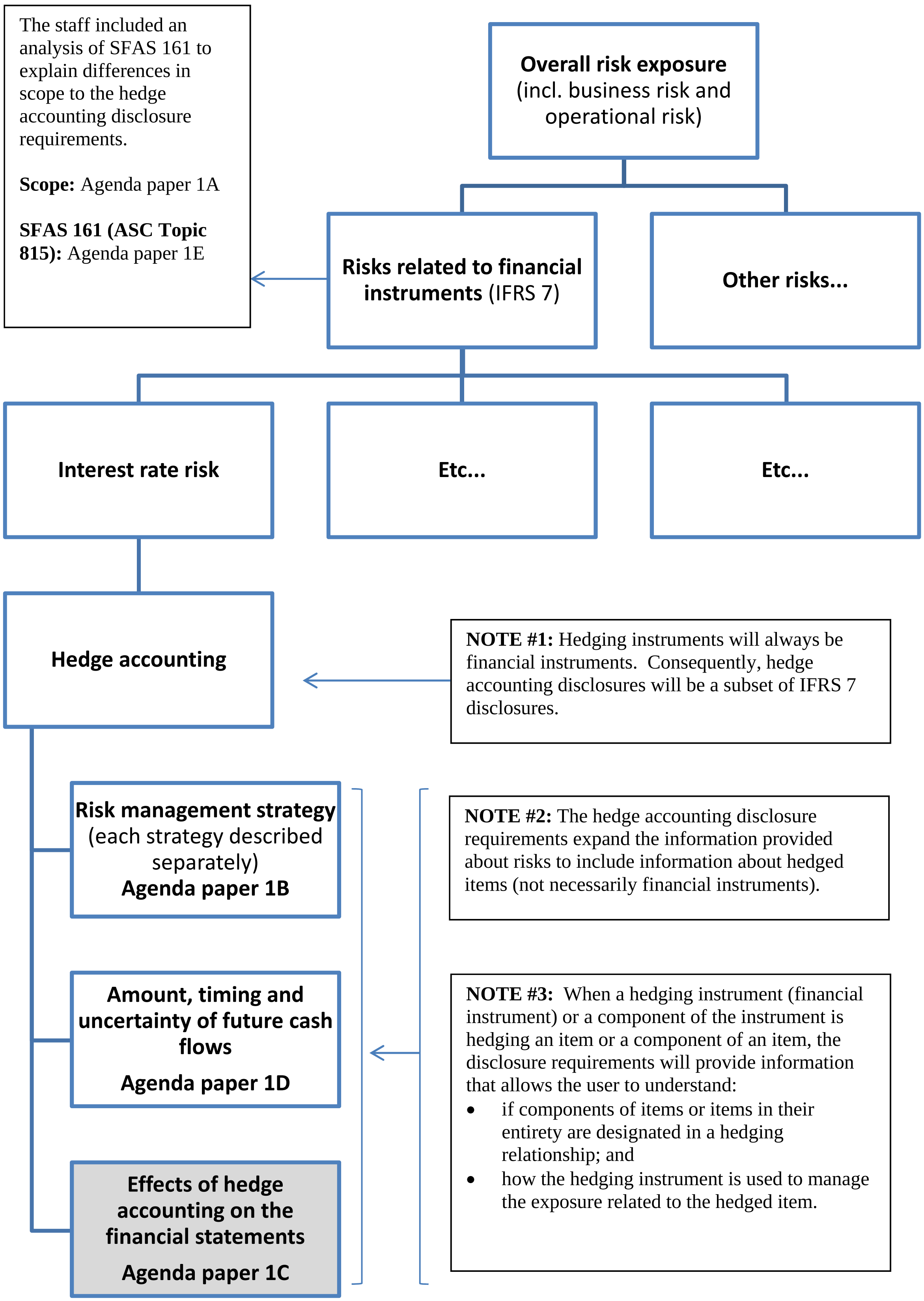
Project	**Financial Instruments: Hedge Accounting**
Topic	**Disclosures – The effects of hedge accounting on the financial statements**

Purpose of this paper

1. This paper asks the Board to reconfirm the disclosure requirements related to the **effects of hedge accounting** on the primary financial statements.
2. Appendix A to this paper provides an extract of the related proposed disclosure requirements in the exposure draft *Hedge Accounting.*
3. Appendix B provides an example of what the tabular disclosure might look like based on the staff recommendations. The example provided is only an illustration of what the disclosure could look like. The final requirements would only list the minimum required information to be disclosed in a tabular format. The final requirements would not require a specific tabular format for those disclosures. Consequently, entities would be able to format such a table (or add additional columns and rows) to meet their specific reporting needs, as long as the minimum required information is available in that table.
4. The diagram below illustrates the relationship between all the agenda papers that discuss hedge accounting disclosures. The items shaded in grey are relevant to the discussion in this paper.


