
Project	Financial Instruments: Replacement of IAS 39
Topic	Hedge accounting: hedges of credit risk using credit derivatives—cover paper

1. This series of agenda papers addresses hedges of credit risk using credit derivatives.
2. It contains two papers (21A and 21B).
3. Agenda paper 21A contains:
 - (a) a description on how financial institutions manage credit exposures arising from their lending activities; and
 - (b) an analysis of the accounting implications.
4. Agenda paper 21B contains:
 - (a) the alternatives for how the Board could proceed;
 - (b) the staff recommendation; and
 - (c) a question to the Board.

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.