of problems for the organization. To minimize such risks it is necessary to carry out additional checks of the potential partners.

The late submission of the documents may lead to the additional costs due to the delay at customs clearance and release of goods from the port, the inability to fill in a preliminary declaration or to prepare for the certification and hygienic registration. Typically, these systematic delays are associated primarily with the lack of discipline of staff, the lack of automated systems for the control and operational preparation of the necessary documents, as well as with a low level of competence of the management team.

The unwillingness of the carrier to compensate for damage or loss of the cargo. When choosing a carrier, many importers do not focus on its financial stability, on the basis that the carrier doesn't pay for the order, but the customer pays to the carrier. At first sight it may seem that the financial status of the carrier does not matter. However, a number of questions may arise, when it becomes relevant if the carrier possesses the financial stability. So they should be able in case of the damage of the goods during the delivery process to compensate the losses, even if his responsibility as a carrier is insured or the transported cargo is insured.

The refusal of the carrier to pay out the sanctions. Almost all contracts for delivery of goods contain the information about the sanctions that will be billed to the carrier in case of non-fulfillment or improper fulfillment of the undertaken obligations, for example, for the delay of the transport for loading, failure to comply with the stated transit time, late submission of the documents, etc. Unfortunately, such cases are not rare and their reasons are quite many, starting from the internal problems in the organization of the carrier and to the adverse weather conditions or unforeseen traffic congestion at the border.

The detection of fraud. The field of transportation has always been in the spotlight of numerous criminal groups. Unfortunately, despite the measures taken by the law enforcement agencies, the number of cases of theft of goods carried is not reducing from year to year. In addition to robberies and burglaries committed during the transportation, the criminals disguised as carriers take the loads from the senders and then disappear in an unknown direction [3].

The solution of the above problems will improve the effectiveness of risk management, i.e. minimization of their consequences, and the reduction of the level of uncertainty in the evaluation and selection of the cargo carrier in the process of supply chain management of the organization. Also it's more important that every cargo owner should pay attention to a carrier's reputation, the quality of the services, the rates (prices), the experience and safety of the transportation. Based on this, other, more detailed criteria can be focused on.

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DERIVATIVES AND HEDGING IN ACCOUNTING SYSTEM: THE NATURE AND PROBLEMATIC ASPECTS IN THE CONTEXT OF CONVERGENCE WITH IFRS

PAVEL PANKOU, LUDMILA MASKO
Polotsk State University, Belarus

The article presents the research of the essence of derivatives as an object of accounting based on Belarusian and foreign experience. It also reveals problematic aspects of the conceptual framework in the accounting system connected with the account of derivatives for hedging purposes in the context of convergence with IFRS.

Introduction. Nowadays in the world there are opened positions on derivatives on 700-710 trillion US dollars, while global GDP does not exceed 80 trillion US dollars. It confirms the high value of the category of derivatives for all aspects of economic activity, including the process of accounting of operations with

derivatives. By entering into a transaction with it the company typically receives financial protection in the event of adverse market movements, but the company may get significant losses as well, while losses in most cases are caused by the low level of accounting. Best practices for minimizing losses on derivatives – to account hedging according to IFRS or US GAAP [1]. With regard to the Republic of Belarus, there are a number of problematic aspects, which are connected with the organization of the accounting system in derivative transactions. Thus, currently in the legislative acts related to accounting of the Republic of Belarus there is no definition of derivatives, however, it should be noted that in law system there is a similar in meaning term of derivative financial instruments. Moreover, the problematic aspect is that there is no practice of derivative usage by organizations in Belarus, among other things, because of the absence of full-fledged legal framework. Now general rules, which are used to account all securities, are applied to accounting of derivatives. We believe that the accounting of these objects for hedging purposes should be considered separately from other securities.

The main part. To solve the problems of accounting of operations with derivatives for hedging purposes, it is necessary to single out two lines of research: defining the essence of the concept of derivatives, as well as establishing the conceptual framework of the hedging process for accounting purposes.

In our view, considering the novelty and insufficiency of the term «derivatives» it is necessary to research its essence. Approaches to the definition from legal acts, economic and encyclopedic dictionaries, the literature of Belarusian and foreign authors are presented in table.

Table – Approaches to the definition of derivatives

The author / The name of the source	Definition
Instruction on accounting of securities in the Republic of Belarus	Derivative financial instrument – a financial instrument (financial instrument – a security, a contract, from which the financial asset arises in one organization and the financial liability or equity instrument in the other organization at the same time), which should have the following conditions at the same time: – the value of a financial instrument changes when the value of certain basic asset changes; – to purchase the financial instrument investments are not required or minor initial investments are needed; – payments on the financial instrument are carried out in the future
The law of Ukraine «On taxation of profits of enterprises»	Derivative – is a standard document certifying the right and/or obligation to purchase or sell securities, tangible or intangible assets and funds according to the specific conditions in the future.
The tax code of the Republic of Kazakhstan	Derivative financial instrument – is a contract whose value depends on the amount (including fluctuations of the value) of the basic asset of the contract, providing implementation of the calculation under this agreement in the future. Derivative financial instruments include options, futures, forwards, swaps and other derivative financial instruments, including the combination of these derivative financial instruments. Basic assets of derivative financial instruments may be commodities, standardized goods, securities, currency, indices, interest rates, and other assets having a market value, the future co-existence or circumstance, other derivatives
Modern economic dictionary	Derivatives - derivative financial instruments - futures, forwards, options, swaps, used in transactions not directly related to the sale of tangible or financial assets. They became widespread in the late twentieth century. They are used for risk insurance (hedging) and the extraction of additional, speculative profits
English-Russian economic dictionary	Derivative (eng.) – a derived, secondary financial instrument whose price depends on the price of the basic asset, currency or other financial instrument
Ovseiko, S. Derivative financial instruments: the essence of the concept	Derivatives – financial contracts whose value depends on the value of one or more basic assets, rates or indices
Derivatives. Course for beginners (Series «Reuters for financiers»)	Derivative – is a financial contract between two or more parties, which is based on the future value of the basic asset

Source: the author's own development based on [2–8].

