



ACCOUNTING  
STANDARDS  
BOARD

# URGENT ISSUES TASK FORCE

## INFORMATION SHEET No 85

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### **Abstract 46**

#### **(IFRIC Interpretation 16) 'Hedges of a Net Investment in a Foreign Operation'**

UITF Abstract 46 has the effect of implementing IFRIC Interpretation 16 'Hedges of a Net Investment in a Foreign Operation' in the UK and the Republic of Ireland. It is applicable to those entities preparing their financial statements in accordance with UK GAAP and in doing so, are within the scope of FRS 23 'The Effects of changes in Foreign Exchange Rates' and FRS 26 'Financial Instruments: Recognition and Measurement'. The Abstract provides guidance on the nature of the hedged risk and hedging instruments when a group hedges its net investment in foreign operations.

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