The staff included an analysis of SFAS 161 to explain differences in scope to the hedge accounting disclosure requirements.
Scope: Agenda paper 1A
SFAS 161 (ASC Topic 815): Agenda paper 1E
Overall risk exposure (incl. business risk and operational risk)
Risks related to financial instruments (IFRS 7)
Other risks...
Interest rate risk
Etc...
Etc...
Hedge accounting
NOTE #1: Hedging instruments will always be financial instruments. Consequently, hedge accounting disclosures will be a subset of IFRS 7 disclosures.
Risk management strategy (each strategy described separately) **Agenda paper 1B**
NOTE #2: The hedge accounting disclosure requirements expand the information provided about risks to include information about hedged items (not necessarily financial instruments).
Amount, timing and uncertainty of future cash flows **Agenda paper 1D**
NOTE #3: When a hedging instrument (financial instrument) or a component of the instrument is hedging an item or a component of an item, the disclosure requirements will provide information that allows the user to understand:
• if components of items or items in their entirety are designated in a hedging relationship; and
• how the hedging instrument is used to manage the exposure related to the hedged item.
Effects of hedge accounting on the financial statements **Agenda paper 1C**

Background

Tentative decisions to date

5. At the 27 April 2011 IASB meeting the Board tentatively decided to retain the fair value hedge accounting requirements in IAS 39 *Financial Instruments: Recognition and Measurement*, which means that:

   (a) gains and losses from hedging instruments and hedged items for the hedged risk of a fair value hedge are recognised in profit or loss; and

   (b) the hedged item requires direct adjusting for the effect of fair value hedging.

6. The Board tentatively decided to require one single note of the effects of fair value hedges and cash flow hedges on profit or loss and other comprehensive income (OCI), respectively, in the notes to the financial statements disclosure. In addition, this note would require disclosure of the fair value hedge adjustment made to the hedged item.

7. **Consequently, the Board has already confirmed that the disclosure requirements should address the effects of hedge accounting on the financial statements. This paper only asks the Board whether the proposed tabular format is adequate or whether it would like to follow another approach.**

Proposals in the exposure draft

8. Users of financial statements have told s that they need to be able to identify how hedge accounting has affected the entity's statement of profit or loss and OCI and statement of financial position.

9. To provide information on the effects of hedge accounting on the statement of profit or loss and OCI and the statement of financial position, the Board proposed disclosures that should be presented in a tabular format, which separates the information by risk category and by type of hedge. Providing

disclosures in a tabular format allows users to identify clearly the relevant numbers and their effects on the entity's statement of profit or loss, OCI and the statement of financial position.

10. The Board also proposed that a reconciliation of accumulated other comprehensive income (AOCI) in accordance with IAS 1 *Presentation of Financial Statements* be made in such a way that a user of financial statements can easily identify the amounts disclosed in the proposed tables. The Board proposed that this could be done either in the statement of changes in equity or in the notes.

11. The Board believed that if the proposed table is prepared by risk category and by type of hedge, the table would provide sufficient links between the accounting information and the related risk management information.

12. As discussed in agenda paper 1B, the Board did not prescribe the level of aggregation or disaggregation. However, all hedge accounting disclosures should be presented by risk category consistently. Therefore, an entity will provide both a description of, and the effects of hedge accounting on, each of the strategies it applied to manage a specific category of risk (see Agenda Paper 1B).

Comments received

Disclosures of tables to illustrate the effects of hedge accounting on the financial statements

13. Most of the respondents to the exposure draft agreed with the overall objective of the hedge accounting disclosures (including those related to explaining the effects of hedge accounting on the primary financial statements). However, some respondents commented that they are concerned that the proposed requirements are overly prescriptive. They think that the broad principle to provide information on the risk management strategies is sufficient and that entities should be allowed to determine what level of detail is required.

