



To:	AASB members	Date:	24 November 2010
From:	Christina Ng	Agenda Item:	6.1
Subject:	Hedge accounting	File:	--

Action

Receive an education session on the forthcoming hedging ED.

Background

1. The IASB has commenced drafting proposals on the general hedge accounting model, which when finalised as a Standard, will replace the current hedge accounting model in IAS 39. The IASB plans to publish an ED by mid- to late December 2010¹ and finalise a Standard by June 2011.
2. The IASB is considering revisions to its portfolio hedge accounting under IAS 39 concurrently. The IASB has agreed that if this were to give rise to consequential changes to the general hedge accounting model during the ED period, such changes would be made to the general model and re-exposed in the ED on portfolio hedge accounting.
3. Slides about the IASB's proposed general hedge accounting model in Agenda paper 6.3 are based on tentative decisions made at its meetings. Ashley Rockman (Partner of PwC) will present the education session.

Next steps

4. Developments are taking place at the IASB on a weekly basis and there may be other issues on which staff will verbally update the Board.
5. At the 9-10 February 2011 meeting, staff plan to provide:
 - (a) issues papers for the Board's consideration and initial views to formulate a draft AASB comment letter relating to the general hedging model ED and the revised impairment ED¹; and
 - (b) staff update on the IASB work on portfolio hedge accounting and financial asset and liability offsetting¹.

¹ Agenda paper 6.2 provides an overview of staff proposed timeline on the Financial Instruments project.

Attachments

Agenda paper 6.2 Staff proposed Financial Instruments project timeline

Agenda paper 6.3 Presentation slides relating to IASB's proposed general hedge accounting model
(prepared by PwC)