



13 February 2008

D22 Comment Letters  
International Accounting Standards Board  
30 Cannon Street  
London EC4M 6XH  
United Kingdom

(By email: [ifric@iasb.org](mailto:ifric@iasb.org))

Dear Sir/Madam,

**COMMENTS ON IFRIC DRAFT INTERPRETATION D22 HEDGES OF A NET INVESTMENT IN A FOREIGN OPERATION**

1. The Accounting Standards Council appreciates the opportunity to comment on the IFRIC Draft Interpretation D22 *Hedges of a Net Investment in a Foreign Operation*.
2. We generally agree with the proposed consensus. We believe that the interpretation would provide useful guidance to entities applying the hedge accounting for net investment in foreign operations by clarifying what qualifies as valid hedged risk in a designated hedging relationship and where in a group the hedging instrument may be held.
3. Nevertheless, we have some comments on the following areas as set out below.

**Illustrative Examples – Page 13**

Paragraph IE 14 relates to hedging instruments held by Entity C. However, in this paragraph, it is stated that the forward contract was held by Entity A instead of Entity C as follows:

“Opening balance of forward contract held by Entity A at 31 December 20x1” and  
“Closing balance of forward contract held by Entity A at 31 December 20x2”.

**Illustrative Examples – Page 16**

In addition, we would also like to highlight the following editorial or presentation improvement that could be made to the Illustrative Examples. The last two sentences of paragraph IE21 both start with “Therefore”. Perhaps one of them could be changed to some other connecting word.

4. Should you require any further clarification, please kindly contact me.

Thank you.

Yours sincerely,

Dexter Tan  
Secretary, Accounting Standards Council