14. Some (mostly preparers) commented that they do not understand the purpose of detailed tabular disclosures and how that information is useful. They think that it is more relevant to focus on the risk management strategy. They do not think that understanding the effects of hedge accounting during a particular period provides any insight into future performance of the entity, whereas understanding the management of risk does.

15. One user commented that it would be more useful if the proposed disclosure requirements made a better link between the hedged item and the hedging instruments. This respondent believes that the tabular disclosure fails to give a link between the hedged item and the hedging instrument in a way that enables users of financial statements to understand the combined effect on profit or loss and OCI. Consequently, that respondent also believes that because of this lack of linkage between the hedged item and the hedging instrument, users of financial statements will not be able to 'back out' the effects of hedge accounting to enable them to see what the financial information would have been without applying hedge accounting.

16. That respondent also commented that there was no disclosure requirement that would allow users of financial statements to identify which financial instruments have been designated as hedging instruments and those that have not. These users believe that without such a disclosure they will not be able to identify which financial instruments are held to manage risk and which financial instruments (specifically derivatives) are held for speculative purposes.

Staff analysis

Purpose of the information disclosed

17. Before discussing the proposals, we need to be clear on what it is we are trying to portray with a disclosure requirement detailing the effects of hedge accounting on the financial statements.

18. From the comments received it seems that some view the purpose of this disclosure as obtaining information about hedging relationships on a more granular level. In other words, the purpose of this disclosure is seen as a means to portray the extent to which the hedging instrument has offset the hedged item. Those who hold this view believe it is important that the information clearly displays the hedging instrument linked with the hedged item and the related hedge ineffectiveness. The staff does **not** think that this is the purpose of this disclosure.

19. IAS 39 *Financial Instruments: Recognition and Measurement* provides an accounting focussed approach to hedge accounting. The designations of hedging relationships are often disconnected from the entity's risk management strategy. From IAS 39's perspective, the purpose of hedge accounting is to address some accounting anomalies regarding timing of recognition and measurement of items in the financial statements. With this view in mind, it seems logical that the information disclosed should focus on how changes in the fair value of the hedging instruments offset the changes in the value of the hedged items. However, the proposed hedge accounting model is different to IAS 39 in that it focuses on providing information that facilities the understanding of an entity's risk management strategies and how they affect the financial statements.

20. Because of this focus, the disclosure requirements should also provide information that focuses on the risk management strategies and how they affect the financial statements.

Why is it important to understand this difference in focus for the purpose of disclosures about the effects of hedge accounting on the financial statements?

21. It is this difference in focus that results in the different grouping of information in preparing tabular disclosures.

22. If the tabular disclosures are prepared in order to focus on the hedging instrument it requires all the effects of hedge accounting (for example hedge

ineffectiveness, transfers from AOCI to profit or loss etc) to be presented in the context of hedging instruments. See diagram below:

Hedging instrument	Amounts recognised in OCI (cash flow hedge)	Amounts recognised in profit or loss (fair value hedge)	Amount reclassified from AOCI to profit or loss	Ineffectiveness recognised in profit or loss[1]
Derivative x (eg interest rate swap)	xx	xx	xx	xx

23. Such an approach does not come without its problems. For example:

    (a) How to link the hedging instrument to transfers from AOCI to profit or loss? Changes in fair value of the hedging instrument are deferred in AOCI until the *hedged item* affects profit or loss; however, once the amounts are recognised in OCI, they lose their link to the hedging instrument (as they are deferred in view of and in relation to the *hedged item*). For example, amounts deferred in AOCI could relate to discontinued hedges.

    (b) What to do when a combination of hedging instruments are jointly designated as hedging instruments? It would be artificial to 'allocate' changes in fair value and ineffectiveness when two or more derivatives are jointly designated as hedging instruments.

24. If we focus on the risk management strategy, we need to provide information that explains the effects of the hedging strategy on the financial statements. This is similar to the proposals in the exposure draft. Compared to the above

[1] At the April IASB meeting the Board decided to allow the application of hedge accounting to equity investments at fair value through other comprehensive income. Any hedge ineffectiveness will be presented in other comprehensive income. Consequently, this should be presented in a separate column as well (if applicable).

approach, the information would be grouped by *risk category* (or any other similar grouping that distinguishes the particular strategy; see agenda paper 1B).

