



Outlook

Bhilai Branch Comment on Post-implementation Review of IFRS 9—Hedge Accounting

From Bhilai ICAI <bhilai@icai.org>**Date** Mon 10/12/2026 11:33 AM**To** Comments ASB - ICAI <commentsasb@icai.in>**Comments on Post-Implementation Review of IFRS 9 – Hedge Accounting**

To: The Accounting Standards Board
The Institute of Chartered Accountants of India (ICAI)

Subject: Comments on the IASB's Request for Information on IFRS 9 – Hedge Accounting

Dear Sir/Madam,

With reference to the invitation issued by the Accounting Standards Board of ICAI seeking comments on the Post-Implementation Review (PIR) of IFRS 9 – Hedge Accounting, we appreciate the opportunity to provide our observations and recommendations.

We recognise that the hedge accounting requirements under IFRS 9, read with the related disclosure requirements under IFRS 7, are intended to improve the relevance, transparency and usefulness of financial information concerning an entity's risk management activities.

Based on the objectives of the review, we submit the following recommendations for consideration:

1. Alignment with Risk Management Practices

Hedge accounting requirements should appropriately reflect an entity's actual risk management strategy and economic objectives. The requirements should be sufficiently flexible to accommodate commonly adopted hedging practices without compromising the reliability of financial reporting.

2. Simplification of Documentation and Compliance

The documentation, designation and ongoing assessment requirements should be proportionate to the complexity and size of the hedging arrangements. Unnecessary procedural complexities should be minimised, particularly for entities with relatively straightforward hedging transactions.

3. Hedge Effectiveness and Accounting Mismatches

The requirements relating to hedge effectiveness should focus on the economic relationship between the hedging instrument and the hedged item. Practical guidance should be provided to address accounting mismatches arising from differences in valuation, timing or recognition.

4. Disclosure Requirements under IFRS 7

Disclosures should provide meaningful information regarding the nature and extent of risks, the entity's risk management strategy, the impact of hedge accounting on financial position and performance, and the sources of potential ineffectiveness. Excessive boilerplate disclosures should be discouraged in favour of entity-specific and decision-useful information.

5. Practical Implementation Challenges

The IASB should consider feedback from preparers, auditors, regulators and users regarding implementation costs, availability of valuation data, system capabilities and the challenges faced by entities in applying the requirements consistently.

6. Implications for Indian Accounting Standards

While considering amendments to IFRS 9, due consideration should be given to their applicability under Indian Accounting Standards (Ind AS), taking into account the Indian regulatory framework, business practices and the needs of Indian stakeholders. Any consequential amendments to Ind AS 109 and Ind AS 107 should be evaluated carefully to ensure consistency, clarity and practical applicability.

Conclusion

We support the IASB's initiative to undertake a comprehensive Post-Implementation Review of IFRS 9 – Hedge Accounting. The review should aim to achieve an appropriate balance between faithful representation of risk management activities, transparency of disclosures, operational feasibility and the cost of compliance.

We recommend that the IASB consider stakeholder feedback while retaining the fundamental objective of providing relevant, reliable and decision-useful financial information to users of financial statements.

Yours faithfully,

CA Sukhdeo Rathi
CHAIRMAN
Bhilai Branch of CIRC of ICAI

With Best Wishes & Regards

For, BHILAI BRANCH OF CIRC OF ICAI

Sd/-

-BHILAI BRANCH OF CIRC OF ICAI

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