



---

Project **Phase 3 – hedge accounting**

Topic **Cover note**

---

1. The following papers will be discussed at the Board meeting in January 2010:
  - (a) Agenda paper 8A: **The objective of hedge accounting**
  - (b) Agenda paper 8C: **Eligible hedged items – Risk components**
2. Agenda paper 8A contains **two possible objectives of hedge accounting**.
3. **Rather than asking the Board to choose an objective in the abstract, agenda paper 8C illustrates how the two objectives** would be applied to **risk components** in both financial and non-financial items, including proposed constraints to eligibility. The staff believes that illustration of each objective will allow the Board to make a more informed decision.
4. **Agenda paper 8B is an education paper only** providing an **overview to the different types of components** that can be defined as hedged items. We do not intend to discuss this paper at the meeting. However, if the Board agrees with objective #1 from agenda paper 8A, this will be used as a roadmap for future papers.

---

This paper has been prepared by the technical staff of the IASCF for discussion at a public meeting of the IASB.

The views expressed in this paper are those of the staff preparing the paper. They do not purport to represent the views of any individual members of the IASB.

Comments made in relation to the application of an IFRS do not purport to be acceptable or unacceptable application of that IFRS—only the IFRIC or the IASB can make such a determination.

The tentative decisions made by the IASB at its public meetings are reported in IASB *Update*. Official pronouncements of the IASB, including Discussion Papers, Exposure Drafts, IFRSs and Interpretations are published only after it has completed its full due process, including appropriate public consultation and formal voting procedures.