



# CAYMAN ISLANDS MONETARY AUTHORITY

To: All Insurance Licensees

From: Cayman Islands Monetary Authority

Date: January 2018

## **Supervisory Issues and Information Circular**

During October 2017, the Cayman Islands Monetary Authority (the "Authority") issued a Supervisory Issues and Information Circular (the "Circular") on several topics including the Financial Accounting Standards Board's recent accounting standard update No. 2015-09 ("ASU 2015-09"). The Authority noted that it was communicating with its key stakeholders and also considering the effect/impact of ASU 2015-09 on its licensees and their reporting.

The Authority understands the various complexities that its licensees may encounter to meet the requirements of ASU 2015-09, however as expressed in the October Circular, the implementation of ASU 2015-09 for financial statements prepared under US GAAP will benefit the users of these financial statements by providing more relevant, transparent and useful information on the licensee's financial position and performance for the relevant period.

When taking the above into consideration, the Authority's position on ASU 2015-09 is as follows:

- Where a licensee has elected to prepare their financial statements in accordance with US GAAP, they should comply with ASU 2015-09, if applicable; and
- Where a licensee has elected to prepare their financial statements in accordance with US GAAP but decides not to comply with ASU 2015-09 the Board of Directors of the licensee should notify the Authority in advance of their decision and with the rationale behind the decision. Prior to advising the Authority, it is expected that the Board discusses with the licensee's appointed audit firm the likely impact of non-compliance on its audit opinion.