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## IASB<sup>®</sup> meeting

Date	<b>July 2023</b>
Project	<b>Dynamic Risk Management (DRM)</b>
Topic	<b>Cover note</b>
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## Purpose of this meeting

1. At this month's meeting, the staff will present the following agenda papers:
  - (a) Agenda Paper 4A *Summary of tentative decisions and glossary of defined terms*;
  - (b) Agenda Paper 4B *Designation of hedged exposures in the current net open risk position (CNOP)*; and
  - (c) Agenda Paper 4C *Designated derivatives*.
2. Agenda Paper 4A summarises the tentative decisions taken by the IASB to date that are relevant to the current DRM model and identifies the areas that are still subject to the IASB's deliberation. It also includes an appendix with a glossary of the defined terms. This paper does not ask for decisions from the IASB.
3. In Agenda Paper 4B, we discuss the potential designation of hedged exposures in the CNOP, which contain a combination of underlying exposures that qualify to be designated in the CNOP and derivatives, that are already designated in an existing hedge accounting relationship. We also consider management of interest rate risks

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from financial assets and financial liabilities denominated in multiple currencies in the CNOP, in particular, whether and how the DRM model may be applied when entities use cross-currency swaps to change the underlying interest rate risk exposure from one currency to another currency.

4. In Agenda Paper 4C, we discuss two technical aspects relating to the designated derivatives—the implication of designating non-linear derivatives and ‘off-market’ derivatives in the DRM model.