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Risk Mitigation Accounting

Cover note

Introduction

- 1 The IASB has a project on Risk Mitigation Accounting ('RMA'), (previously Dynamic Risk Management ('DRM')), to enable investors to understand the effect of a company's dynamic approach to risk management of repricing risk due to changes in interest rate and to evaluate the effectiveness of interest rate risk management.
- 2 The IASB published an [Exposure Draft](#) ('ED') on RMA, as well as the related [Basis for Conclusions](#) and [Illustrative Examples and Implementation Guidance](#), on 3 December 2025. The IASB's consultation is open for comment until 31 July 2026.
- 3 In addition, the IASB published a [request for fieldwork](#) containing instructions for the field test. The IASB expects companies to report the preliminary results of their fieldwork as a separate response by 31 July 2026, which is the end of the comment period for the ED. Final results should be reported no later than 30 November 2026.

Objective of the session

- 4 The objective of this session is for EFRAG FRB to discuss and approve the Draft Comment Letter ('DCL') on the ED.

EFRAG FR TEG advice to the EFRAG FRB

- 5 EFRAG FR TEG discussed the DCL in its meetings on 15 and 21 January 2026.
- 6 In its meeting on 21 January 2026, EFRAG FR TEG agreed with the DCL and recommended that EFRAG FRB approve it, subject to some changes being made. Agenda Paper 06-02 reflects the changes/comments made by EFRAG FR TEG.
- 7 The EFRAG Secretariat proposes the EFRAG comment letter deadline to be 22 June 2026.

Next steps

- 8 The EFRAG Secretariat to publish the DCL.
- 9 The EFRAG Secretariat will work on the survey covering the technical aspects of the RMA model, with the intention to publish it shortly after the publication of the DCL.

Agenda papers

- 10 In addition to this cover note, Agenda paper 06-02 – Draft Comment Letter - has been provided for the session.

Question for EFRAG FRB

- 11 Does EFRAG FRB approve the DCL?
- 12 Does EFRAG FRB agree with the suggested comment period deadline of 22 June 2026?