



International Accounting Standards Board®

Press Release

6 September 2007

The IASB proposes additional guidance on hedge accounting

The International Accounting Standards Board (IASB) today published for public comment an exposure draft of proposed amendments to IAS 39 *Financial Instruments: Recognition and Measurement*. The amendments are intended to clarify what can be designated as a hedged item in a hedge accounting relationship.

The exposure draft specifies the risks that qualify for designation as hedged risks when an entity hedges its exposure to a financial instrument. In addition it clarifies when an entity may designate a portion of the cash flows of a financial instrument as a hedged item.

The proposals respond to requests for additional guidance on what IAS 39 permits to be designated as a hedged item. Although the IASB is undertaking research that will ultimately lead to the replacement of IAS 39, that work is at an early stage. The IASB therefore decided to propose the amendments contained in the exposure draft.

The exposure draft of proposed amendments to IAS 39—*Exposures Qualifying for Hedge Accounting* is available for eIFRS subscribers from today and will be freely available on the Website from 17 September. It is open for comment until 11 January 2008.

END

Press enquiries:

Mark Byatt, Director of Corporate Communications, IASB,
telephone: +44 (0)20 7246 6472, email: mbyatt@iasb.org

Sonja Horn, Communications Adviser, IASB,
telephone: +44 (0)20 7246 6463, email: shorn@iasb.org

Technical enquiries:

Wayne Upton, Director of Research, IASB,
telephone: +44 (0)20 7246 6449, email: wupton@iasb.org

Gavin Francis, Senior Project Manager, IASB
telephone: +44 (0)20 7246 6901, email: gfrancis@iasb.org

Notes for editors

Printed copies of the proposed amendments to IAS 39–*Exposures Qualifying for Hedge Accounting* (ISBN 978-1-905590-37-7) will be available shortly, at £10, from the IASC Foundation Publications Department. Those wishing to subscribe to *eIFRSs* should visit the online shop at www.iasb.org or contact:

IASC Foundation Publications Department,
30 Cannon Street, London EC4M 6XH, United Kingdom.
Tel: +44 (0)20 7332 2730 Fax +44 (0)20 7332 2749
Email: publications@iasb.org Web: www.iasb.org

About the exposure draft

The main two issues in the exposure draft on which the IASB hopes to receive respondents' comments are:

- whether they agree with the proposed amendments regarding qualifying risks for designation as hedged risks of a financial instrument, and the situations that an entity can designate a portion of the cash flows of a financial instrument as a hedged item; and
- whether they believe that the proposed amendments would result in a significant change to existing practice, and if so, what those changes would be.

About the IASB

The IASB was established in 2001 and is the standard-setting body of the International Accounting Standards Committee (IASC) Foundation, an independent private sector, not-for-profit organisation. The IASB is committed to developing, in the public interest, a single set of high quality, global accounting standards that provide high quality transparent and comparable information in general purpose financial statements. In pursuit of this objective the IASB conducts extensive public consultations and seeks the co-operation of international and national bodies around the world. Its 14 members (12 of whom are full-time) are drawn from nine countries and have a variety of professional backgrounds. They are appointed by and accountable to the Trustees of the IASC Foundation, who are required to select the best available combination of technical expertise and diversity of international business and market experience.