



30 September 2026

To: **Members of the Hong Kong Institute of CPAs**
All other interested parties

INVITATION TO COMMENT ON THE IASB REQUEST FOR INFORMATION
Post-implementation Review of IFRS 9 and IFRS 7
– Hedge Accounting Requirements

Comments to be received by 1 December 2026

The Financial Reporting Standards Committee (FRSC) of the Hong Kong Institute of Certified Public Accountants (Institute) is seeking comments on the International Accounting Standards Board (IASB) Request for Information (RFI) *Post-implementation Review (PIR) of IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures – Hedge Accounting Requirements*. The RFI is available on the Institute's [website](#).

The IASB is undertaking a PIR of the hedge accounting requirements in IFRS 9 and the related disclosure requirements in IFRS 7. A PIR is an important part of the IASB's due process, helping the IASB assess whether the new requirements are broadly working as intended for users of financial statements, preparers, auditors and regulators after a few years of implementation. This review will complete the IASB's PIR of IFRS 9, following its earlier reviews of the classification and measurement as well as impairment requirements completed in December 2022 and July 2024, respectively.

Hedge accounting aims to reflect in financial statements the effects of an entity's risk management activities that use financial instruments to manage particular risk exposures. While IFRS 9 retains the three types of hedge relationships (cash flow hedge, fair value hedge and hedge of a net investment in a foreign operation) as well as the hedge accounting mechanics of IAS 39 *Financial Instruments: Recognition and Measurement*, it introduced other changes intended to better align hedge accounting with an entity's risk management activities. The disclosure requirements in IFRS 7 were also amended to enable users to better understand an entity's risk management activities and the effects of hedge accounting on the financial statements.

The [RFI](#) seeks feedback on the overall assessment of the hedge accounting requirements in IFRS 9 and the related disclosure requirements in IFRS 7. In particular, the IASB is seeking views on:

- whether the requirements meet their objectives;
- whether the overall initial and ongoing costs of applying the requirements, and auditing and enforcing their application, are largely as the IASB expected;
- whether the overall benefits to users of information resulting from entities applying the requirements are largely as the IASB expected; and
- whether there are any other matters the IASB should consider.

The review of IFRS 7 is relevant to all entities applying hedge accounting because its disclosure requirements apply regardless of whether an entity applies the hedge accounting requirements in IFRS 9 or continues to apply those in IAS 39.

The IASB intends to withdraw IAS 39, with the timing and manner dependent on the progress of its [Risk Mitigation Accounting project](#). Respondents may also share their views on the proposed withdrawal of IAS 39, including the timing of withdrawal and transition requirements associated with applying the hedge accounting requirements in IFRS 9 when responding to this RFI.

Impact on entities in Hong Kong

Under IFRS 9 (HKFRS 9 equivalent), hedge accounting is voluntary. Accordingly, entities in Hong Kong need to assess the costs and benefits when deciding whether to apply hedge accounting. The impact of the hedge accounting requirements varies across both financial and non-financial sectors, depending on factors such as the volume and materiality of relevant transactions and the types of hedging relationships. In addition, the related disclosure requirements in IFRS 7 affect users of financial statements by providing information about an entity's risk management activities and how those activities affect the financial statements.

The RFI provides a valuable opportunity for stakeholders to provide feedback based on their experiences. The feedback provided may lead to further actions by the IASB, which could include standard-setting, referring a matter to the IFRS Interpretations Committee, or developing materials to support consistent application of the requirements. Depending on these actions, entities may be further impacted.

How to submit comments

The FRSC invites your comments on the RFI by **1 December 2026** to allow your comments to be considered in developing its response to the IASB. Comments should be supported by specific reasoning and submitted in written form by email to commentletters@hkcipa.org.hk

Comments will be acknowledged and may be made available for public review unless otherwise requested by the respondent.