# Hedge Accounting for FX Forward - Group Ledger IFRS (1XD)

This scope item supports the following processes:

**00 - Hedge Accounting for FX Forward supporting IFRS 9**
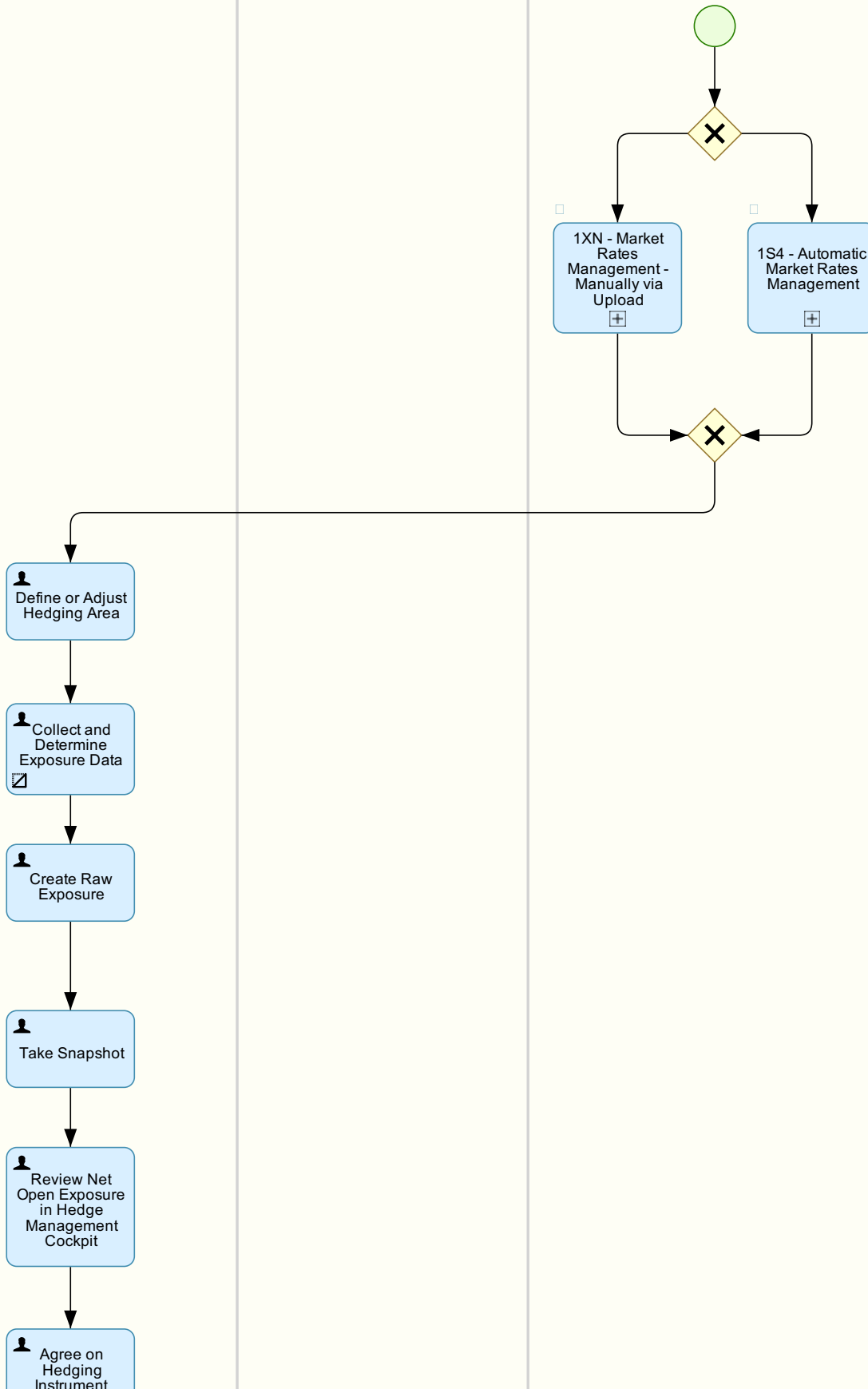
SAP S/4HANA < 1XD - Hedge Accounting for FX Forward - Group Ledger IFRS >

| Treasury Specialist - Middle Office | Treasury Specialist - Front Office | Treasury Specialist - Back Office | Treasury Accountant |
|---|---|---|---|

