Maintain Hedging Relationship

PURPOSE

This document shows the detailed procedure of maintaining hedging relationship.

WHY IS THIS IMPORTANT?

This allows hedging relationship to be set up for IAS Hedging Effectiveness testing.

PROCEDURE

1. From the main menu, click Transaction > Hedging > Maintain Relationship > General. The below screen displayed.

2. Firstly, to create a new hedging relationship, click New.

3. The below screen will be displayed.

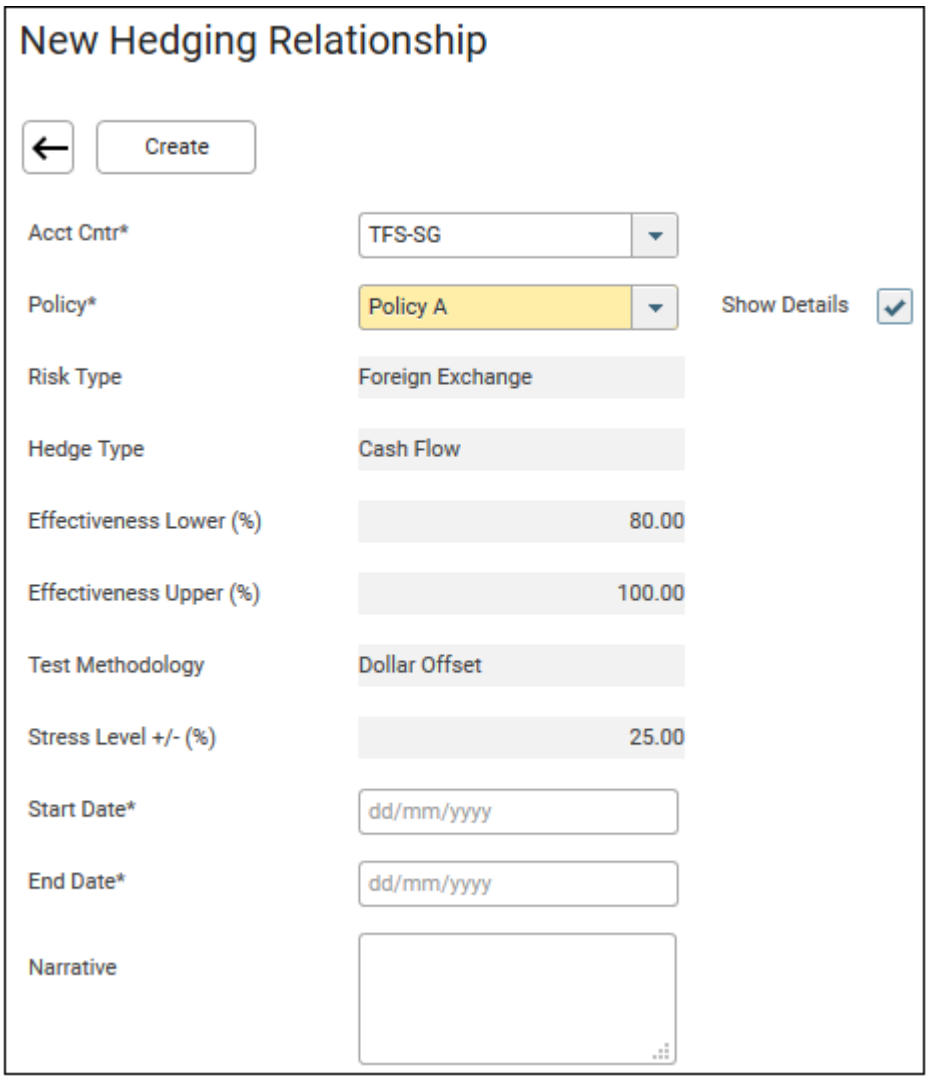
4. Select the Accounting Centre.

5. From the Policy drop down, select the policy for the hedging relationship set up. If you wish to view the details of the policy selected, tick on the Show Details checkbox.

