

## MARKET BULLETIN

REF: Y4933

<b>Title</b>	<b>Valuation of Liabilities Rules for 31 December 2015 Solvency Test</b> Update relating to the treatment of Non-Monetary Items under New UK GAAP
<b>Purpose</b>	To inform managing agents of an update to previously released guidance relating to the setting of technical provisions for solvency as at year-end 2015
<b>Type</b>	Annual Release
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<b>Date</b>	19 October 2015
<b>Deadline</b>	For immediate attention
<b>Related links</b>	<a href="http://www.lloyds.com/The-Market/Operating-at-Lloyds/Resources/Lloyds_Valuation_of_Liabilities">http://www.lloyds.com/The-Market/Operating-at-Lloyds/Resources/Lloyds_Valuation_of_Liabilities</a>

This Market Bulletin is to inform the recipients of a minor update to the Valuation of Liabilities rules which reflects a change in the treatment of Non-Monetary Items under New UK GAAP.

Under new UK GAAP Non-Monetary items should be valued at Year end exchange rates rather than at transaction exchange rates. Therefore there is no longer expected to be a solvency adjustment in respect of the differing rates of exchange for these items.

There are no other changes to the Valuation of Liabilities Rules and the updated rules can be available at the website referenced above. The note in the QMA sample spreadsheet has also been updated to reference this change in treatment.

#### Contact Details

Where Managing Agents and Syndicate Actuaries require clarification they should approach either:

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