1XN - Market Rates Management - Manually via Upload

1S4 - Automatic Market Rates Management

Define or Adjust Hedging Area

Collect and Determine Exposure Data

Create Raw Exposure

Take Snapshot

Review Net Open Exposure in Hedge Management Cockpit

Agree on Hedging Instrument

```
┌─────────────┐
│          ◿  │
└──────┬──────┘
       │
       ▼
┌─────────────┐
│  👤          │
│ Check Limit  │
│ Utilization  │
│ Report (     │
│ Optional)    │
│          ◿  │
└──────┬──────┘
       │
       └──────────────┐
                   □  ▼
            ┌─────────────────┐
            │  01- Create Foreign │
            │  Exchange Contract │
            │  with Headging     │
            │  Classification    │
            │        ⊞          │
            └─────────┬─────────┘
                      │
                      └──────────────┐
                                  ┌──▼──────────────┐
                                  │  👤              │
                                  │ Automatic Designation ( │
                                  │     Planned)      │
                                  └────────┬─────────┘
                                           │
                                  ┌────────▼─────────┐
                                  │  👤              │
                                  │ Set Contract Settlement │
                                  │ Status with Incoming   │
                                  │    Confirmation       │
                                  └────────┬─────────┘
                                           │
                                  ┌────────▼─────────┐
                                  │  👤              │
                                  │ Release Hedging  │
                                  │  Relationship    │
                                  └────────┬─────────┘
                                           │
                                    □   ┌──▼──────────────┐
                                        │ 02 - Period End │
                                        │    Closing      │
                                        │       ⊞        │
                                        └────────┬────────┘
                                                 │
                                  ┌──────────────▼───┐
                                  │  👤              │
                                  │ Process Reclassification │
                                  │ for Hedging Business    │
                                  │ Transaction at Balance  │
                                  │ Sheet Recognition Date  │
                                  └────────┬─────────┘
                                           │
                                  □   ┌────▼─────────────┐
                                      │ 03 - Contract Maturity │
                                      │                  │
                                      │        ⊞        │
                                      └────────┬─────────┘
                                               │
                                               └──────────────┐
                                                          ┌────▼─────────────┐
                                                          │  👤              │
                                                          │ Reclassify Hedging │
                                                          │ Reserve and Cost of │
                                                          │ Hedging Reserve at  │
                                                          │ Exposure Subitem   │
                                                          │    End Date        │
                                                          └────────┬─────────┘
                                                                   │
                                                          □   ┌────▼─────────┐
                                                              │ 04 - Reports │
                                                              │      ⊞       │
                                                              └──────┬───────┘
                                                                     │
                                                                  ┌──▼──┐
                                                                  │  ●  │
                                                                  └─────┘
                                                                 Event End
```
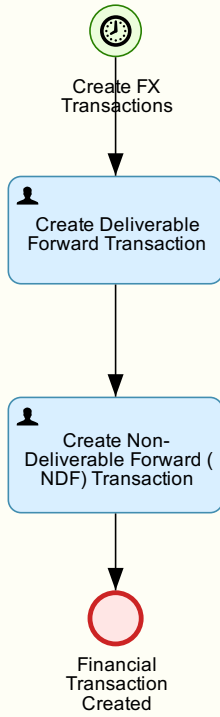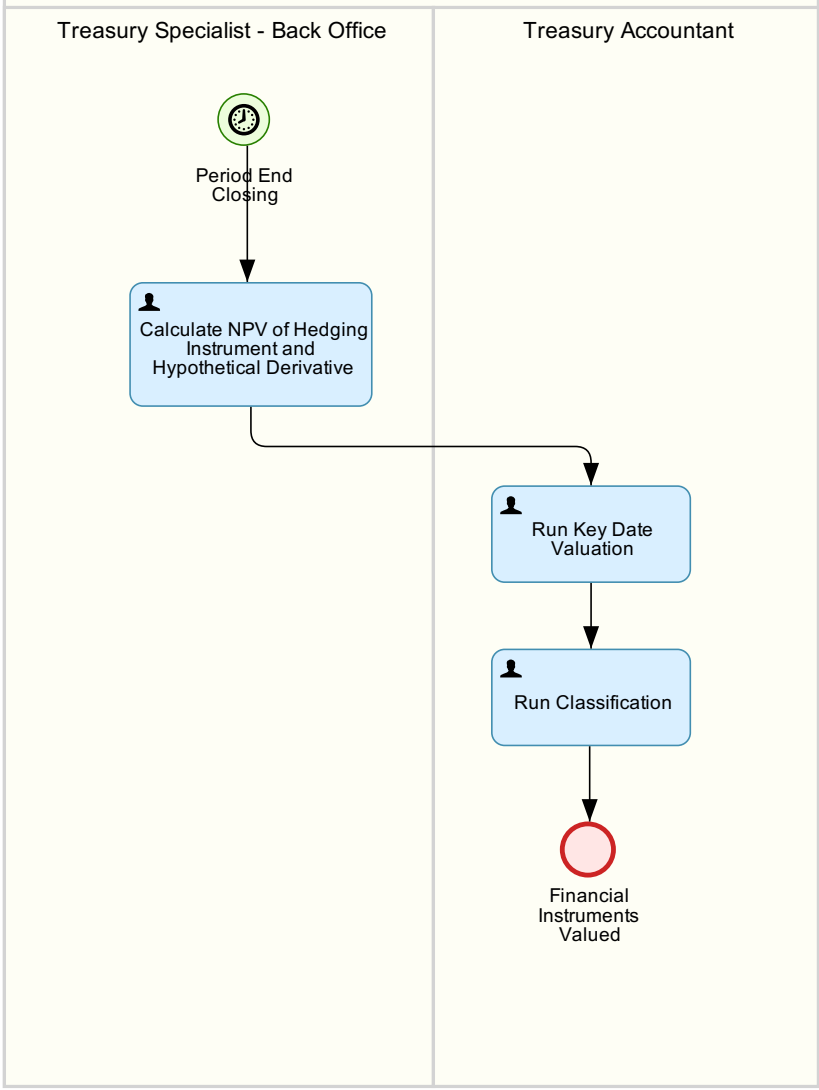
## 01 - Create Foreign Exchange Contract with Hedging Classification

