

**PRESS RELEASE**

28 February 2013

**IASB publishes proposals for amendments to IAS 39  
*Financial Instruments: Recognition and Measurement*  
Novation of derivatives and continuation of hedge accounting**

The International Accounting Standards Board (IASB) today published for public comment an Exposure Draft of proposed amendments to IAS 39 *Financial Instruments: Recognition and Measurement*. Corresponding requirements are proposed to be included in the forthcoming hedge accounting chapter in IFRS 9 *Financial Instruments*.

The objective of the proposed amendments is to introduce a narrow scope exception to the requirement for the discontinuation of hedge accounting in IAS 39. Specifically, they propose an exception when a derivative that has been designated as a hedging instrument, is novated from one counterparty to a central counterparty (CCP), as a consequence of new laws or regulations if specific conditions are met (in this context, novation of the derivative contract is the substitution of the original counterparty to the contract for a new counterparty, being a CCP).

The IASB considered the fact that the legislative changes that would require such novation of derivatives would be widespread across jurisdictions. These legislative changes were prompted by a G20 commitment to improve transparency and regulatory oversight of over-the-counter derivatives in an internationally consistent and non-discriminatory way.

The IASB is aware that these new laws or regulations could come into effect in some jurisdictions very soon. Consequently the IASB has published this Exposure Draft with a short (30-day) comment period.

The Exposure Draft can be accessed via the project website or on the '[Comment on a proposal](#)' page on [www.ifrs.org](http://www.ifrs.org). The IASB requests comments on the Exposure Draft by 2 April 2013.

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**About the International Accounting Standards Board**

The IASB was established in 2001 and is the standard-setting body of the IFRS Foundation, an independent, private sector, not-for-profit organisation. The IASB is committed to developing, in the public interest, a single set of high quality, global accounting Standards that provide high quality, transparent and comparable information in general purpose financial statements. In pursuit of this objective the IASB conducts extensive public consultations and seeks the co-operation of international and national bodies around the world. The IASB has 15 full-time members drawn from 11 countries and a variety of professional backgrounds. Board members are appointed by, and accountable to, the Trustees of the IFRS Foundation, who are required to select the best available combination of technical expertise and diversity of international business and market experience. In their work the Trustees are accountable to a Monitoring Board of public authorities.