

Key words: *hedge derivatives, fair value, hedge accounting, hedge effectiveness, risk management*

Abstract: The development of the capital markets increases the key role of the financial manager both in using the new techniques for administrating the risks and in assessing hedge effectiveness. Risk means possible uncertainty regarding cash flows, influencing the fair value of assets and liabilities or the value of cash flow relating to future transactions of the entity. This article emphasizes that possible financial risk in international business, like as price risk, credit risk, risk of liquidity, can be hedged using financial instruments, especially derivatives, like as forward, futures, options and swaps. The accounting treatment for these instruments is presented in accordance to the basic principles of hedge accounting imposed by IAS 39. Additionally, there are references to the most important requirements regarding the accounting rules regarding recognition and measurement of hedged derivatives according to the Romanian regulations.