model, which uses a dual measurement approach that requires recognition of either 12-month ECLs or lifetime ECLs: 12-month ECLs for those assets that have not suffered a significant increase in credit risk since initial recognition; lifetime ECLs for those that have.
- The new model relies on banks being able to make robust estimates of ECLs and establishing when significant changes in credit risk occur, increasing the level and complexity of judgement significantly.
- Equity, regulatory capital and KPIs may be significantly affected as they will reflect ECLs as well as incurred credit losses. Volatility will also increase as external data, such as ratings, credit spreads and predictions about future conditions, will be assessed in the calculation of ECLs.
- New systems and processes – and associated internal controls – will be needed to meet the ECL model's extensive new data and calculation requirements – e.g. estimates of 12-month and lifetime ECLs. Information will also be required to determine whether a significant increase in credit risk has occurred or reversed.

Classification and measurement

Potential impact

- IFRS 9 requires financial asset classification to be based on contractual cash flow characteristics and the business model for managing the asset. Judgement may be required in determining whether the SPPI criterion is met – for example, if the interest rate resets every month to a one-year rate, then determining whether the SPPI criterion is met may require a quantitative assessment.
- How a bank classifies its financial assets could affect how its capital resources and capital requirements are calculated, and create volatility in profit or loss or equity.
- It may also influence product features in loan contracts, and processes such as loan underwriting and buying of securities.

Potential impact (cont.)

Hedge accounting

Potential impact

- IFRS 9 allows a bank to switch to a new hedge accounting model that is aligned more closely with risk management. The new model may allow additional hedging strategies; however, some current hedging strategies may be restricted.
- The new model is more principles-based: the bright-line effectiveness test under IAS 39 falls away and a more judgemental approach is required in the assessment of qualifying, rebalancing and discontinuing hedge accounting.

Disclosures

Potential impact

- Extensive new qualitative disclosures are required to explain how judgement is exercised as well as quantitative disclosures about financial assets.
- Extensive new disclosures are also required for impairment. Sourcing the additional information could be complex and time-consuming.
- Additional disclosure requirements will apply for hedge accounting.

Keeping you informed

Visit [kpmg.com/ifrs] for the latest on IFRS.

Whether you are new to IFRS or a current user, you can find digestible summaries of recent developments, detailed guidance on complex requirements, and practical tools such as illustrative disclosures and checklists.

Visit [KPMG financial instruments] web portal for latest insights on evolving accounting practice for financial instruments.

https://home.kpmg.com/xx/en/home/services/audit/international-financial-reporting-standards/financial-instruments.html

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