Hedge accounting
Exposure draft *Hedge Accounting*
OUTREACH SUMMARY

The views expressed in this presentation are those of the presenter, not necessarily those of the IASB or IFRS Foundation.
Exposure draft *Hedge Accounting*

- Exposure draft issued in December 2010
- Comment letter deadline was 9 March 2011
- During the 3-month consultation period for the exposure draft the Board conducted extensive outreach across all major geographical regions
Outreach summary

• Overview:
  – Feedback from preparers, auditors, regulators, users, standard setters, treasurers, risk management experts and academics
  – More than 2500 individuals participated

<table>
<thead>
<tr>
<th>Geographical region</th>
<th>Number of meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>10</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>44</td>
</tr>
<tr>
<td>Europe</td>
<td>47</td>
</tr>
<tr>
<td>North America</td>
<td>10</td>
</tr>
<tr>
<td>Central America</td>
<td>14</td>
</tr>
<tr>
<td>South America</td>
<td>20</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>145</strong></td>
</tr>
</tbody>
</table>
Outreach summary

• Main positives include:
  – The Board’s objective to link hedge accounting with risk management
  – The Board’s proposal to remove the 80-125% bright line for hedge effectiveness
  – The Board’s proposal to allow risk components for non-financial items

• Main negatives include:
  – Disappointment that the exposure draft does not address macro-hedging
  – The exposure draft does not enable entities to fully reflect their risk management strategy for some economic hedges
Papers discussed at the April 2011 IASB meeting

For more detail please refer to Agenda Paper 7A of the April 2011 IASB meeting

(Refer to Agenda paper 7B for a summary of the comment letters received)