On the basis of the research on the essence of derivatives it is possible to single out two approaches:

1) financial, where derivative is a financial contract between two or more parties, which is based on the future value of the basic asset;

2) accounting, where derivative is a financial instrument, which should have the following conditions at the same time:

– the value of a financial instrument changes when the value of certain basic asset changes;

– to purchase the financial instrument investments are not required or minor initial investments are needed;

– payments on the financial instrument are carried out in the future.

The peculiarity of practice in the Republic of Belarus lies in the fact that the Instruction on accounting of securities doesn't define the term «derivative» as an object of accounting, but it gives a similar definition of a derivative financial instrument, which is generally based on IFRS practice that presupposes a more detailed definition, which contributes to the formation and obtaining complete and accurate accounting information on financial instruments of business entities. Thus, in IFRS a financial instrument is a contract which provides a financial asset to one entity and a financial liability or equity instrument to another [9, c. 2]. A derivative instrument (i.e. derivative financial instrument, or just derivative) is a financial instrument or other contract within the scope of the following three characteristics [10, c. 16]:

a) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that in the case of a non-financial variable (sometimes called the 'underlying') it is not specific to a party under the contract;

b) it requires no initial net investment or an initial net investment that is smaller than it would be required for other types of contracts that would be expected to have a similar response to changes in market factors;

c) it is settled at a future date.

Thus, in the Republic of Belarus a simplified and not sufficiently detailed in comparison with IFRS interpretation of the derivative financial instruments as an accounting object is used, which is based on IFRS 9, but in domestic law system the term «derivative» is absent. It is connected with the fact, that the accounting of derivatives and hedging in Belarus are problematic and insufficiently known aspects of the accounting system.

Let us consider the second direction of our research – establishing the conceptual framework of the process of hedging for accounting purposes.

Hedging (from the English hedge – to protect, to insure yourself against possible losses) – futures (forward transaction) for insurance against the possible fall of price when making long-term deals. And hedge, accordingly, – the position, which is used as a temporary replacement for the future position in another asset (obligation) or to protect the value of the current position of the asset (obligation), while this position may not be eliminated [11, c. 200]. Hedging is applied not only to reduce the risk of loss from market price changes, but also from other factors affecting the financial results of the company (change of currency exchange rates, interest rates, etc.). Above all, it is necessary to present the basic definitions used for accounting of operations with derivatives for hedging purposes.

Fair value – is the price that might be received while selling an asset or paid to transfer a liability when conducting operations on a voluntary basis in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or is estimated using another valuation technique [12, c. 3]. The best indicator of fair value for a financial instrument is a published quote price, which is set on the relevant stock exchanges.

Solid agreement – is an optional agreement on the exchange of a specified quantity of resources at a specified price on a specified future date or dates [13, c. 4].

A hedging instrument – is a designated derivative or (for a hedge of the risk of changes in foreign currency exchange rates only) a designated non-derivative financial asset or non-derivative financial liability whose fair value or cash flows are expected to offset changes in the fair value or cash flows of a designated hedged item [13, c. 4].

A hedged item – is an asset, liability, firm commitment, highly probable forecast transaction or net investment in a foreign operation that exposes the entity to risk of changes in fair value or future cash flows and is designated as being hedged . Hedge effectiveness – is the degree to which changes in the fair value or cash flows of the hedged item that are attributable to a hedged risk are offset by changes in the fair value or cash flows of the hedging instrument [13, c. 4].

After the establishment of the definitions, it should be noted that derivative financial instruments can be used not only for hedging, but also to carry out speculative operations. Therefore, in IFRS practice hedging should meet a number of requirements (the following points should be reflected in the organization):

– classification of risks;

– process and risk management procedures;

– the aims of the organization in management associated with risk and hedging strategy;

– the nature of hedging risk;

– the hedged item (asset, liability, adopted firm commitment, or cash flows from the forecasted transaction) and its value;

– the kind of hedging risk (fair value hedge or hedge of cash flow);

– the hedging instrument and its impact on the risk (it is necessary to prove that the selected positions at different risks and related hedging instrument hedge every specific position);

– methods of prospective and retrospective assessment of hedge effectiveness in the organization.

According to IFRS all derivatives except the effective hedging instruments are classified as financial assets/liabilities at fair value, which are reflected in profit or loss for the period. In connection to derivative financial instruments, which are classified as hedging instruments, IFRS establishes a separate accounting way.

Conclusions: thus, in determining the essence of derivatives as accounting objects we have singled out two approaches: financial and accounting. The results of the study show that in the Republic of Belarus, there is a simplified and not sufficiently detailed in comparison with IFRS interpretation of the derivative financial instruments as an accounting object, which is based on IFRS 9. In this regard, it has been revealed that there is no definition of the term «derivative» in Belarus, and the law does not regulate accounting of derivatives for hedging purposes, which creates a number of problematic aspects in the reflection of these objects in the accounting system. In addition, the usage of derivatives in the Republic of Belarus is relevant because it can be aimed at insurance against risks, but, unfortunately, can also be used for speculative operations. Therefore, in IFRS practice for the usage of derivatives for hedging purposes there are a number of essential requirements that enable the organization to evaluate the assets selectively, liabilities and solid agreements in the different way than it would be required in the other cases.

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