



Republic of the Philippines  
 Department of Finance  
**INSURANCE COMMISSION**  
 1071 United Nations Avenue, Manila



Circular Letter (CL) No.:	2025-04
Date:	March 10, 2025
Supersedes:	CL Nos. 2020-62 and 2024-04

**CIRCULAR LETTER**

**TO : ALL INSURANCE AND PROFESSIONAL REINSURANCE COMPANIES DOING BUSINESS IN THE PHILIPPINES**

**SUBJECT : APPLICATION OF PHILIPPINE FINANCIAL REPORTING STANDARD 17–INSURANCE CONTRACTS (PFRS 17) IN THE AUDITED FINANCIAL STATEMENTS (AFS) AND PREPARATION OF IC REPORTORIAL REQUIREMENTS**

**WHEREAS**, the Financial and Sustainability Reporting Standards Council (FSRSC) and Professional Regulatory Board of Accountancy (PR-BOA) adopted International Financial Reporting Standard 17–Insurance Contracts as Philippine Financial Reporting Standard 17–Insurance Contracts (PFRS 17), which was later adopted by the Securities and Exchange Commission (SEC) as part of its financial reporting framework;

**WHEREAS**, through IC Circular Letter (CL) No. 2020-62, FSRSC Pronouncement dated 21 December 2021, and BOA Resolution No. 1, s. 2022, the adoption of PFRS 17 was deferred from 1 January 2023 to 1 January 2025;

**WHEREAS**, due to gaps in the insurance industry’s preparation for PFRS 17 and the need for additional time to ensure a smooth transition while maintaining regulatory stability, the IC, FSRSC, and SEC are discussing an effective, proportionate, and well-coordinated PFRS 17 framework;

**WHEREAS**, the FSRSC and the PR-BOA have set the new effectivity date of PFRS 17 to 1 January 2027;

**NOW, THEREFORE**, in view of the foregoing and pursuant to the powers granted to the Insurance Commissioner under Section 437 of the Amended Insurance Code, the following rules and regulations are hereby promulgated:

**SECTION 1. APPLICATION OF PFRS 17 IN THE AUDITED FINANCIAL STATEMENTS (AFS)**

All companies shall adopt PFRS 17 in their AFS for submission to the SEC effective 1 January 2027. However, companies are allowed to adopt PFRS 17 in their AFS beginning 1 January 2025.

## SECTION 2. SUPPLEMENTAL REPORT TO THE AFS ON PFRS 17

All companies applying PFRS 17 in their AFS shall provide a supplemental report covering specific insurance and reinsurance asset and liability accounts. This supplemental report shall be used for prudential analysis and admittance assessment as mandated under the Code.

Please refer to **Annex A** for the template and details of the supplemental report.

## SECTION 3. PREPARATION OF IC REPORTORIAL REQUIREMENTS

All companies shall continue to prepare the following IC reportorial requirements based on the existing CLs:

Reportorial Requirements	Basis for Preparation
a. Quarterly Financial Reporting Framework (FRF) Report	CL No. 2016-65
b. Annual Statement (AS)	
c. Actuarial Valuation Report (AVR)	CL Nos. 2016-66 and 2018-18
d. Risk-Based Capital (RBC2) Workbook	CL No. 2016-68

## SECTION 4. SUBMISSION OF PFRS 17 AFFIDAVIT OF UNDERTAKING

All companies shall be required to submit the following documents as part of their AS for the year 2024, which is due on 30 April 2025:

Requirements	Remarks
a. PFRS 17 Status Report	This report outlines the company's progress in adopting PFRS 17 as of 31 March 2025. Detailed instructions for completing this report can be found in <b>Annex B</b> .
b. PFRS 17 Implementation Affidavit of Undertaking	This affidavit serves as a formal declaration of the company's commitment to implementing PFRS 17. Further information is available in <b>Annex C</b> .

## SECTION 5. SUBMISSION OF QUARTERLY PFRS 17 STATUS REPORTS

All companies shall be required to submit PFRS 17 status reports as required attachments to their quarterly FRF. These reports shall be duly approved and signed by the company's President, Chief Executive Officer, or its authorized representative.

At a minimum, the status report shall include the following:

- a. A summary of implementation activities in preparation for the adoption of PFRS 17 by 1 January 2027;
- b. An overview of risks, challenges, and issues encountered with corresponding mitigation measures or action steps to address them;
- c. An assessment of PFRS 17 preparedness; and
- d. The company's PFRS 17 accounting policies.

The PFRS 17 status report shall be submitted in Excel format (.xls/.xlsx) using the attached template (**Annex D**) and must be uploaded to the IC Online Uploading Portal (<https://onuploading.insurance.gov.ph>) on or before the specified dates:

Quarter Ending	Submission Due Date 2025 and 2026
March 31	April 20*
June 30	July 20
September 30	October 20
December 31	January 20

*\*For 31 March (Q1) 2026 only*

## SECTION 6. CONDUCT OF PFRS 17 QUANTITATIVE IMPACT ASSESSMENT (QIA)

Companies shall submit the completed PFRS 17 QIA templates under IC Advisory No. RS-2024-013<sup>1</sup> according to the following schedule:

Period Covered	Submission Due Date
December 31, 2024	June 30, 2025
June 30, 2025	August 31, 2025
December 31, 2025	June 30, 2026
June 30, 2026	August 31, 2026
December 31, 2026	June 30, 2027

This ensures that all assessments are conducted and reported in a timely manner.

<sup>1</sup> Entitled, "Conduct of Quantitative Impact Assessment (QIA) Relative to the Application of Philippine Financial Reporting Standard (PFRS) 17 – Insurance Contracts."

## SECTION 7. REPORTING OF PFRS 17 VALUATIONS

Companies implementing PFRS 17 shall include an additional schedule (**Annex E**) in their AS. This schedule shall detail the changes or movements in the PFRS 17 reserve valuations, which shall form part of the Commission's reserve requirements pursuant to Sections 216 and 219 of the Amended Insurance Code.

  
REYNALDO A. REGALADO  
Insurance Commissioner

