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## FASB | IASB Education Meeting

Date	5 June 2026
Project	Risk Mitigation Accounting
Topic	Project update
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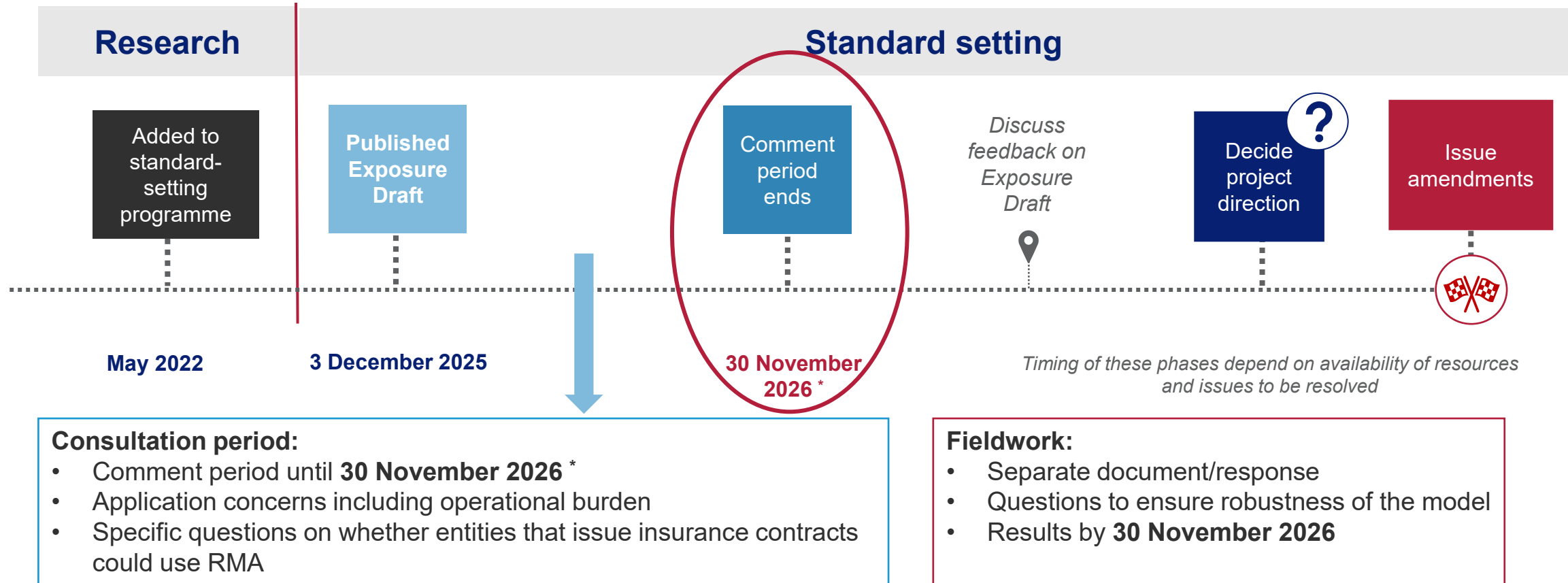
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# Introduction

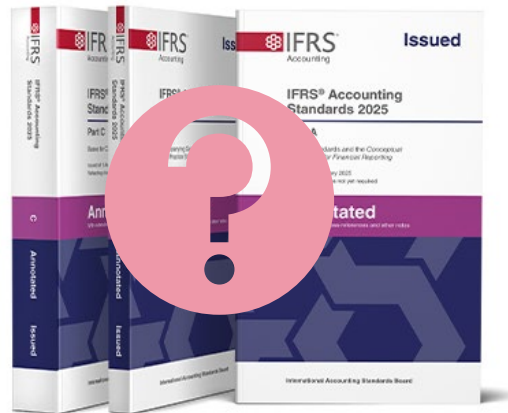
- The IASB published the Exposure Draft *Risk Mitigation Accounting* in December 2025, with a public comment period open until 30 November 2026. The IASB also requested stakeholders, in particular banks and insurers, to carry out fieldwork to assess the likely effects of the proposed risk mitigation accounting model.
- In the Exposure Draft, the IASB proposes a new accounting model designed to better reflect how financial institutions manage interest rate risk.
- Once finalised, Risk Mitigation Accounting would supplement the general hedge accounting requirements in IFRS 9. It will also inform how and when IAS 39 could be withdrawn.
- The proposals are developed for entities that manage repricing risk on a net basis and are expected to be directly relevant to entities that rely on ‘macro’ hedge accounting for interest rate risk under IAS 39.