6. Enter the Start Date for this hedging relationship set up.

7. Enter the End Date for this hedging relationship set up.

8. Narrative is optional. You may input if necessary.

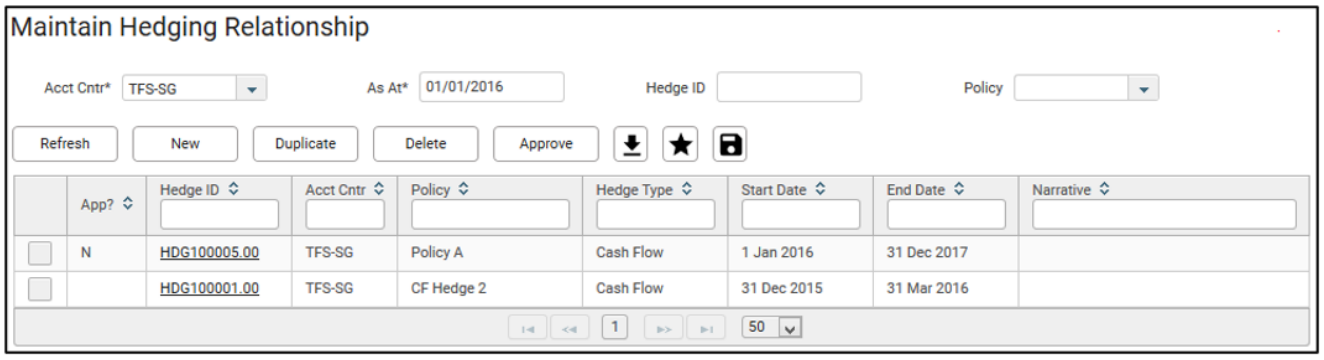


9. Click Create.

10. A popup appears, click OK.

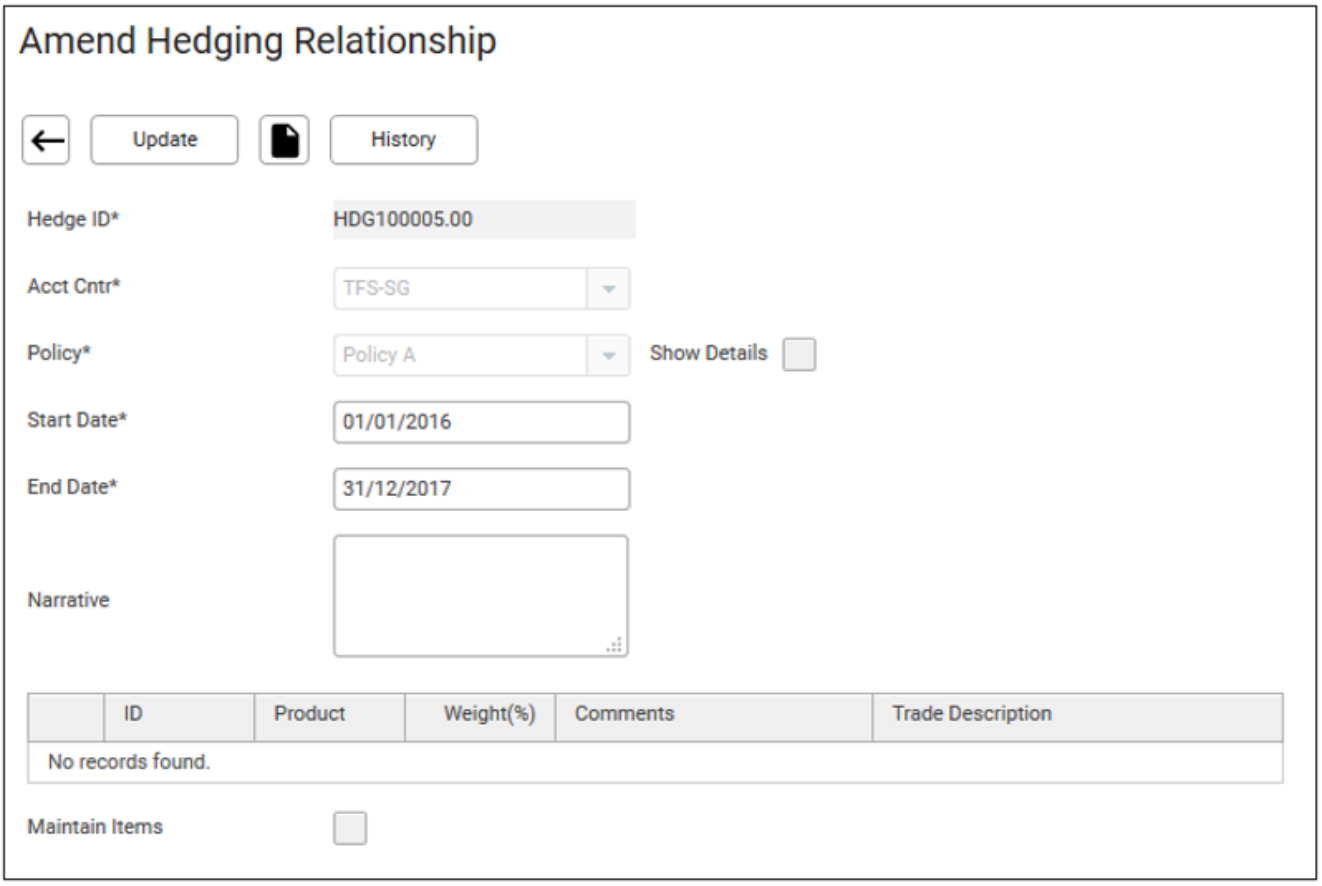
11. You will be returned to Maintain Hedging Relationship screen.

