
IASB® meeting

Date	May 2026
Project	Risk Mitigation Accounting (RMA)
Topic	Extending the comment period
	Zhiqi Ni (zni@ifrs.org)
Contacts	Fredré Ferreira (fredre.ferreira@ifrs.org)
	Riana Wiesner (rwiesner@ifrs.org)

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Introduction and purpose of this paper

1. On 3 December 2025, the International Accounting Standards Board (IASB) issued the [Exposure Draft Risk Mitigation Accounting—Proposed amendments to IFRS 9 and IFRS 7](#) (Exposure Draft), with a 240-day comment period ending on 31 July 2026.
2. In addition to inviting comments on the proposals in the Exposure Draft, the IASB also invited entities that manage repricing risk on a net basis to carry out [fieldwork](#) to assess the likely effects of the proposed risk mitigation accounting model.
3. The IASB requested entities to submit their preliminary fieldwork results together with their comment letters by 31 July 2026. However, entities may continue to perform fieldwork and submit their final results by 30 November 2026.
4. The purpose of this paper is to recommend aligning the comment letter deadline with the final submission date for the fieldwork results, namely 30 November 2026.

Structure of this paper

5. This paper is structured as follows:

- (a) [background](#) (paragraphs 6–9);
- (b) [stakeholder feedback on comment period](#) (paragraphs 10–15)
- (c) [entities applying IAS 39 hedge accounting requirements](#) (paragraphs 17–19);
- (d) [staff analysis and recommendation](#) (paragraphs 21–26) and
- (e) question for the IASB.

Background

6. Paragraph 6.7 of the IFRS Foundation [Due Process Handbook](#) states that the IASB normally allows a minimum period of 120 days for comment on an exposure draft.
7. The IASB discussed the appropriate comment period for the Exposure Draft at its [October 2024](#) meeting, and decided that a comment period that is significantly more than the minimum of 120 days would be needed for the Exposure Draft on risk mitigation accounting for the following reasons:
 - (a) the unique nature—risk mitigation accounting is an entirely new accounting method and differs in many aspects to other hedge accounting methods.
 - (b) the extent of the change—the new requirements may result in significant changes to the accounting for an entity’s risk management activities, and the additional time will enable entities to become familiar with the proposed requirements before responding to the questions in the Exposure Draft.
 - (c) the need for fieldwork—many stakeholders have requested the opportunity to carry out fieldwork to assess the associated operational benefits, challenges, and costs of the proposals. The longer comment period would also enable them to evaluate whether the application of risk mitigation accounting would achieve the objective of better reflecting the effects of an entity’s risk management activities in its financial statements.
 - (d) the need for engaging with insurers—to seek specific feedback on how insurance entities manage interest rate risk and whether risk mitigation

accounting could help them better reflect the effects of their risk management activities in financial statements.

8. Taking these considerations into account, the IASB decided to set a comment period of 240 days, ending on 31 July 2026.
9. However, many entities observed that, given the extent of the proposed change and the time it would take to familiarise themselves with the proposals before starting the fieldwork, 240 days would not be sufficient to submit meaningful fieldwork results. Many stakeholders were of the view that they would need around 12 months to finalise their fieldwork. The IASB therefore set the deadline for the submission of fieldwork results as 30 November 2026.

Stakeholder feedback on comment period

10. Following the publication of the Exposure Draft, the staff and IASB members have been engaging with stakeholders through various outreach activities, including an initial discussion with ASAF members.
11. Many preparers have said that it has taken significantly longer than expected to reach a level of understanding of the proposals in the Exposure Draft that would enable them to start their fieldwork activities. As a result, they would not have done a sufficient level of fieldwork by the comment letter deadline to inform their comment letters. These stakeholders are concerned that this would lead to them commenting on the technical aspects of the Exposure Draft without an appropriate understanding of the operational aspects of the model.
12. These stakeholders said that, regardless of the difference in how the IASB will treat comment letters compared to the fieldwork results, internally both will go through the same internal review processes. Therefore, their management will want to know the outcome of the fieldwork results before approving the submission of the comment letters. A difference in the comment letter and fieldwork deadlines might lead to some

of them either not submitting a comment letter by the deadline or not participating in the fieldwork.

