Introduction

1. At this meeting we will continue the discussion of the Financial Instruments with Characteristics of Equity research project.

2. The papers for this meeting include:

   (a) **Agenda Paper 5A—Summary of discussions to date:** This paper provides details of the Board’s discussions to date, and is for information only.

   (b) **Agenda Paper 5B—Derivatives on ‘own equity’:** The objective of this paper is to:

      (i) provide summary of the characteristics of derivatives on ‘own equity’;

      (ii) provide a summary of the Gamma approach to classification and presentation that is relevant to derivatives on ‘own equity’; and

      (iii) discuss the challenges of applying the Gamma approach to derivatives on ‘own equity’ with a particular focus on the unit of account.

   (c) **Agenda Paper 5C—Applying Gamma to asset/equity exchange derivatives:** The objective of this paper is to explore how the Gamma approach could be applied to classify asset/equity exchange derivatives
in their entirety and discuss possible ways of addressing the challenges that arise.

(d) **Agenda Paper 5D—Applying Gamma to liability/equity exchange derivatives**: The objective of this paper is to explore how the Gamma approach could be applied to classify liability/equity exchange derivatives and discuss possible ways of addressing the challenges that arise.