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Project	<b>Financial Instruments (Replacement of IAS 39)—Hedge Accounting</b>
Topic	<b>Hedge accounting disclosures—Staff recommendations and questions to the Board</b>

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## Papers to be discussed at this meeting

1. This paper summarises the staff recommendations and possible alternatives for hedge accounting disclosures. This paper also provides the questions for the Board.

## Staff recommendation and questions to the Board

### *Objectives of hedge accounting disclosures*

2. The staff recommend that the Board should require hedge accounting disclosures that are based on the following objectives—providing information about:
  - (a) the effect that hedge accounting has had on the entity's balance sheet, income statement and statement of comprehensive income (see agenda papers 20A and 20B);
  - (b) how an entity's risk management strategy is applied to manage or transform risk (see agenda paper 20C); and
  - (c) how the entity's hedging activities may affect the amount, timing and uncertainty of the entity's future cash flows (see agenda paper 20C).

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This paper has been prepared by the technical staff of the IFRS Foundation 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 IFRS Interpretations Committee 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.

IASB Staff paper

**Question 1**

Does the Board agree with the staff recommendation in paragraph 2?

If not, what would the Board recommend and why?

***Disclosures about the effects of hedge accounting on the balance sheet***

3. The staff recommend that the Board should require the disclosures in agenda paper 20A for the reasons set out in that paper.

**Question 2**

Does the Board agree with the staff recommendation in paragraph 3?

If not, what would the Board recommend and why?

***Disclosures about the effect of hedge accounting on the income statement and OCI***

4. The staff recommend that the Board should require the disclosures in agenda paper 20B for the reasons set out in that paper.

**Question 3**

Does the Board agree with the staff recommendation in paragraph 4?

If not, what would the Board recommend and why?

***Disclosures about the entity's risk management activities***

5. The staff recommend that the Board should require the disclosures in agenda paper 20C for the reasons set out in that paper.

**Question 4**

Does the Board agree with the staff recommendation in paragraph 5?

If not, what would the Board recommend and why?