

Dynamic Risk Management Webcast

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Measurement of the DRM adjustment

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Mechanics of the DRM Model—Measurement





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The DRM adjustment

Question

- What were the key factors the IASB considered to reach this tentative decision?
- How does this change improve the DRM model?

Response

- The IASB focussed on how to reflect the economic phenomenon
- Successful derivatives achieve 'protection' in the form of reduced variability
- The departure from the Conceptual Framework is justified to provide more useful information



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