



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)

Western India Regional Council

WIRC/ICAI/6484/2021

19th June, 2021

CA. Parminder Kaur

Secretary, Accounting Standards Board,
The Institute of Chartered Accountants of India,
ICAI Bhawan, Post Box No. 7100,
Indraprastha Marg, New Delhi 110 002

Dear Sir/ Madam,

Please find attached comments on **Exposure Draft for Amendments to the Guidance Note on Accounting for Derivative Contracts w.r.t. IBOR Phase 2 Replacement Issues**, for your doing the needful.

Kindly acknowledge the receipt of the same.

Thanking You,

Yours truly,

CA. Manish Gadia
Chairman - WIRC of ICAI



Suggestions to Exposure Draft of Amendments to Guidance Note on Accounting for Derivative Contracts (IBOR Phase 2 Replacement Issues)

Suggestions:

1. Illustrations of applying the IBOR Replacement

The primary purpose of Guidance Note is to provide the guidance on the accounting matters so that the compliance with accounting can be ensured.

The topic of IBOR Replacement Issues is very complex. Only providing technical terms as per IFRS/ Ind AS may have high potential of varied practice being done by the practitioners and may lead to non-compliance.

Therefore, it is suggested to provide the practical illustrations covering how hedge effectiveness to be tested, accounting treatment, in case if alternate benchmark rate fails than what and many other issues.

2. Frequently Asked Questions

As the topic is complex, it is suggested to cover Frequently Asked Questions (FAQs) covering the background of the issue, complexity involved, accounting issues and other related aspects.