The Working Group on Sterling Risk-Free Reference Rates

From LIBOR to SONIA and what you need to know:

The Impact of Transition on Accounting

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IASB Amendments

to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS16

Phase 1

How to continue with hedge accounting before transition

Phase 2

Reliefs after you make changes to financial instruments

IBOR Reform - Phase 1 amendments



Highly probable requirement



Recycling of cash flow hedge reserve



Prospective assessments



IAS 39 retrospective assessments



Risk components



Disclosures

Nature of the Phase 2 amendments

Changes
to the
contractual cash
flows



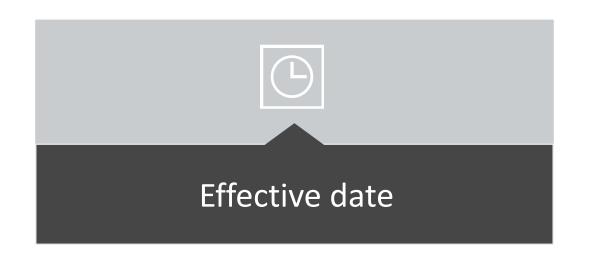
Relief from hedge accounting requirements

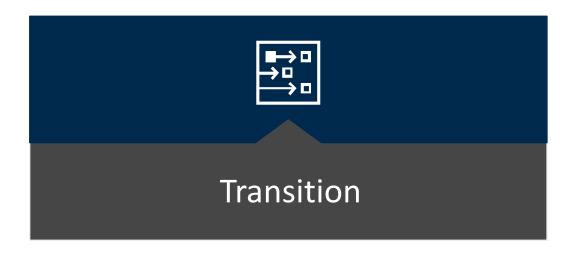


Disclosures related to IBOR reform



Phase 2 Amendments Adoption





Annual periods beginning on or after 1 January 2021

Retrospective

Disclosure Requirements

Effect of IBOR reform on financial instruments and risk management strategy

How the entity is managing transition to alternative benchmark

Quantitative information about instruments that have yet to transition

Changes to risk management strategy as a result of IBOR reform

Disclosures related to IBOR reform



Key messages

