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Staff paper

Agenda reference: 1

Accounting Standards Advisory Forum meeting

Date	**November 2026**
Project	**Post-implementation Review (PIR) of IFRS 9—Hedge Accounting**
Topic	**Request for Information**
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Project update



Project update

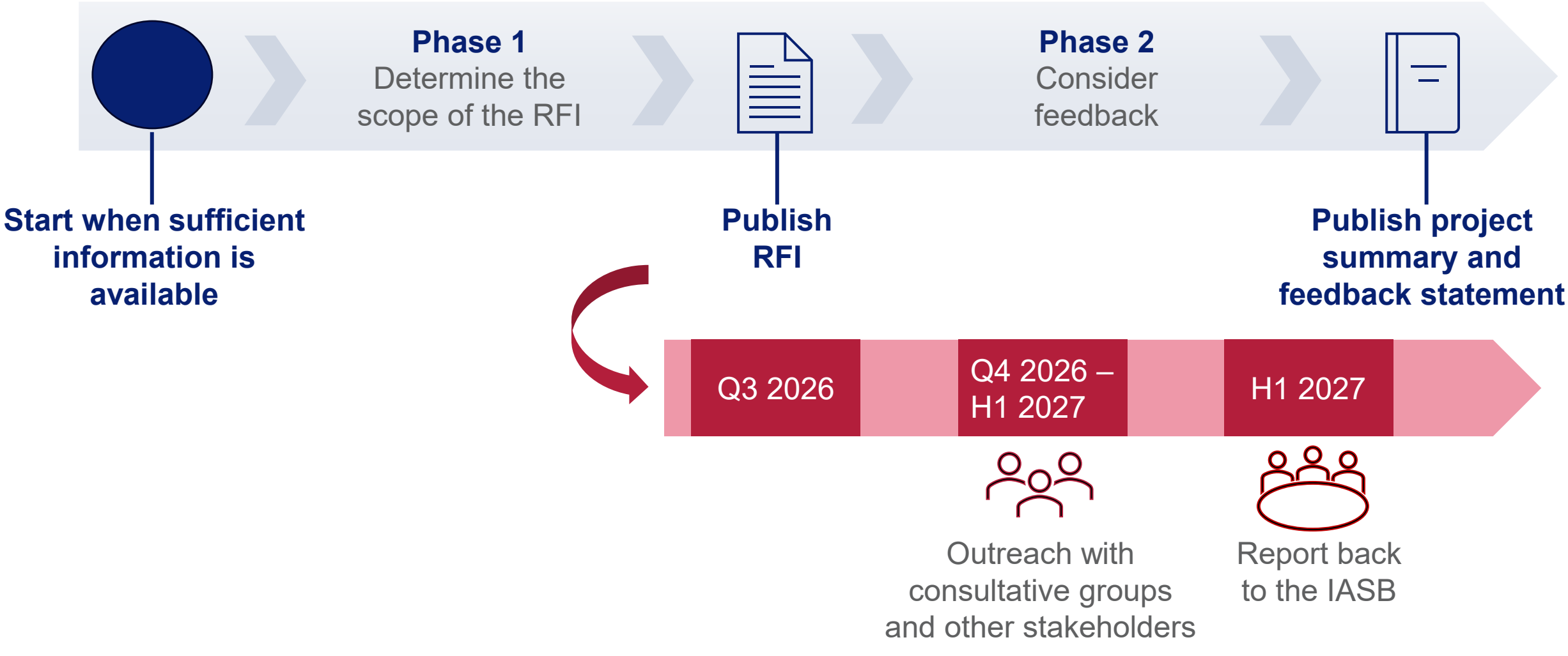
Since the last ASAF meeting…

- The IASB published the Request for Information (RFI) on 28 September, informed by feedback from ASAF members and other stakeholders
- The comment period closes on 26 January 2027

Purpose of today's discussion

- Provide a brief overview of the RFI
- Invite ASAF members to share initial stakeholder feedback from their jurisdictions on the RFI

Project timeline



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Overview of feedback informing the RFI



