

Commission Regulation (EC) No 460/2009 of 4 June 2009 amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Interpretations Committee's (IFRIC) Interpretation 16 (Text with EEA relevance) (revoked)

- Article 1 In the Annex to Regulation (EC) No 1126/2008, International Financial...
- Article 2 Each company shall apply IFRIC 16, as set out in...
- Article 3 This Regulation shall enter into force on the third day...
- Signature

ANNEX

IFRIC INTERPRETATION 16 Investment in a Foreign Operation

REFERENCES

BACKGROUND

- 1 Many reporting entities have investments in foreign operations (as defined...
- 2 Hedge accounting of the foreign currency risk arising from a...
- 3 IAS 39 requires the designation of an eligible hedged item...
- 4 An entity with many foreign operations may be exposed to...
- 5 IAS 39 allows an entity to designate either a derivative...
- 6 IAS 21 and IAS 39 require cumulative amounts recognised in...

SCOPE

- 7 This Interpretation applies to an entity that hedges the foreign...
- 8 This Interpretation applies only to hedges of net investments in...

ISSUES

- 9 Investments in foreign operations may be held directly by a...

CONSENSUS

Nature of the hedged risk and amount of the hedged...

- 10 Hedge accounting may be applied only to the foreign exchange...

- 11 In a hedge of the foreign currency risks arising from...

- 12 The hedged risk may be designated as the foreign currency...

- 13 An exposure to foreign currency risk arising from a net...

Where the hedging instrument can be held

- 14 A derivative or a non-derivative instrument (or a combination of...

- 15 For the purpose of assessing effectiveness, the change in value...

Disposal of a hedged foreign operation

- 16 When a foreign operation that was hedged is disposed of,...

- 17 The amount reclassified to profit or loss from the foreign...

EFFECTIVE DATE

- 18 An entity shall apply this Interpretation for annual periods beginning...
TRANSITION
19 IAS 8 specifies how an entity applies a change in...

Appendix

Application guidance

This appendix is an integral part of the Interpretation.

- AG1 This appendix illustrates the application of the Interpretation using the...
Nature of hedged risk for which a hedging relationship may...
AG2 Parent can hedge its net investment in each of Subsidiaries...
Amount of hedged item for which a hedging relationship may...
AG3 Parent wishes to hedge the foreign exchange risk from its...
AG4 The hedged item can be an amount of net assets...
AG5 In the absence of hedge accounting, the total USD/EUR foreign...
AG6 Parent cannot designate the US\$300 million external borrowing in Subsidiary...
Where in a group can the hedging instrument be held...
AG7 As noted in paragraph AG5, the total change in value...
Amounts reclassified to profit or loss on disposal of a...
AG8 When Subsidiary C is disposed of, the amounts reclassified to...
Hedging more than one foreign operation (paragraphs 11, 13 and...
AG9 The following examples illustrate that in the consolidated financial statements...
Parent holds both USD and GBP hedging instruments
AG10 Parent may wish to hedge the foreign exchange risk in...
AG11 The EUR/USD risk from Parent's net investment in Subsidiary C...
AG12 In the case described in paragraph AG10(b), if Parent designates...
Subsidiary B holds the USD hedging instrument
AG13 Assume that Subsidiary B holds US\$300 million of external debt...
AG14 However, the accounting for Parent's £159 million loan payable to...
AG15 If Parent reversed the hedging relationship designated by Subsidiary B,...

Changes to legislation:

There are currently no known outstanding effects for the Commission Regulation (EC) No 460/2009.