Hedging instrument	**Amounts recognised in OCI (cash flow hedge)**	**Amounts recognised in profit or loss (fair value hedge)**	**Amount reclassified from AOCI to profit or loss**	**Ineffectiveness recognised in profit or loss**
Interest rate risk				
• LIBOR component	xx	xx	xx	xx
• Full interest rate risk	xx	xx	xx	xx

25. This approach also resolves the abovementioned problems that arise when focusing on the hedging instrument for the purpose of the tabular disclosure.

26. **NOTE**—this information is *not* provided on a stand-alone basis. The tabular disclosures must be provided in conjunction with a description of the risk management strategy. Users of financial statements will have a description of what types of instruments are designated as hedging instruments and hedged items and how the entity uses the hedging instrument to manage a particular risk exposure in the context of the particular risk management strategy (see agenda paper 1B).

Approaches that the Board could take

27. The staff suggests that the Board can:

   (a) keep the proposed tabular disclosures (unchanged); or

   (b) keep the proposed tabular disclosures, but require it to be presented by type of hedging instrument.

28. The staff recommends that the Board reconfirm the proposed tabular disclosures in the exposure draft. The staff does not think that it is feasible to require the tabular disclosures to be presented by type of hedging instrument because of the problems highlighted in paragraph 23. Furthermore, the staff does not think it is useful to provide disclosures by type of hedging instrument when the hedge accounting model is focused on risk management strategies.

Suggested improvements to the proposed tabular disclosure

Level of aggregation or disaggregation

29. The exposure draft did not prescribe a specific level of aggregation or disaggregation for the proposed hedge accounting disclosures. However, the exposure draft did propose that when entities determine the level of aggregation or disaggregation, they should consider the level of aggregation or disaggregation they use for other disclosure requirements in IFRS 7 *Financial Instruments: Disclosures*.

30. In May 2011, the IASB published IFRS 13 *Fair Value Measurement*. This standard relocated the fair value disclosures from IFRS 7 and added some further requirements and guidance. IFRS 13 requires that fair value disclosures be done by class of asset or liability. In accordance with IFRS 13, a class of asset or liability is determined on the basis of the following:

    (a) the nature, characteristics and risks of the asset or liability; and

    (b) the level of the fair value hierarchy within which the fair value measurement is categorised.

31. Furthermore, IFRS 13 states that a class of asset or liability will often require greater disaggregation than the line items presented in the statement of financial position. However, an entity shall provide information sufficient to permit a reconciliation of the line items presented in the statement of financial position.

32. Hedging instruments will always be measured at fair value. Consequently, it seems logical that users of financial statements should be able to link the

information disclosed for hedge accounting purposes (ie the fair values and changes in fair values of the hedged item and hedging instruments) to the information disclosed in accordance with IFRS 13.

33. The staff thinks that the final disclosure requirements should:

(a) *not* prescribe a specific level of aggregation or disaggregation; and

(b) require entities to consider the level of aggregation or disaggregation of the disclosures in IFRS 7 **and** IFRS 13 when considering the level of aggregation or disaggregation for hedge accounting disclosures.

Additional columns

34. **Location of the line item that includes the designated hedged item and hedging instrument in the statement of financial position**

Providing the location of the hedged items and hedging instruments on the statement of financial position helps users to identify where the particular items have been recognised. This is especially helpful if the face of the statement of financial position is heavily aggregated.

35. **Changes in fair value of the hedged item and the hedging instrument used to calculate the hedge ineffectiveness**

The amount of ineffectiveness recognised in the income statement is grouped by risk category (separated for each risk management strategy). In other words, users will only see the amount of ineffectiveness recognised for each strategy and not the amount of ineffectiveness by type of instrument. To understand how each of the hedging instruments and hedged items (if more than one type of instrument and item is designated) have contributed to the amount of ineffectiveness for the strategy, the staff recommend that the Board add a column to show the change in fair value used to calculate the ineffectiveness next to the hedging instruments and hedged items. This would be the amount after taking the 'lower of' test into account when relevant. In other words, when the amount included in the table for hedged items is subtracted from the amount in the table for hedging instruments, it should equal the total of the ineffectiveness recognised in profit or loss.

Financial instruments designated and not designated as hedging instruments

36. The scope of the proposed hedge accounting disclosure requirements is limited to risks that an entity hedges *and* for which hedge accounting applies. Providing a disclosure about which financial instruments the entity has designated as hedging instruments and which are *not* designated would not, strictly speaking, fall outside the scope of the hedge accounting disclosures. This is because the only additional information that would be disclosed would be an identification of which financial instruments are designated as hedging instruments.

