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*Banking supervision
And Accounting issues Unit*

The Director

Paris, January 28th 2013

FBF Comments on the EFRAG draft Comment Letter on the impact of the Review Draft general hedge accounting on macro hedge accounting.

Dear Mrs Flores,

The FBF is pleased to have the opportunity to comment on the EFRAG's draft letter related to the impact of the Review Draft general hedge accounting on macro hedge accounting.

We agree on the focus put on the implications of the Review Draft on current macro hedging practices and on unexpected consequences to macro hedge accounting. Indeed, macro hedge activities are critically important activities for French banks.

We do not object the IASB's decision to decouple the general hedge accounting model from the macro hedge accounting model as it is stated in the Review Draft that no specific accounting issues would be addressed for open portfolios or macro hedging (Paragraphs IN8(c.), BC6.9-15).

However, we see a contradiction between the goal of leaving current macro hedge practices and the scope of the hedge accounting defined in the Review Draft. The Review Draft scopes out from general hedge accounting only fair value hedges as references of paragraph 6.1.3 are limited to the notion of fair value hedge accounting. It also deletes some hedge-related paragraphs in IAS 39 such as section F of the Implication Guidance of IAS 39.

We consider that all macro hedging strategies whether designated as fair-value hedges or cash-flow hedges should be covered by macro hedge accounting under IAS 39 as they are all managed at a portfolio level by the risk management.

We believe that the current interaction between the new hedge accounting requirements of the Review Draft and those hedge accounting requirements of IAS 39 that still will be valid is confusing and would have unintended consequences on macro hedge relationships.

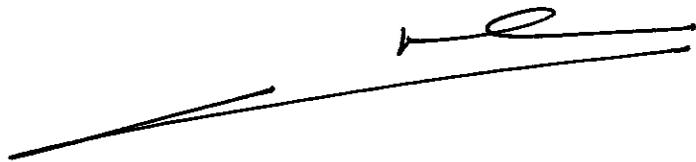

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Therefore we fully share the view of EFRAG that the IASB needs to modify the wording of paragraph 71 of IAS 39 and paragraph 6.1.3 of the Review Draft to allow all current hedge accounting requirements for open portfolios to be maintained and kept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

Moreover, we see no rationale for the Review Draft to cover part of macro hedge relationships while a project on macro hedging has been issued and as such should cover the whole package of macro hedge relationships.

We hope you find our comments useful and would be pleased to provide any further information you might require.

Yours sincerely,

A handwritten signature in black ink, consisting of a stylized 'J' followed by a loop and a horizontal line, positioned above a long horizontal line that spans across the page.

Jean-Paul Caudal