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JH

n°38

Paris, the 14th February 2013

Madame Françoise FLORES

Chairman

EFRAG

35 Square de Meeûs

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BELGIUM

Re: EFRAG DCL – Impact of the Review Draft general hedge accounting on macro hedge accounting.

Dear Ms Florès,

I am writing on behalf of the Autorité des Normes Comptables (ANC) to express our views on the EFRAG's draft comment letter about the impact of the Review Draft (RD) IFRS 9 General hedge accounting on macro hedge relationships.

Macro hedge activities are of the utmost importance for European financial institutions, as demonstrated by the European Union's adoption of a "carved out" version of IAS 39 in relation to these matters.

The ANC hence welcomes the IASB's decision to decouple hedge accounting for open portfolios (macro hedge accounting) from IFRS 9.

However, we note that there is a contradiction between the IASB's objective of scoping out open portfolios from the general hedge accounting requirements stated in the review draft (as per IN8c and BC6.9-6.12) and par. 6.1.3. of the review draft according to which only macro-fair value hedges (macro-FVH) are scoped out.

We consider that European financial institutions must retain the ability to continue to apply macro-hedge accounting under IAS 39, including both macro-FVH and macro-cash flow hedge (macro-CFH). As explained in IAS 39 IG F.6.2.(a), "*in economic terms, it does not matter whether the derivative instrument is regarded as a fair value hedge or as a cash flow hedge. Under either perspective of the exposure, the derivative has the same economic effect of reducing the net exposure*". In other words, macro-hedge strategies, whether designated as FVH or CFH, are both managed in the same way by the risk management (at a level that aggregates open portfolios) and should follow the

same hedge accounting framework. Consequently, they should both be scoped out of the general hedge accounting model.

Therefore, we agree with EFRAG that the IASB needs to modify the wording of paragraph 71 of IAS 39 and par. 6.1.3. of the Review Draft to allow all current hedge accounting requirements for open portfolios to be maintained and kept fully applicable in IAS 39 and that the related Implementation Guidance in Section F *Hedging* directly relevant to macro hedging should also be maintained

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Haas', with a stylized flourish at the end.

Jérôme HAAS