13. Some of these stakeholders also said that as their comment letters will be publicly available on the IASB's website, while the fieldwork results will be treated confidentially, this would result in a misrepresentation of their feedback on the Exposure Draft if they were unable to align their comment letters with their fieldwork results.
14. Although the concerns described in paragraph 10–13 of this paper primarily relate to preparers that want to participate in the fieldwork, similar concerns were raised by other stakeholders, such as national standard setters, regulators and auditors. These other stakeholders need to rely on the input provided by preparers about the proposals in the Exposure Draft to inform their comment letters. They are concerned that submitting comment letters to the IASB while their constituents are still conducting testing of the proposals would result in their comment letters not being of much benefit to the IASB.
15. Generally, stakeholders were also of the view that having a single deadline for both the comment letters and fieldwork results would simplify the feedback process and avoid duplication of internal review processes, thereby improving the efficiency of the comment process.
16. Stakeholders therefore suggested the IASB extend the comment period deadline to align with the fieldwork deadline. In their view, this will ensure they are able to sufficiently consider and assess the technical and operational proposals in the Exposure Draft.

Entities applying IAS 39 hedge accounting requirements

17. Given the focus of the Exposure Draft on managing interest rate risk on a net basis, the IASB's communication, awareness raising and education efforts have been primarily targeted to financial institutions such as banks and insurers. This is because

these are the types of entities that are currently applying the macro cash flow hedging and portfolio fair value hedging requirements in IAS 39 *Financial Instruments: Recognition and Measurement*.

18. The proposed withdrawal of IAS 39 is also one of the specific matters stakeholders are asked to comment on in the Exposure Draft (Question 8), including whether there are any additional matters the IASB should consider with regards to when and how to withdraw IAS 39.
19. However, we have become aware that there might be some entities other than banks and insurers that are still applying the hedge accounting requirements in IAS 39 rather than IFRS 9 *Financial Instruments* for risks other than interest rate risk. These entities might therefore not be aware of the IASB's proposal with regards to IAS 39 in the Exposure Draft. They may also not necessarily follow the post-implementation review of the IFRS 9 hedge accounting requirements, as they do not apply these requirements.
20. We are therefore concerned that this important group of stakeholders may remain unaware of the IASB's proposal to withdraw IAS 39 and may not have the opportunity to consider or comment on the implications of this decision on them. Extending the comment letter deadline on the Exposure Draft would enable us to specifically target these entities as part of our outreach activities and ensure they are aware of the proposed withdrawal of IAS 39.

Staff analysis and recommendation

21. We note that the IASB has already considered the matters summarised in paragraph 7 of this paper when determining the 240-day comment period for the Exposure Draft, which is twice the length of the normal comment period required by the *Due Process Handbook*. The 240-day comment period is also significantly longer than that of many other exposure drafts.

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22. A further extension to the already long comment period would inevitably affect the project timeline, and we have some concerns about the precedent that such an extension may create.
 23. The staff notes that generally, comment letters submitted after the deadline are still added to the IASB's comment letter database and published on the IASB website (marked as 'late'). Although late comment letters might not be included in the comment letter statistics and initial analysis, the feedback could still be considered in the staff analysis where possible, to inform the IASB's re-deliberations.
 24. However, we acknowledge the stakeholder concerns described in paragraphs 10–15 of this paper which could affect the quality and usefulness of feedback. In our view, aligning the comment letter deadline with that of the fieldwork would improve the overall quality of comment letters submitted to the IASB. It would also enable all stakeholders to prepare their comment letters and fieldwork results together, thereby leading to greater efficiency and avoiding the need to update or supplement their public comment letters at a later stage.
 25. Importantly, if the IASB agrees to extend the comment period, this would allow more time to conduct further education and outreach, particularly to entities that are still applying IAS 39 hedge accounting requirements and may not yet be aware of the IASB's intention to withdraw IAS 39, as mentioned in paragraph 19. This would limit the risk of unintended consequences and ensure the IASB considers all relevant feedback when deciding when and how to withdraw IAS 39.
 26. We therefore recommend the IASB extends the comment period of Exposure Draft *Risk Mitigation Accounting* to 30 November 2026 for all stakeholders.

Question for the IASB

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1. Do IASB members agree with the staff recommendation in paragraph 26 of this paper to extend the comment period of the Exposure Draft *Risk Mitigation Accounting* to 30 November 2026?