# RMA project—status



\* The IASB decided to extend the ED comment period to 30 November 2026 in its May 2026 meeting.

# Future of IAS 39



	<b>Proposal</b>	Withdrawal of IAS 39
	<b>Reasoning</b>	Not fit for purpose / superseded by IFRS 9 and RMA *
	<b>Your view</b>	... and related evidence

\* The IASB encourages all preparers still applying IAS 39 hedge accounting requirements to provide comments about the withdrawal of IAS 39 either through the RMA project or the PIR of IFRS 9 hedge accounting requirements.

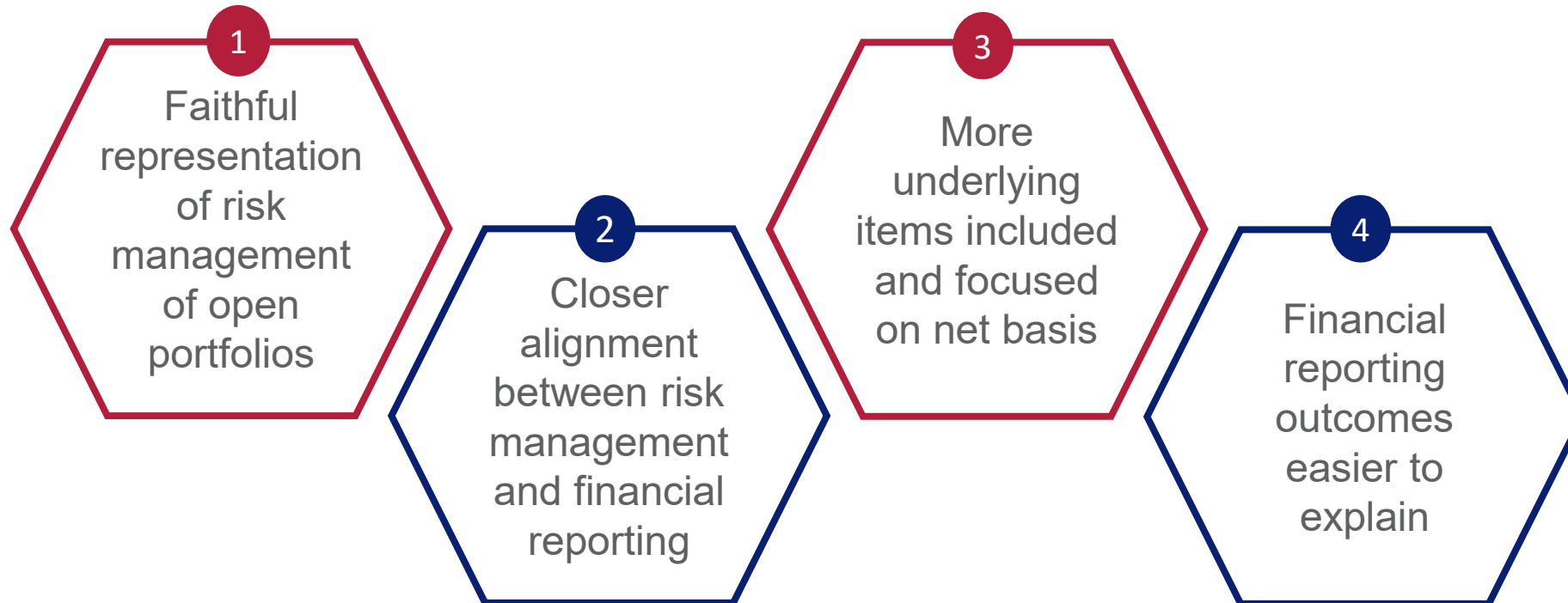
# Interaction with Hedge Accounting PIR

The IASB will consult on both...		How to contribute
<b>... the hedge accounting requirements in IFRS 9</b>	<b>... the related disclosure requirements in IFRS 7</b>	<ul style="list-style-type: none"> <li>• <b>Submit a comment letter to the RFI based on your experience (H2 2026)</b></li> </ul>
<ul style="list-style-type: none"> <li>• <u>PIR</u> outreach focuses on stakeholders with practical experience (preparers, users or auditors)</li> </ul>	<ul style="list-style-type: none"> <li>• Disclosure requirements affect all stakeholders that applies hedge accounting (both IFRS 9 and IAS 39)</li> </ul>	