12. To filter out the newly created hedging relationship, select the accounting centre from the Acct Cntr drop down field and key in As At date. Then, click Refresh.

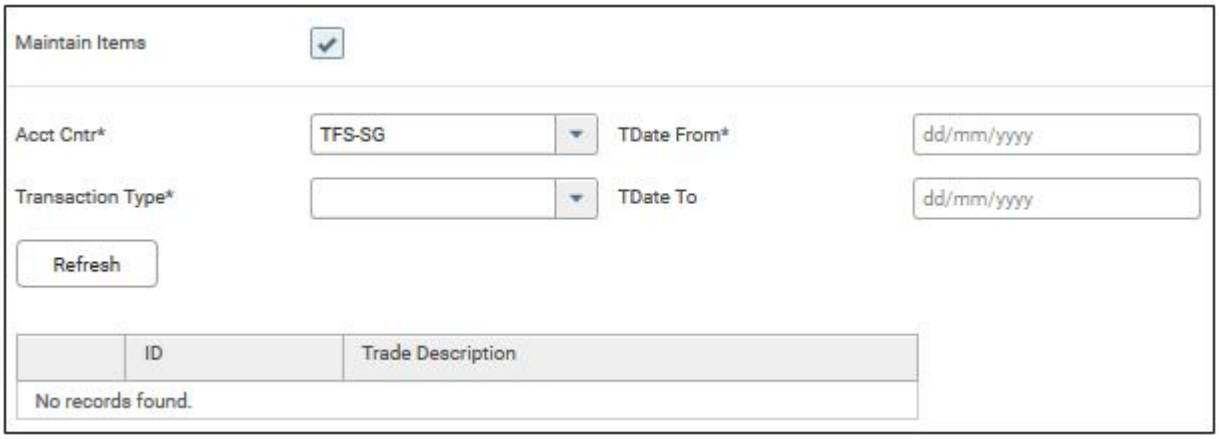


13. The newly created hedging relationship requires approval. To approve, tick on the checkbox of the newly created hedging relationship and click Approve. After approved, you will not see an “N”.

14. To maintain the hedging relationship, click on the Hedge ID to drill down to Amend Hedging Relationship screen.



15. Tick on the Maintain Items checkbox.



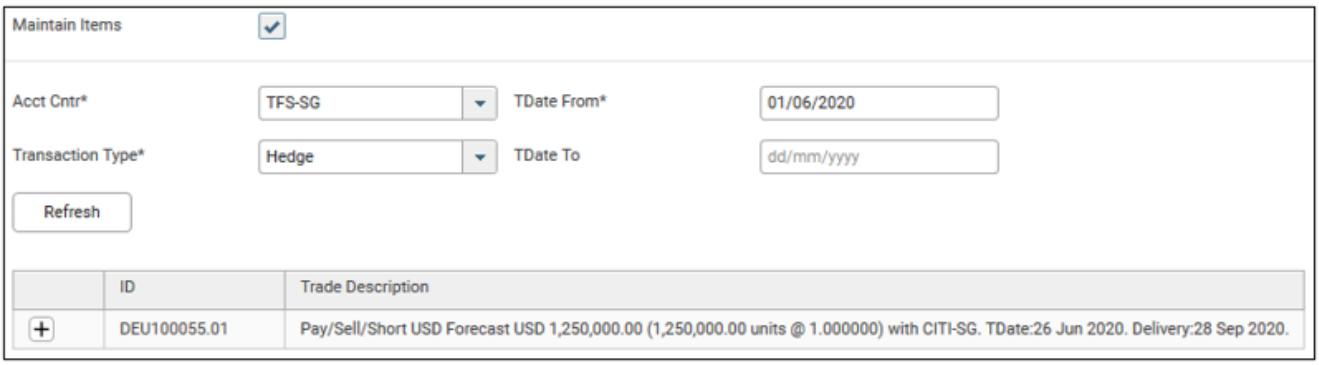
16. More fields will be displayed at the bottom of the page for you to filter out trades. Select the Accounting Centre, Transaction Type and TDate From. In this

