

---

**IASB<sup>®</sup> meeting**

Date	<b>December 2025</b>
Project	<b>Work plan</b>
Topic	<b>Timing of the post-implementation review of the hedge accounting requirements of IFRS 9 <i>Financial Instruments</i></b>
Contacts	Jaco Jordaan ( <a href="mailto:jjordaan@ifrs.org">jjordaan@ifrs.org</a> ) Riana Wiesner ( <a href="mailto:rwiesner@ifrs.org">rwiesner@ifrs.org</a> )

This paper has been prepared for discussion at a public meeting of the International Accounting Standards Board (IASB). This paper does not represent the views of the IASB or any individual IASB member. Any comments in the paper do not purport to set out what would be an acceptable or unacceptable application of IFRS<sup>®</sup> Accounting Standards. The IASB's technical decisions are made in public and are reported in the IASB<sup>®</sup> *Update*.

---

**Purpose of the paper**

1. The [Due Process Handbook](#) requires the International Accounting Standards Board (IASB) to conduct a post-implementation review (PIR) of each new IFRS Standard or major amendment and describes the objective, process and outcomes of a PIR.
2. In September 2022, the IASB discussed clarifications to the description of the objective, process and outcomes of a PIR. Following this discussion and consultation with the Due Process Oversight Committee of the IFRS Foundation Trustees, a clarified description of the PIR process was published on the IFRS Foundation website.<sup>1</sup>
3. This paper considers when the IASB should begin the PIR of the hedge accounting requirements of IFRS 9 *Financial Instruments*.

---

<sup>1</sup> [IFRS - IASB post-implementation reviews](#)

---

## Structure of the paper

4. This paper provides:
- (a) an overview of the considerations relevant to the timing of a PIR (paragraphs 6–7);
  - (b) staff analysis of the timing of the PIR of the hedge accounting requirements of IFRS 9 and a question for the IASB (paragraphs 8–28).

## Staff recommendations

5. The staff recommend that the IASB begin the PIR of the hedge accounting requirements of IFRS 9 in Q1 2026.

## Overview of the considerations relevant to the timing of a PIR

6. The earliest a PIR would start is after the new requirements have been implemented for at least 24 months. However, financial statements that reflect 24 months of implementation are generally available in practice only about 30–36 months after the effective date of the new requirements.
7. The start date also depends on the availability of information, such as:
- (a) trend data from financial statements applying the new requirements;
  - (b) academic research; and
  - (c) the level of experience in practice—while balancing the risk that practice may become so embedded that resistance to improvements may develop—which may depend on the level of change arising from the new requirements.

---

## The timing of the PIR of the hedge accounting requirements of IFRS 9

### **Background**

8. IFRS 9 was developed in discrete stages reflecting key areas of the requirements of the Standard—classification and measurement, impairment and hedge accounting—and became effective for annual periods beginning on or after 1 January 2018.
9. The hedge accounting requirements of IFRS 9 aimed to provide a better link between an entity's financial reporting and risk management. That represented a substantial change from many aspects of hedge accounting requirements of IAS 39 *Financial Instruments: Recognition and Measurement* and was expected to affect a variety of entities across both the financial and non-financial services industries. Areas in which the new requirements were expected to have the greatest effects included:
  - (a) assessment of hedge effectiveness;
  - (b) eligibility of risk components of non-financial instruments;
  - (c) disclosure;
  - (d) accounting for the costs of hedging; and
  - (e) the rebalancing and discontinuation of hedging relationships.
10. In developing the hedge accounting requirements of IFRS 9, the IASB acknowledged that some entities may prefer to move directly from using the hedge accounting requirements of IAS 39 to the potential new model for accounting for macro hedging.<sup>2</sup> Hence, the IASB permitted an accounting policy choice between applying the hedge accounting requirements of IFRS 9 or IAS 39. The IASB intended to permit the accounting policy choice until the completion of a separate project on dynamic risk management.

