

PROJECT HISTORY

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The IPSASB reviewed the responses to Exposure Draft 62, *Financial Instruments*. The IPSASB noted the principles included in the Exposure Draft were strongly supported by respondents. Issues identified by respondents related primarily to clarifying the application of these principles to complex transactions.

Review of responses to SMC #1 - Consistent with the relief provided in IFRS 9, the IPSASB has agreed in [draft] IPSAS [X] (ED 62) to allow an option for entities to continue to apply the IPSAS 29 hedging requirements. Do you agree with the IPSASB's proposal?

Respondents strongly supported the option allowing for the continued application of the IPSAS 29 hedging requirements with 82% of respondents supporting SMC#1.

The IPSASB agreed to allow an option to continue to apply the IPSAS 29 hedging requirements.

Review of responses to SMC #2 - Do you agree with the proposed 3-year implementation period before [draft] IPSAS [X] (ED 62) becomes mandatory? Please explain.

Respondents strongly supported a 3-year implementation period with 73% of respondents supporting SMC#2. Respondents noted complexity, ties to existing IPSASB projects and insufficient time for practice to develop in the private sector under IFRS 9 as reasons as reasons to extend the implementation period.

As the IPSASB had previously consider the concerns raised by respondents, and due to the strong support for SMC#2, the IPSASB agreed a 3-year implementation period was appropriate.

Review of responses to SMC #3 - Do you agree with the proposed transition requirements in paragraphs 153-180, consistent with those provided in IFRS 9? If not, what specific changes do you recommend and why?

Respondents strongly supported the transition requirements with 86% of respondents supporting SMC#3.

The IPSASB agreed the transition requirements were appropriate.

Other issues identified by respondents

The IPSASB agreed the Financial Instruments Task Force should consider the other issues raised by respondents and propose changes where appropriate to the draft standard. The Task Force's recommendations will be considered at the June IPSASB meeting.