example, we will create hedging relationship between Foreign Exchange and currency forecast.

17. Choose the accounting centre, select the transaction type as Foreign Exchange Outright, TDate from, i.e 1 June 2020 and click Refresh. System will filter out Foreign Exchange trades which trade date start form 1 June 2020.

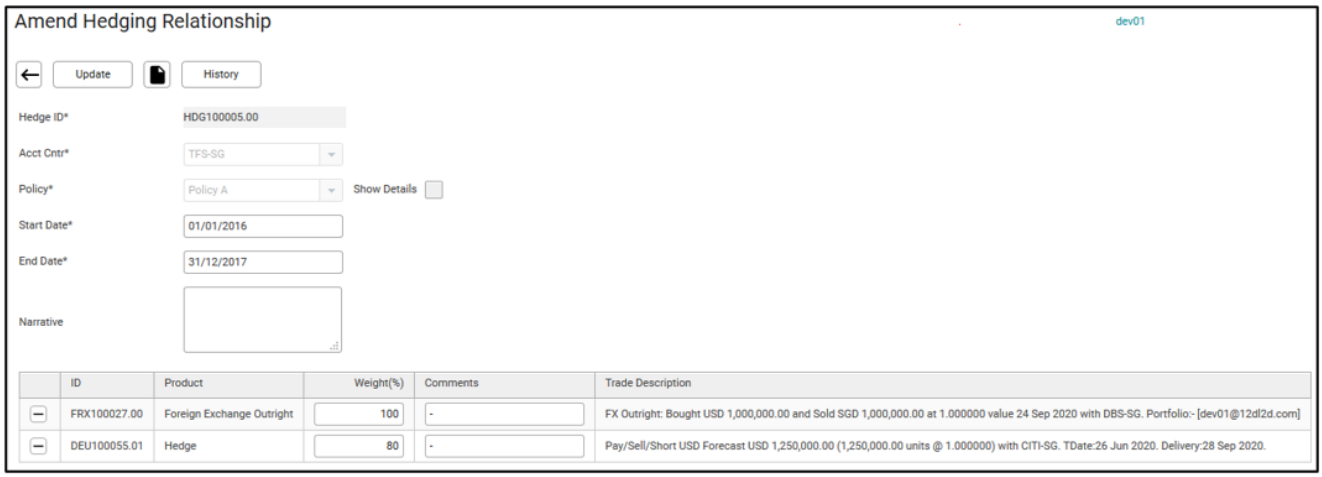
18. Click Add Button to add the Foreign Exchange trade to the relationship set up.

19. Then, continue to add for currency forecast hedging trade. Select the transaction type as Hedge and select the appropriate TDate from, click Refresh. System will filter out hedging trades.



20. Click Add Button to add the currency forecast hedging trade to the relationship set up.

21. Next, you can change the weighting percentage for this hedging relationship. Enter the weighting in the Weight(%) field. In this example, 80% of 1.25 mil USD forecast is hedged.



22. Click Update when completed maintaining the hedging relationship.

23. A popup appears, click OK.

24. You will be returned to Maintain Hedging Relationship screen.

25. Approve the amended hedging relationship.

26. To duplicate a hedging relationship, tick on the checkbox of the hedging relationship to be duplicated and click Duplicate. The hedging relationship will be duplicated.

27. To delete a hedging relationship, tick on the checkbox of the hedging relationship to be deleted and click Delete. The hedging relationship will be deleted.

FREQUENTLY ASKED QUESTIONS

RELATED INFORMATION

Maintain Hedging Policy

Hedging: Transaction

CHANGE HISTORY

Date	By	Changes
20-Dec-2016	TS	Created.
5-Jun-2018	Anuja	Updated instruction in step 1.
9-Dec-2019	Lyra	Updated Screenshots.