37. However, is such a disclosure appropriate or even necessary?

Possible misleading information

38. Hedge accounting is a choice. Consequently, an entity could hold a financial instrument for hedging purposes without applying hedge accounting. In other words, if the Board requires a disclosure that distinguishes between those financial instruments designated as hedging instruments and those that have not been designated as such, it could create the impression that those that are not designated as hedging instruments are **all** held for speculative purposes.

39. IFRS 7 does not create this possibly misleading view. This is because IFRS 7 (paragraphs 33 and 34) requires disclosures about the nature and extent of risks arising from financial instruments and how these risks are managed. In other words, hedge accounting disclosures would provide information about risks and the management of these risks for items designated as hedging instruments while information about all financial instruments would be captured by the requirement in paragraphs 33 and 34 of IFRS 7. Information about items that have not been designated as hedging instruments, but which are used to manage risk, will be disclosed. For the risk related disclosures, IFRS 7 does not focus on what is designated and what is not designated as hedging instruments.

The necessity of the disclosure

40. Is it necessary for the Board to provide a specific disclosure that distinguishes those financial instruments designated as hedging instruments from those that are not?

41. IFRS 13 requires that an entity disclose for each class of assets and liabilities the fair value measurement at the end of the reporting period. The proposed hedge accounting disclosures should mean that disclosures are provided using the same level of aggregation or disaggregation as in IFRS 13 (see paragraphs 29 to 33 of this paper). Consequently, users will be provided with the total fair value amounts of financial instruments (by class). The proposed hedge accounting disclosures will require entities to disclose the fair value of the instruments designated as hedging instruments (by class). Consequently, users will have the information at hand to determine which financial instruments are designated as hedging instruments and what balance remains undesignated[2].

Staff recommendation

42. If the Board wanted to provide a disclosure in tabular format detailing which derivatives are designated as hedging instruments and which are not, it would have to make provision for a third category. The third category would have to list the financial instruments used for hedging which have not been designated as hedging instruments. In other words, the table would have to provide the following ‘classifications’:

    (a) financial instruments designated as hedging instruments;

    (b) financial instruments used for (economic) hedging but not designated as hedging instruments (this includes those instruments that do not qualify

[2] IFRS 7 requires disclosures about the nature and extent of risk arising from financial instruments and how those risks are managed. In other words, IFRS 7 will provide information about the risk management activities for financial instruments not designated as hedging instruments (albeit not as specific as the requirements in the proposed hedge accounting disclosures).

for hedge accounting as well as those that are just not designated as hedging instruments); and

(c) financial instruments held for speculative purposes.

43. If the Board creates these classifications, it would need to define what hedging activities are and what speculative holdings are to ensure appropriate classifications. The staff notes that IFRS 7 provides a definition of 'held for trading' as follows:

A financial asset or financial liability that:

(a) is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;

(b) on initial recognition is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or

(c) is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

44. The definition of 'held for trading' would not be appropriate because the definition itself only makes a distinction between those derivatives that are designated and those that are not designated as hedging instruments. In other words, the definition of 'held for trading' results in all derivatives being treated as held for trading unless they are specifically designated as hedging instruments and is hence entirely circular.

45. The staff does not think that distinguishing 'speculative' from other activities is in the scope of the hedge accounting project.

46. Based on the above arguments, the staff does not recommend that the Board creates a tabular disclosure that distinguishes between those financial instruments designated and those not designated as hedging instruments.

Staff recommendations and questions to the Board

47. The staff recommends that:

(a) the final hedge accounting disclosure requirements:

(i) do *not* prescribe a specific level of aggregation or disaggregation; and

(ii) require entities to consider the level of aggregation or disaggregation of the disclosures in IFRS 7 **and** IFRS 13 when considering the level of aggregation or disaggregation for hedge accounting disclosures.

Question 1
Does the Board agree with the staff recommendation in paragraph 47(a)? If not, why not and what would the Board prefer instead and why?

(b) The Board should reconfirm the tabular disclosures in the exposure draft with the addition of some columns as described in paragraphs 34 to 35.

Question 2
Does the Board agree with the staff recommendation in paragraph 47(b)? If not, why not and what would the Board prefer instead and why?