Benefits of overlapping the comments on RMA ED and Hedge Accounting PIR
<ul style="list-style-type: none"> <li>• Feedback on hedge accounting disclosures may also inform the usefulness of RMA disclosures</li> <li>• Opportunity to assess the scope of entities qualifying for RMA in the context of IFRS 9 hedge accounting</li> <li>• Insights into whether risk mitigation activities are sufficiently addressed by IFRS 9 (with RMA)</li> <li>• Information to support decision on how and when to withdraw IAS 39</li> </ul>

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## Expected benefits of RMA for preparers



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## Expected benefits of RMA for users



improved transparency regarding interest rate risk management



better understanding of drivers of net interest variability and extent to which it is protected



anchor point for other non-GAAP numbers or queries about interest rate risk management

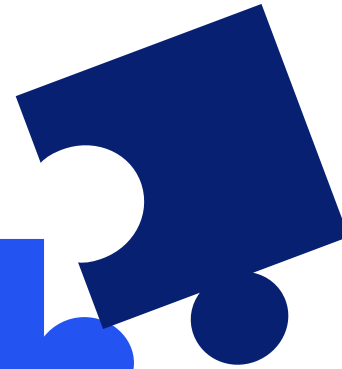


better economic decision-making

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# Insurers

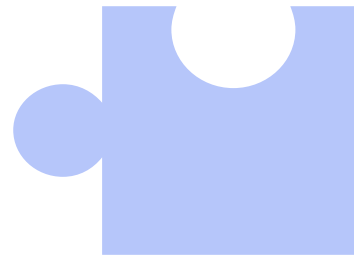
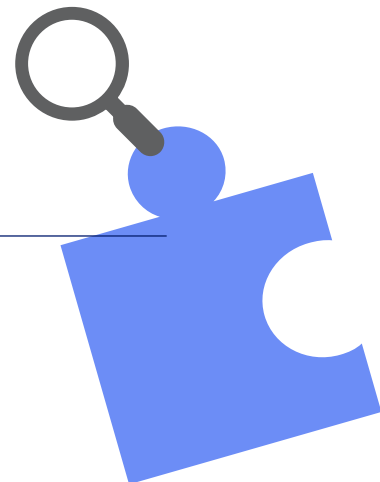
Understanding the  
need for RMA



Does RMA complement  
IFRS 17 and help insurers?

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Current risk management  
practices



Any changes required?

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## Resources on IFRS Foundation website



**Snapshot: Exposure Draft Risk Mitigation Accounting—Proposed amendments to IFRS 9 and IFRS 7**



**Request for fieldwork: Exposure Draft Risk Mitigation Accounting—Proposed amendments to IFRS 9 and IFRS 7**



**Exposure Draft: RMA**  
**Exposure Draft: RMA—Basis for Conclusions**  
**Exposure Draft: RMA—Illustrative Examples and Implementation Guidance**



**Webcast 1: Introducing the Risk Mitigation Accounting consultation**  
**Webcast 2: Risk Mitigation Accounting—what it means in practice**  
**Webcast 3: Explanations on some proposals in the Exposure Draft**

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## Main feedback themes

### Eligible underlying portfolios

- FVPL items
- Lease receivables and liabilities
- Equity instruments and equity modelling
- Intercompany transactions

### Measurement and presentation

- Identification of unexpected changes
- Assessing and measuring excess of risk mitigation adjustment
- Location of the risk mitigation adjustment (insurance)

### Net repricing risk exposure

- Use of risk metrics and repricing time bands
- The role of risk mitigation objective and benchmark derivatives
- The meaning of 'over-hedging'

### Transition and disclosure

- Construction of benchmark derivatives on transition
- Extent and nature of proposed disclosures

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