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great by
deeds, not by
birth"
-Chanakya

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IFRS 9, Derivative Usage, and Risk: Multi-country evidence

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IFRS 9, Derivative Usage, and Risk: Multi-country evidence

Abstract:

We examine the impact of the change in hedge accounting standards under IFRS 9 on derivative usage and exchange rate risk in a multi-country setup. Using difference-in-differences regression, we find an increase in derivative usage. However, the increased use of derivatives is associated with an increase in exchange rate risk. This might indicate that the change in hedge accounting standards do not promote effective hedging.

Keywords: *IFRS 9, Hedging, Derivatives*



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