---

<sup>2</sup> [IFRS - Dynamic Risk Management](#)

---

**Recap of the IASB's previous discussions**

11. Applying the guidelines on the timing of a PIR (see paragraphs 6–7), the earliest date the IASB could have begun the PIR of IFRS 9 is around July 2020–January 2021. The IASB began the PIRs:
  - (a) of the classification and measurement requirements of IFRS 9—in the second half of 2020;<sup>3</sup> and
  - (b) of the impairment requirements of IFRS 9—in the second half of 2022.<sup>4</sup>
12. The IASB previously discussed when to begin the PIRs of the hedge accounting requirements of IFRS 9 at its [October 2020](#), [November 2020](#), [November 2021](#) and [September 2022](#) meetings and decided that it was too early to start this PIR at that the time.
13. In [December 2023](#), the IASB considered the interaction between the PIR of the hedge accounting requirements of IFRS 9 and its project on power purchase agreements, since the aim of this project included targeted amendments to hedge accounting requirements. The IASB therefore decided to wait until it concludes that project before considering when to begin the PIR of the hedge accounting requirements of IFRS 9. This work was concluded when the IASB [issued amendments](#) to IFRS 9 and IFRS 7.
14. The IASB also discussed the interaction between this PIR and the Dynamic Risk Management (DRM) project at its meetings in [October 2024](#) and [March 2025](#), as the proposed DRM disclosure requirements are based on the hedge accounting disclosures in IFRS 7. The staff noted that there might be benefit in overlapping the PIR of the hedge accounting requirements in IFRS 9 with the consultation on the Exposure Draft *Risk Mitigation Accounting*.

---

<sup>3</sup> [Project Report and Feedback Statement PIR IFRS 9 Financial Instruments—Classification and Measurement](#)

<sup>4</sup> [IFRS - Post-implementation Review of IFRS 9—Impairment](#)

---

**Staff analysis and recommendation**

15. The main reason the IASB decided not to begin the PIR of the hedge accounting requirements of IFRS 9 to date, was the lack of information about the effects of application of those requirements, in particular for financial institutions. Specifically, the IASB noted that:
- (a) many entities, especially many banks and insurance entities, were still applying the hedge accounting requirements of IAS 39. While some financial institutions have implemented the hedge accounting requirements of IFRS 9 and some others were contemplating doing so, the practice in the financial services industry remained relatively limited. In contrast, many corporate entities are applying the new hedge accounting requirements of IFRS 9.
  - (b) limited academic research was available on the hedge accounting requirements of IFRS 9. However, more academic studies could become available in future. For example, to facilitate academic research in this area, the staff and IASB members were exploring possibilities to call for academic studies on the hedge accounting requirements of IFRS 9 in collaboration with an established academic journal. That call for research could generate interest in the academic community.
16. In making the decision at its September 2022 meeting, the IASB noted that there is a balance to strike between allowing more time for the practice in the financial services industry to develop and not delaying the PIR to the extent that practice in corporate entities becomes embedded and may be resistant to change. In particular, the IASB noted that it would not be appropriate to wait until the DRM project is complete and all entities have transitioned to and applied the new hedge accounting requirements for a number of years.
17. The Exposure Draft *Risk Mitigation Accounting* is scheduled for publication in December 2025 with a 240-day comment period. As noted previously, the staff believe there are benefits in engaging with stakeholders on the IFRS 9 PIR around the same time that we will be consulting on the Exposure Draft. In our view, this will

---

enable those stakeholders that are applying the hedge accounting requirements in IFRS 9, to share their experience and challenges; while at the same time allow those that apply the macro hedge accounting requirements in IAS 39, to assess the requirements in IFRS 9 and the Exposure Draft.

18. The staff therefore recommend starting the PIR of the hedge accounting requirements in IFRS 9 in Q1 2026, at which time a project plan will be presented to the IASB.

**Question for the IASB**

Does the IASB agree with the staff recommendation in paragraph 18 to begin the PIR of the hedge accounting requirements of IFRS 9 in Q1 2026?