

Accounting Advisory services for financial instruments

Financial instruments (derivative transactions, bonds, equities, etc.) tend to arise at all companies, while the related rules and disclosure requirements are extremely diverse and complex.

Consequently, practical issues arise in many areas in association with financial instruments and derivatives, which are generally related to measuring and accounting for derivatives and special, newly invented products and transactions, hedge accounting and the related documentation, as well as disclosures and necessary calculations for financial instruments. Given the complexity of the topics, responding to these issues requires appropriate expertise.

The professionals at the KPMG's Accounting Advisory Group have extensive, up-to-date knowledge on the various accounting standards related to financial instruments (including the Hungarian and IFRS accounting rules), and during their work they have accumulated wide-ranging experience on transactions and events giving rise to complex accounting issues.

Advisory services on recognition, measurement and disclosure of financial instruments and derivative transactions

The professionals of our accounting advisory group provide assistance in applying the IAS 32, 39 and IFRS 7 (and IFRS 9) standards as well as the provisions of the Hungarian Accounting Act in practice, in responding to practical questions, in relation to measurement methods and with selecting and applying the parameters for applicable models.

Adopting the requirements of the new IFRS 9 standard

The new IFRS 9 Financial Instruments standard, which takes effect as of 1 January 2013, will have a significant effect on entities' financial statements. As a result of our participation in continuous training and regular

knowledge exchange with other KPMG firms, our staff is well prepared to evaluate the potential effect of the new standard and they bear sufficient knowledge to provide assistance in interpretation of the complex requirements of the new standard as well as in the preparation phase of the implementation process.

Practical IFRS issues related to the financial sector

Our professionals help you in applying financial instrument standards (including IFRS 9) as well as the provisions of the Hungarian Accounting Act in practice, and respond to specific practical issues, including, amongst others, the following:

- Calculation of amortised cost, detailing of accounting procedures for various events (impairment, early repayment, currency exchange, etc.);
- Principles for calculating impairment under IFRS, simplifications in practice, information on scope of related data, promotion of information flow between participating organisational units;
- Measurement and accounting of special, one-off and newly invented products and transactions;
- Disclosures and related calculations for financial instruments;
- Hedge accounting and related documentation from the simplest cases to implementing strategies comprising complex, structured products;
- Applying the provisions of the Hungarian Act on Accounting for fair value and non-fair value measurements, both for securities and derivatives.

Contacts:

We would be delighted to provide more information on our advisory services regarding financial instruments, either in a presentation or in person. Please feel free to contact our Accounting Advisory team with any enquiries:

Ágnes Rákó
Director

T: +36 1 887 7438

E: agnes.rako@kpmg.hu

András Dezsényi
Manager

T: +36 1 887 7481

E: andras.dezesenyi@kpmg.hu

KPMG.hu



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name, logo are registered trademarks or trademarks of KPMG International.

© 2016 KPMG Tanácsadó Kft., a Hungarian limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.