(c) The Board should *not* introduce a disclosure requirement specifically for distinguishing between financial instruments that have been designated as hedging instruments and those that have not for the reasons set out in paragraphs 38 to 45.

Question 3
Does the Board agree with the staff recommendation in paragraph 47(c)? If not, why not and what would the Board prefer instead and why?

Appendix A
Extract from the exposure draft *Hedge Accounting*

The effects of hedge accounting on the primary financial statements

49 An entity shall disclose, in a tabular format, the following amounts related to items designated as hedging instruments separately by category of risk for each type of hedge (fair value hedge, cash flow hedge or hedge of a net investment in a foreign operation):

(a) the carrying amount of the hedging instruments (financial assets separately from financial liabilities); and

(b) the notional amounts or other quantity (eg tonnes or cubic metres) related to the hedging instruments.

50 An entity shall disclose, in a tabular format, the following amounts related to hedged items separately by category of risk for each type of hedge (fair value hedge, cash flow hedge or hedge of a net investment in a foreign operation):

(a) for fair value hedges:

(i) the carrying amount of the accumulated gains or losses on the hedged item presented in a separate line item in the statement of financial position, separating assets from liabilities; and

(ii) the balance remaining in the statement of financial position of any hedges for which hedge accounting has been discontinued.

(b) for cash flow hedges and hedges of a net investment in a foreign operation:

(i) the balance in the cash flow hedge reserve for continuing hedges that will be reclassified when the hedged item affects profit or loss; and

(ii) the balance remaining in the cash flow hedge reserve from any hedges for which hedge accounting has been discontinued.

51 An entity shall disclose, in tabular format, the following amounts separately by category of risk for each type of hedge (fair value hedge, cash flow hedge or hedge of a net investment in a foreign operation):

(a) for fair value, cash flow hedges and hedges of a net investment in a foreign operation:

(i) changes in the value of the hedging instrument recognised in other comprehensive income;

(ii) hedge ineffectiveness recognised in profit or loss;

(iii) a description of the line item(s) in the income statement in which hedge ineffectiveness is included.

(b) for fair value hedges, the change in the value of the hedged item.

(c) for cash flow hedges and hedges of a net investment in a foreign operation:

(i) for hedges of net positions, the hedging gains or losses recognised in a separate line item in the income statement (see paragraph 37);

(ii) the amount reclassified from the cash flow hedge reserve into profit or loss as a reclassification adjustment (see IAS 1) (differentiating between amounts for which hedge accounting had previously been used, but for which the hedged future cash flows are no longer expected to occur, and amounts that have been transferred because the hedged item has affected profit or loss); and

(iii) a description of the line item in the income statement affected by the reclassification adjustment (see IAS 1).

52 An entity shall provide a reconciliation of accumulated other comprehensive income in accordance with IAS 1, either in the statement of changes in equity or in the notes to the financial statements, that:

(a) allows users of its financial statements to identify the amounts that relate to the disclosures in paragraph 51(a)(i), (c)(i) and (c)(ii);

(b) differentiates between amounts associated with the time value of options that hedge transaction related hedged items and amounts associated with the time value of options that hedge time period related hedged items when an entity accounts for the time value of an option in accordance with paragraph 33 (see paragraphs B67–B69).

[Draft] Illustrative examples

The [draft] examples accompany, but are not part, of the [draft] IFRS.

Disclosures

IE1 Paragraph 50 of the exposure draft proposes that specific amounts related to items designated as hedging instruments should be disclosed in a tabular format. The following example illustrates how that information might be disclosed.

	Notional amount of the hedging instrument	Carrying amount of the hedging instrument	
		Assets	Liabilities
Cash flow hedges			
Commodity price risk - Forward sales contracts	xx	xx	xx
Fair value hedges			
Interest rate risk - Interest rate swaps	xx	xx	xx
Foreign exchange risk - Foreign currency loan	xx	xx	xx

IE2 Paragraph 50 of the exposure draft proposes that specific amounts related to items designated as hedged items should be disclosed in a tabular format. The following example illustrates how that information might be disclosed.

