

ASBJ Newsletter



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1. New ASBJ Pronouncements (released between December 1, 2012 and January 31, 2013)

- (1) [ED] [Release of Exposure Drafts of Accounting Standards for Business Combinations and related matters](#) (January 11, 2013)

The comment deadline is March 15, 2013.

[Legend]

ED: Exposure Draft

Final: Statement/Guidance etc. (final version)

2. Overview of ASBJ Meetings (256th Meeting – 258th Meeting)

- (1) 256nd Meeting (held on December 12, 2012)

- a. Discussion on Business Combinations (Step 2)
- b. Discussion on comments to the IFRS Foundation's Proposal to Establish an Accounting Standards Advisory Forum
- c. Discussion on responses to theme proposals from the Standards Advisory Council
- d. Approval of changes in Chairs and Members of the technical committees

- a. The Board discussed whether it should require retrospective application of the amendments and when the effective date should be.

The Board considered requiring retrospective application in principle, but allowing prospective application on the condition that the fact be disclosed.

The Board also considered starting the mandatory application period from April 1, 2015.

- b. The Board discussed how to respond to the IFRS Foundation's Invitation to Comment *Proposal to Establish an Accounting Standards Advisory Forum*, issued on November 3, 2012.

The Invitation to Comment states that the role of the proposed Forum is "to provide advice and views to the IASB on major technical issues related to its standard-setting activities and to provide input on national and regional issues". It also proposes to formalize the relationship between the IASB and national standard setters in the IFRS standard setting process.

- c. The Board agreed to take up an agenda item 'scheme of granting a company's own shares to its employees through a trust', following the proposal from the Standards Advisory Council.
- d. Changes in Chairs and Members of the technical committees were approved.

(2) 257th Meeting (held on December 25, 2012)

- a. Discussion on responses to the EFRAG discussion paper on Disclosure Framework
- b. Exposure Draft *Accounting Standards for Business Combinations* and related matters [approval for release]
- c. Discussion on Accounting Standard for Intangible Assets
- d. Progress of the Technical Committee for Financial Instruments

- a. The Board discussed draft comments on the EFRAG's discussion paper on disclosure framework.
- b. The Board voted to approve the release of an exposure draft, *Accounting Standards for Business Combinations*.

The exposure draft mainly addresses 'treatment of non-controlling interests,' 'acquisition-related costs,' and 'provisional accounting treatment.' The comment period for the ED ends on March 15, 2013.

- c. Following the staff's presentation on the result of a study of the issues relating to 'identification of intangible assets acquired in business combinations' (i.e. whether an entity should strictly distinguish intangible asset from goodwill at the time of the business combination) and 'separately acquired in-progress research and development projects,' the Board discussed the topics.

At future meetings, the Board will discuss the issues, mainly focusing on the costs and benefits of identifying and valuing intangible assets.

- d. Staff provided an overview of the IASB's Exposure Draft *Classification and Measurement: Limited Amendments to IFRS 9*. Staff also provided an update on the progress of the Technical Committee for Financial Instruments.

(3) 258th Meeting (held on January 10, 2013)

- a. Discussion on responses to the EFRAG discussion paper on Disclosure Framework
- b. Discussion on Accounting Standard for Intangible Assets
- c. Progress of the Technical Committee for SPEs and Consolidation

- a. The Board discussed draft comments on the EFRAG's discussion paper on the disclosure framework.
- b. The Board reviewed the benefits of identifying and valuing intangible assets in accordance with US GAAP/IFRS.

Views expressed by the Board members included: "identifying individual intangible assets would enable more reasonable estimation of amortization periods, compared to recognizing only goodwill, as is the current practice in Japan" and "it would enable users to better understand an

entity's strategy relating to business combinations, and would help to ensure the entity is accountable."

- c. The Board discussed how to proceed with the project relating to the Technical Committee for SPEs and Consolidation.

3. ASBJ's Comment Submission to the IFRS Foundation and the EFRAG (December 1, 2012 – January 31, 2013)

- (1) ASBJ submitted its [Comment on the Invitation to Comment Proposal to Establish an Accounting Standards Advisory Forum](#) (December 17, 2012)
- (2) ASBJ submitted its [Comment on Discussion Paper Towards a Disclosure Framework for the Notes](#) (January 18, 2013)

4. Appointment of ASBJ Board Member

At the FASF's Board of Directors Meeting held on December 7, 2012, Mr. Katsuhito Yanagibashi (Senior General Manager, (then) Global Accounting Planning Administration Center, Canon Inc.) was appointed as a part-time ASBJ Board Member, pursuant to Article 57, Paragraph 1 of the FASF Constitution (effective on December 7, 2012).

Dated December 6, 2012, Mr. Masaji Miyako stepped down as a ASBJ Board Member to become the FASF Managing Director.

5. Appointments of FASF Director and Managing Director

At the FASF Councillors Meeting held on November 21, 2012, Mr. Masaji Miyako (former full-time ASBJ Board Member) was appointed as a FASF Director (effective December 7, 2012).

Mr. Miyako was appointed as the Managing Director of the FASF, at the FASF Board of Directors Meeting held on December 7, 2012.

Dated December 6, 2012, Mr. Hideo Takahashi stepped down as the Managing Director of the FASF.

6. Appointments of Chairs and Members of Committees

At the FASF Board of Directors Meeting held on December 7, 2012, appointments of Chairs and Members of committees approved as prescribed in Article 65-2 of the FASF Constitution were as follows.

(New appointments are underlined)

(1) Nominating and Evaluating Committee

Chair	Muneharu Otsuka	Professor, School of Commerce, Waseda University
Member	Hiroyuki Iwakuma	(then) Senior Executive Vice President & COO, Tokyo Stock Exchange Group, Inc.
Member	<u>Masakazu Kubota</u>	<u>Senior Managing Director, Nippon Keidanren</u>
Member	Shinichi Taniguchi	Executive Advisor, Nippon Steel & Sumitomo Metal Corporation
Member	Shozo Yamazaki	Chairman and President, The Japanese Institute of Certified Public Accountants
Member	Tsuguoki Fujinuma	Adviser, The Japanese Institute of Certified Public Accountants

(Effective on December 7, 2012)

(2) Due Process Oversight Committee

Chair	Keiko Kitamura	Professor of Faculty of Commerce, Chuo University
Member	Gen Ikegami	Deputy President, The Japanese Institute of Certified Public Accountants
Member	Akiyoshi Oba	President & CEO, Tokio Marine Asset Management Co., Ltd.
Member	Masakazu Kubota	Senior Managing Director, Nippon Keidanren
Member	Noriaki Shimazaki	Special Adviser, Sumitomo Corporation
Member	Yoshiaki Nishimura	President, Tokai Rubber Industries, Ltd.

(Effective on December 7, 2012)

(3) Operation Supporting Committee

Chair	Ikuo Nishikawa	Chairman, The Accounting Standards Board of Japan
Member	<u>Masaji Miyako</u>	<u>Managing Director, The Financial Accounting Standards Foundation</u>
Member	Atsushi Kato	Vice Chairman, The Accounting Standards Board of Japan
Member	Takehiro Arai	Vice Chairman, The Accounting Standards Board of Japan

(Effective on December 7, 2012)

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