Feedback suggests HA requirements generally working as intended

What is working well…

Initial feedback suggests hedge accounting requirements in IFRS 9 are generally working as intended and **achieving their objective** of better aligning accounting outcomes with entities' actual risk management activities

Stakeholders **welcomed removal of the 80–125% 'bright-line' effectiveness test** and the **ability to designate risk components of non-financial items**—both significant improvements over IAS 39

Stakeholders **welcomed amendments allowing designation of variable nominal amounts of forecast nature-dependent electricity as the hedged item**; some suggested extending this exception to other transactions

Where judgement, cost or complexity can arise…

'Highly probable' forecast transaction: sometimes hard to demonstrate (e.g., transactions affected by geopolitical challenges or deal-contingent transactions); there is diversity in application of criterion

'Cost of hedging': operationally complex—splitting cost into 'aligned' and 'non-aligned' portions requires parallel valuations, and there is diversity in constructing hypothetical derivatives

Rebalancing is not well understood and rarely applied; the prohibition on voluntary de-designation has led some entities to continue applying IAS 39 hedge accounting

'Basis adjustment': agreed with conceptually but applying it—particularly to inventory—can be **operationally complex** given how entities track and recognise inventory expense

Feedback on HA disclosures was mixed

What users said about usefulness…

Disclosures provide **some decision-useful information** about an entity's risk management activities, but are **often lengthy and boilerplate**, and sometimes **lack context** (e.g., average rates are often disclosed in isolation)

Granularity and presentation can vary significantly, and information is sometimes **too aggregated** to be decision-useful (e.g., hedge ineffectiveness is sometimes presented together with other expenses)

An entity's application of hedge accounting is seen as an indicator of effective risk management, but **disclosures are not regularly analysed in detail by all users**

Users would benefit from more information on rebalancing and termination decisions, the expected duration and renewal of hedges, and economic and structural hedging activities

What preparers said about costs…

Providing the information required by IFRS 7 can be **(unduly) costly and burdensome** because IT systems are generally not configured to generate the data automatically, and extensive audit procedures can increase audit fees

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Request for Information



Request for Information—Overview

The IASB did not receive widespread feedback that any specific requirement is not working as intended, so this RFI asks high-level questions rather than questions about individual requirements

Areas of focus:

1. Initial and ongoing costs of applying, auditing and enforcing the hedge accounting requirements in IFRS 9 and IFRS 7
2. Usefulness to users of financial statements of information resulting from the application of the hedge accounting requirements in IFRS 9 and IFRS 7



IASB intends to withdraw IAS 39, with the timing and manner of the proposed withdrawal depending on the progress of its Risk Mitigation Accounting project. Stakeholders can share their views on the timing and manner of the withdrawal, including the transition requirements in IFRS 9, when responding to this RFI



This RFI is relevant to any entity applying the hedge accounting requirements in either IFRS 9 or IAS 39, which are all subject to the disclosure requirements in IFRS 7

Overall assessment of the requirements in IFRS 9

RFI questions

The IASB wants to understand whether, in your view:

(a) the **hedge accounting requirements in IFRS 9 meet their objective**. If not, please explain why not.

(b) the **overall initial and ongoing costs of applying the requirements in IFRS 9, and auditing and enforcing their application, are largely as the IASB expected**. If your view is that the overall costs are significantly greater than expected, please explain why, how you would propose the IASB reduce these costs and how your proposals would affect the benefits of the requirements.

(c) the **overall benefits to users of the information resulting from entities applying the hedge accounting requirements in IFRS 9 are largely as the IASB expected**. If your view is that the overall benefits are significantly lower than expected, please explain why and what the IASB could do to improve the usefulness of that information.

Overall assessment of the disclosure requirements in IFRS 7

RFI questions

The IASB wants to understand whether, in your view:

(a) the **hedge accounting disclosure requirements in IFRS 7 meet their objective**. If not, please explain why not.