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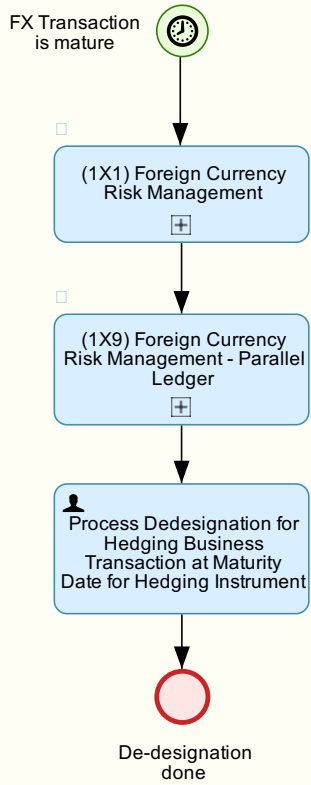
Treasury Specialist - Front Office

Create FX
Transactions

Create Deliverable
Forward Transaction

Create Non-
Deliverable Forward (
NDF) Transaction

Financial
Transaction
Created

## 02 - Period End Closing

| Treasury Specialist - Back Office | Treasury Accountant |
|---|---|

Period End Closing

Calculate NPV of Hedging Instrument and Hypothetical Derivative

Run Key Date Valuation

Run Classification

Financial Instruments Valued

**03 - Contract Maturity**

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Treasury Specialist - Back Office

FX Transaction is mature ⏰

(1X1) Foreign Currency Risk Management ⊞

(1X9) Foreign Currency Risk Management - Parallel Ledger ⊞

Process Dedesignation for Hedging Business Transaction at Maturity Date for Hedging Instrument

De-designation done

## 04 - Reporting

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Treasury Accountant

Reporting ⏰

Display Treasury Posting Journal

Display Treasury Position Flows

Display Treasury Position Values

Reporting Done