

## **Prudential Communication 6 of 2025**

### **Insurance Act, 2017 (Act No. 18 of 2017)**

### **Replacement of Quantitative Reporting Template sheet OF2 – Statement of Assets, Liabilities and Basic Own Funds following the implementation of International Financial Reporting Standard 17**

#### ***Objective of this Prudential Communication***

*This communication informs solo and microinsurers of the update to Quantitative Reporting Template (QRT) sheet OF2 – Statement of Assets, Liabilities and Basic Own Funds (OF2) following the implementation of International Financial Reporting Standard 17 Insurance Contracts (IFRS 17), which replaced International Financial Reporting Standard 4 Insurance Contracts (IFRS 4).*

#### **1. Application**

- 1.1 This Prudential Communication is applicable to solo and Microinsurers (insurers) as defined by the Insurance Act, 2017 (Act No. 18 of 2017) and supervised by the Prudential Authority (PA).

#### **2. Purpose**

- 2.1 The purpose of this Prudential Communication is to inform all licensed solo and Microinsurers of amendments to the QRT sheet OF2 - Statement of Assets, Liabilities and Basic Own Funds, following the implementation of IFRS 17.
- 2.2 This Prudential Communication also informs all licensed Microinsurers of the inclusion of an OF4 sheet (Excess of Income over Outgo) in the quarterly QRT.

#### **3. Introduction**

- 3.1 The implementation of IFRS 17 on 1 January 2023 represented a significant shift from the approach and underlying assumptions governing the recognition, measurement, presentation and disclosure of insurance contracts when compared to IFRS 4.
- 3.2 The PA acknowledged that the current version of the QRTs is not aligned to IFRS 17 requirements, as this version of the QRTs was designed in accordance with the requirements of IFRS 4, which was the applicable accounting standard at the time. The amendment to the QRT sheet OF2 is intended to address the misalignment and guide licensed insurers in completing the IFRS basis reporting in the QRTs.

- 3.3 The PA also acknowledged that OF4 sheet in the quarterly QRT for Microinsurers was omitted during the design process, thus inclusion with the above communicated update. It is worth noting that the proposed OF4 statement is a copy and paste into the quarterly QRT from the annual QRT for Microinsurers.

#### **4. Guidance on the completion of Quantitative Reporting Templates sheet OF2 - Statement of Assets, Liabilities and Basic Own Funds**

- 4.1 Insurers must note the following when completing the QRT sheet OF2 – Statement of Assets, Liabilities and Basic Own Funds, with effect from the first quarter of 2025 for the quarterly QRT and 1 January 2025 for the annual QRT submissions:
- 4.1.1 Solo insurers are hereby requested to utilise the new version IA\_Q\_S\_QRT\_v3 for the quarterly QRT and IA\_A\_S\_QRT\_v3 for the annual QRT, reflecting the updated OF2 sheet for the completion of columns reflecting the SAM basis and IFRS basis.
- 4.1.2 Microinsurers are hereby requested to utilise the new version IA\_Q\_M\_QRT\_v2 for the quarterly QRT and IA\_A\_M\_QRT\_v2 for the annual QRT, reflecting the updated OF2 sheet for the completion of columns reflecting the SAM basis and IFRS basis.
- 4.1.3 The updated versions of the QRTs can be found here: [Insurers Returns \(resbank.co.za\)](https://resbank.co.za/Insurers>Returns).
- 4.1.4 Insurers must continue to apply the guidance provided in Prudential Communication 7 of 2023 for the completion of the SAM basis columns where the required data is aligned to IFRS 4 terminology.

#### **5. Enquiries**

- 5.1 Queries relating to this Prudential Communication may be directed to [IFRS17@resbank.co.za](mailto:IFRS17@resbank.co.za).

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