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# On hedge effectiveness assessment under IFRS 9

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## Abstract

*IFRS 9 has introduced certain radical changes to the hedge effectiveness assessment criteria of IAS 39 for entities desirous of availing hedge accounting. It is necessary for business entities contemplating the use of financial derivatives for hedging purposes to appreciate the nuances associated with the upstaged provisions of hedge accounting of IFRS 9 in context of hedge effectiveness requirements envisaged therein. The present article addresses this issue and provides a threadbare analysis of the fundamental model on which the IFRS 9 hedge effectiveness assessment is premised.*

**Keywords:** IAS 39, IFRS 9, hedge accounting, hedge effectiveness, risk management.

**JEI Classification:** M41; M42

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