

# Derivatives and hedging in IFRS – Basics

## WHO SHOULD ATTEND?

Financial, Consolidation and Accounting Managers – Chartered Accountants, External Auditors – Bankers, Account Managers

**Prerequisites:** *this training does not require any particular prerequisite.*

## OBJECTIVES

- › Understand how the main derivative financial instruments work and how they are used in a corporate environment (forwards, swaps, options, ...)
- › Know the principles of derivative valuation
- › Be able to apply IFRS 9 to simple hedging transactions
- › Be able to analyse the impacts of those transactions on the financial statements, including disclosures

## WHY SHOULD YOU ATTEND?

- › This training first provides an economic vision of hedging instruments: how they work, what they hedge. Secondly, it covers their accounting treatment.

This practical and intensive training provides the keys necessary to understand the hedging transactions in place in a corporate environment so as to apply IFRS 9 in real life. This training also allows to establish a constructive communication between Treasury and Consolidation or Accounting Departments.

**DURATION:** 1 DAY

**DATES\*:** 05/02/24  
21/05/24  
09/10/24  
11/12/24

**PRICE EXCL. VAT:** 1 240 €

(\*) Delivery method: face-to-face, subject to change according to your requests and/or health conditions.

## DETAILED CONTENT

### › Derivative financial instruments and their use in a corporate environment

- The three categories: forwards, swaps and options
- Valuation principles

### › Main hedging strategies

- The main risks to hedge
  - . Foreign exchange on sales and procurements
  - . Rates and foreign exchange risks on debts and loans
  - . Commodity hedging
- Hedging firm risks (receivables and payables, inventories, firm orders) and contingent risks (budget, bids....)

### › Hedge accounting under IFRS 9

- Why implementing hedge accounting?
- Principles and mechanisms
  - . Fair Value Hedge (FVH)
  - . Cash Flow Hedge (CFH)
  - . Net Investment Hedge (NIH)
- Case studies

### › Conditions for hedge accounting under IFRS 9

- What can be hedged? What instruments to use?
- Documentation: requirements, impacts on internal procedures
- Hedge effectiveness and treatment of ineffectiveness

## INSTRUCTIONAL APPROACH AND LEARNING ASSESSMENT

- **During the session:** technical presentation comes together with illustrations from real cases. Numerous case studies (a large part of those case studies is performed on spreadsheets during the session) and interactive quizzes ensure knowledge acquisition.
- **After the session:** documentary inputs (synthesis, video).  
The trainer is available to answer any follow-up questions participants may have.

©FinHarmony - This training can be organised on your premises  
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