(b) the **overall initial and ongoing costs of applying the requirements in IFRS 7, and auditing and enforcing their application, are largely as the IASB expected**. If your view is that the overall costs are significantly greater than expected, or providing the required information requires undue cost or effort, please explain:

(i) why (identifying the specific requirement and cost drivers);

(ii) how you would propose the IASB reduce these costs; and

(iii) how your proposals would affect the benefits of the requirements.

Overall assessment of the disclosure requirements in IFRS 7 (cont.)

RFI questions

(c) the **overall benefits to users of the information resulting from entities applying the hedge accounting disclosure requirements in IFRS 7 are largely as the IASB expected**. Specifically, please explain:

(i) which of the disclosures provided are most useful and why;

(ii) whether, in your view, the information provided is sufficient to meet the objective of enabling users to understand an entity's hedging activities; and

(iii) if the overall benefits of the information are significantly lower than expected, why, and what the IASB could do to improve the usefulness of that information.

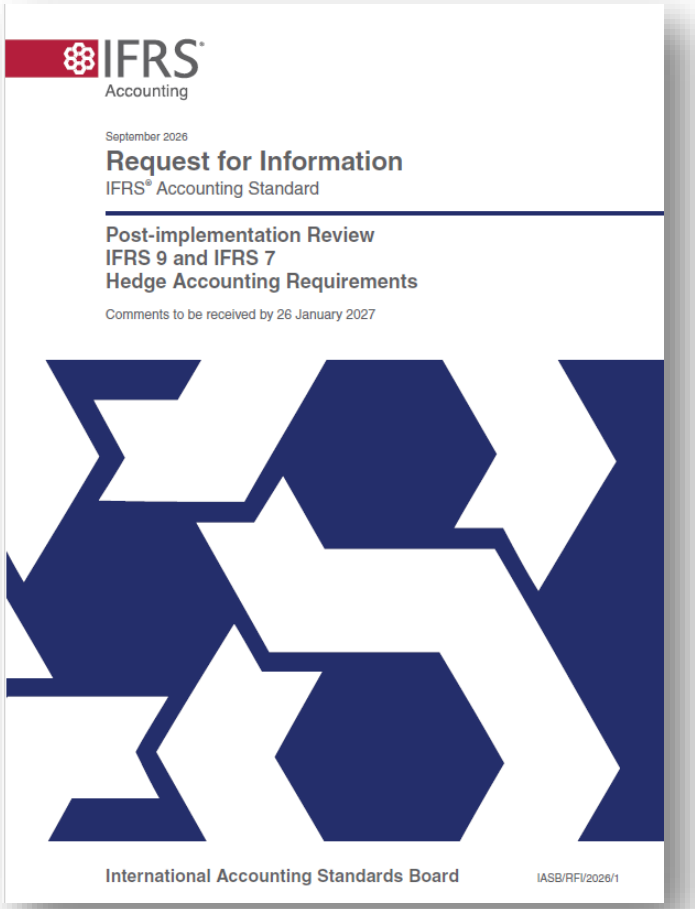
Other matters relevant to this post-implementation review

RFI questions

Are there **any other matters the IASB should examine** as part of the post-implementation review of the hedge accounting requirements in IFRS 9 and related disclosure requirements in IFRS 7? If so, please explain why, considering the objective of a post-implementation review.

Stakeholders can also share feedback on other matters relevant to this PIR that are not specifically covered by the other questions in the RFI

Invitation to comment



Comment by 26 January 2027

Request for Information is available on the project website

Submit your comment letter online (ifrs.org/projects/open-for-comment) or via email (commentletters@ifrs.org)

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Questions for ASAF members



Questions for ASAF members

Question 1: What initial feedback have you received from stakeholders in your jurisdiction on the hedge accounting requirements in IFRS 9?

Question 2: What initial feedback have you received from stakeholders in your jurisdiction on the hedge accounting disclosure requirements in IFRS 7?

Question 3: Do ASAF members have any other comments or questions?

For questions 1 and 2, please indicate:

- Which stakeholder groups provided the feedback (for example, preparers or users of financial statements)
- How widespread any identified issues are and which industries or types of entities are affected, with supporting examples where available

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