	Gain or loss on the hedged item presented in a separate line item in the statement of financial position		Cash flow hedge reserve
	Assets	Liabilities	
Cash flow hedges			
Commodity price risk - Forecast sales - Discontinued hedges (forecast sales)	n/a n/a	n/a n/a	xx xx
Fair value hedges			
Interest rate risk - Hedge adjustment for loan payable - Discontinued hedges (hedge adjustment—loan payable)	- -	xx xx	n/a n/a
Foreign exchange risk - Firm commitment	xx	xx	n/a

IE3 Paragraph 51 of the exposure draft proposes that specific amounts that have affected the statement of comprehensive income as a result of applying hedge accounting should be disclosed in a tabular format. The following example illustrates how that information might be disclosed.

Cash flow hedges[(a)]	Separate line item recognised in profit or loss as a result of a hedge of a net position	Change in the value of the hedging instrument in other comprehensive income	Ineffectiveness in profit or loss	Line item in profit or loss (that includes hedge ineffectiveness)	Amount reclassified from the cash flow hedge reserve to profit or loss	Line item affected in profit or loss because of the reclassification
Commodity price risk	xx	xx	xx	Line item X	xx	Line item Y
Discontinued hedge	n/a	n/a	n/a	n/a	xx	Line item Z

(a) The information disclosed in the statement of changes in equity (cash flow hedge reserve) should have the same level of detail as the proposed disclosure requirements.

Fair value hedges	Change in the value of the hedged item recognised in other comprehensive income	Change in the value of the hedging instrument recognised in other comprehensive income	Ineffectiveness in profit or loss	Line item in profit or loss (that includes hedge ineffectiveness)
Interest rate risk	xx	xx	xx	Line item X
Foreign exchange risk	xx	xx	xx	Line item Y

Appendix B

Proposed tabular disclosure (changes from ED shaded in grey)

Specific amounts related to items designated as hedging instruments should be disclosed in a tabular format. The following example illustrates how that information might be disclosed.

	Notional amount of the hedging instrument	Carrying amount of the hedging instrument		Line item in the balance sheet where the hedging instrument is located	Changes in fair value used for calculating ineffectiveness for 20X9
		Assets	Liabilities		
Cash flow hedges					
Commodity price risk - Forward sales contracts	xx	xx	xx	xx	xx
Fair value hedges					
Interest rate risk - Interest rate swaps	xx	xx	xx	xx	xx
Foreign exchange risk - Foreign currency loan	xx	xx	xx	xx	xx

Specific amounts related to items designated as hedged items should be disclosed in a tabular format. The following example illustrates how that information might be disclosed.

	Carrying amount of the hedged item		Accumulated gain or loss on the hedged item included in the carrying amount of the hedged item		Line item where the hedged item is included	Change in fair value used for calculating ineffectiveness for 20x9	Cash flow hedge reserve
	Assets	Liabilities	Assets	Liabilities			
Cash flow hedges							
Commodity price risk (Gold)							
- Forecast sales	n/a	n/a	n/a	n/a	n/a	xx	xx
- Discontinued hedges (forecast sales)	n/a	n/a	n/a	n/a	n/a	n/a	xx
Fair value hedges							
Interest rate risk (LIBOR risk)							
- Hedge adjustment for loan payable	-	xx	-	xx	xx	xx	n/a
- Discontinued hedges (hedge adjustment—loan payable)	-	xx	-	xx	xx	n/a	n/a
Foreign exchange risk (FC)							
- Firm commitment	xx	xx	xx	xx	xx	xx	n/a

Specific amounts that have affected the statement of comprehensive income as a result of applying hedge accounting should be disclosed in a tabular format. The following example illustrates how that information might be disclosed.

Cash flow hedges[a]	Separate line item recognised in profit or loss as a result of a hedge of a net position	Change in the value of the hedging instrument in other comprehensive income	Ineffectiveness in profit or loss	Line item in profit or loss (that includes hedge ineffectiveness)	Amount reclassified from the cash flow hedge reserve to profit or loss	Line item affected in profit or loss because of the reclassification
Commodity price risk (Gold)	xx	xx	xx	Line item X	xx	Line item Y
Discontinued hedge	n/a	n/a	n/a	n/a	xx	Line item Z

(a) The information disclosed in the statement of changes in equity (cash flow hedge reserve) should have the same level of detail as the proposed disclosure requirements.

Fair value hedges	Ineffectiveness in profit or loss	Line item in profit or loss (that includes hedge ineffectiveness)
Interest rate risk (LIBOR risk)	xx	Line item X
Foreign exchange risk (FC)	xx	Line item Y