

IFRS 9 Implementation Checklist

The last two years haven't exactly gone according to plan. If you got a late start preparing and need some help to ensure your 2023 readiness, Clearwater has you covered. Check out our IFRS 9 Implementation Checklist to help get you on track.

1. Determine your testing process

Option 1: adding a Transitional IFRS (TIFRS) accounting basis to your portfolio. This can be used to adjust your business model, apply measurement and classification overrides, and apply expected credit loss allowance uploads.

- This accounting basis would stay in place through 2022 and can be used to get an early view of what your accounts will look like post-IFRS 9 application. It also allows you to streamline the monthly IFRS 9 processes prior to the 1 January 2023 adoption deadline.

Option 2: applying a conversion overlay, so you can provide 2022 reporting under IAS 39 and 2023 reporting under IFRS 9.

- This accounting basis allows for zero interruption in the delivery and consumption of monthly general ledger files.

2. Define your business model test

Confirm which portfolios require a measurement and classification category update

Select the appropriate classification for the business model of each portfolio or account

Note: We see some companies classifying all assets to fair value through profit or loss (FVTPL) as part of the transition to minimise the impact of IFRS 9. This classification is always an option but will directly impact your income statement.

3. Understand your solely payments of principal and interest (SPPI) process

Calculate SPPI or purchase SPPI data

Upload SPPI result data, by security, into investment accounting ledger system

Reclassify your investments with SPPI failure results, to new categories, resulting in potential income recognition and General Ledger changes

4. Create your expected credit loss (ECL) model

Calculate ECL or purchase an ECL model (Bloomberg and Moody's are common sources)

Upload ECL data by security/lot into investment accounting ledger system

Understand the timing of ECL process and how it may impact your accounting close calendar

5. Review your securities

Determine securities that will be tagged as fair value through other comprehensive income (FVTOCI) with no recycling through profit and loss.

6. Update your General Ledger

Provide GL codes to the new allowance expense and reserve GL buckets

7. Update your reporting

Customise required IFRS 9 disclosures as needed

Create IFRS 9-based internal use reports

The Clearwater solution stands ready to help you establish your processes to comply with IFRS 9 and to handle the elevated data requirements that come with the new standard. Schedule a meeting with us to learn how the Clearwater solution helps insurers navigate major accounting changes and more with ease.

[Talk to an Expert →](#)

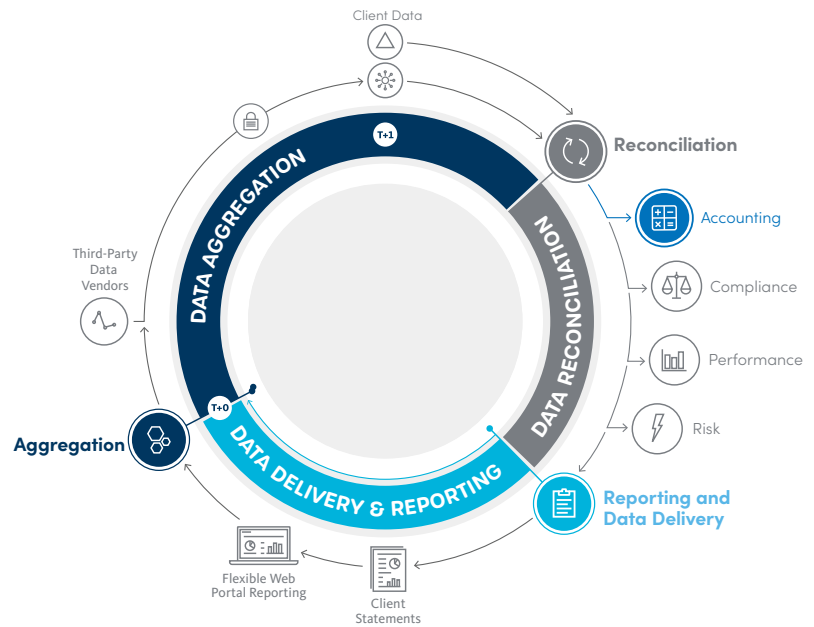
“It’s really great to have Clearwater whenever there are additional regulatory requirements so we don’t have to manually manage them. Clearwater is a big help.”

Fu Ling, Internal Audit, North Star Mutual Insurance

SPPI Test Grouping	Identifier	Description
Higher Risk	93934FHC9	WMALT 2005-AR1 A1A
Higher Risk	59156RBP2	METLIFE INC
Higher Risk	075887CF4	BECTON DICKINSON AND CO
Higher Risk	670346AL9	NUCOR CORP
Lower Risk	893526DM2	TRANSCANADA PIPELINES LTC
Higher Risk	744320AL6	PRUDENTIAL FINANCIAL INC
Higher Risk	26441CAJ4	DUKE ENERGY CORP
Higher Risk	68268NAJ2	ONEOK PARTNERS LP
Lower Risk	57629WBR0	MASSMUTUAL GLOBAL FUNDI
Higher Risk	008117AP8	AETNA INC
Higher Risk	096630AC2	BOARDWALK PIPELINES LP
Higher Risk	744320AM4	PRUDENTIAL FINANCIAL INC
Lower Risk	59217GAX7	METROPOLITAN LIFE GLOBAL FUNDING I
Higher Risk	86765BAL3	ENERGY TRANSFER LP

Clearwater helps clients to implement IFRS 9 and establish their reporting processes after adoption.

Want to learn more? →



Contact Us:

Learn more about how Clearwater can revolutionize your investment accounting operations
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