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SCIB NIGERIA & CO. LTD.

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NATIONAL INSURANCE COMMISSION

HEAD OFFICE: Plot 1239 Ladoke Akintola Boulevard Garki II, Abuja, P.M.B. 457, Garki Abuja, Nigeria ☎: 09-8756021
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NAICOM/DPR/CIR/24/2019

May 02, 2019

ALL Managing Director/CEO of Insurance Brokerage Firms

Dear Sir/Madam,

IMPLEMENTATION OF IFRS 15 – REVENUE FROM CONTRACTS WITH CUSTOMERS & IFRS 9 – FINANCIAL INSTRUMENTS BY INSURANCE BROKERS

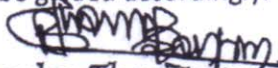
It would be recalled that the insurance sector in Nigeria adopted the International Financial Reporting Standards (IFRS) on 1 January, 2012 as part of national measures to improve reporting practices, transparency and disclosures in line with international best practice. Consequently, all revisions to then, existing standards and new accounting standards issued by the International Accounting Standards Board (IASB) were mandatorily adopted by all reporting entities.

Subsequently, in May 2014, IFRS 15 Revenue from Contracts with Customers, was jointly issued by the IASB and the Financial Accounting Standards Board (the FASB). The standard establishes the principles that an entity applies when reporting information about the nature, amount, timing and uncertainty of revenue and cash flows from a contract with a customer, and with an effective date of 1 January 2018. Also, in July 2014, the IASB issued IFRS 9: Financial Instrument which sets out the requirements for recognising and measuring financial assets and financial liabilities. It replaces IAS 39 Financial Instruments: Recognition and Measurement and stipulated an effective date of 1 January 2018.

You are advised to note that while the Commission will issue further directives on the adoption of IFRS 9 and IFRS 15 for Insurance Brokers in due course, it has for this purpose, obtained the concurrence of the Financial Reporting Council of Nigeria to defer the adoption date of these standards by one year, from 1 January 2018 to 1 January 2019.

Consequently, you are further advised to note that financial statements for the year ended December 31, 2018 (already filed or to be filed with the Commission) are reported and presented on existing basis and in accordance with IAS 39 while you take step to acquaint yourselves with the new IFRS 15 and IFRS 9 respectively.

Kindly be guided accordingly.


Barineka Thompson
Director, Inspectorate Directorate
For: Commissioner for Insurance

