

# Summary of the Fourth meeting of the IFRS Council

## **1. Date and Time**

9:30 – 11:30 of January 22, 2010

## **2. Location**

At the conference room #5 of the Financial Accounting Standards Foundation

## **3. Agenda**

- (1) Update on recent regulatory developments in accounting standards
- (2) Major issues before introduction of IFRS
  - (i) Reorganization of the “Strategic Committee for IASB” into the “International Affairs Committee”
  - (ii) Establishment of a Council on Accounting Standards for Unlisted Companies
  - (iii) Recent developments of post-retirement benefits accounting
- (3) Activity reports from Strategic Committee for IASB and each Task Force Committee
- (4) Major accounting-related international events in the year of 2010

## **4. Summary of discussion**

### **(1) Update on recent regulatory developments in accounting standards**

Recent regulatory developments in accounting standards were reported from Mr. Naito, the Deputy Commissioner for Policy Coordination of the FSA.

### **(2) Major issues before introduction of IFRS**

#### **(i) Reorganization of the “Strategic Committee for IASB” into the “International Affairs Committee”**

Considering the heightened importance of international affairs in accounting standards, it was proposed that the “Strategic Committee for IASB” be reorganized into the “International Affairs Committee”, and to enhance its function by adding the following role:

- To establish policies relating to international affairs, such as relationship with international organizations, assistance to international meetings, cultivating human resource in international accounting, and conducting international publicity activities, with an aim of promoting Japanese presence at the international forefront.

No particular objection was expressed to the proposal from members, and the reorganization was thus approved. For “Organization of the IFRS Council (revised)” and “Member lists of the IFRS Council and its committees”, please refer to the Attachment-1 and 2.

**(ii) Establishment of a Council on Accounting of Unlisted Companies**

It has been suggested that the impact of globalizing Japanese accounting standards on unlisted companies should be minimized or avoided when promoting such exercise; thus the thorough consideration to the accounting of unlisted companies based on their nature has become imperative. In this vein, establishment of a council, tentatively named “The Council on Accounting of Unlisted Companies (the Council)” was proposed so that major stakeholders get together at one time.

The proposal was broadly supported by members, while views were expressed such that care should be taken in the forthcoming consideration so as not to create impediment on unlisted companies aiming at IPOs and that particular consideration should be given to the treatment of consolidated subsidiaries if IFRS is applied to their group financial statements. In addition, the proposed press-release was approved as suggested with some minor amendments.

**(iii) Recent developments of post-retirement benefits accounting**

The recent developments of the post-retirement benefits accounting were outlined, and views were exchanged among members.

**(3) Activity reports from Strategic Committee for IASB and each Task Force Committee**

Chairs of the Strategic Committee for the IASB and each Task Force Committee briefed their activities since the previous meeting of November 2, 2009. For details of respective activities, please refer to the Attachment-3.

**(4) Major accounting-related international events in the year of 2010**

Mr. Nishikawa, the chairman of the ASBJ, outlined major accounting-related international events in the year of 2010, with an emphasis given to the Asian-Oceanian Standard-Setters Group (AOSSG) meeting which is planned in September.

**5. Next Meeting**

The next meeting is scheduled around April 2010.