

ASBJ Newsletter



Contents

- 1. New ASBJ Pronouncements (released between August 1 and September 30, 2013)*
- 2. Overview of ASBJ Meetings (270th – 272nd Meeting)*
- 3. ASBJ's Comment Submissions to the IASB and the FASF (August 1, 2013 – September 30, 2013)*
- 4. The 2nd Accounting Standards Advisory Forum (ASAF) Meeting held in London*
- 5. ASBJ attended the Meeting of the International Forum of Accounting Standard Setters (IFASS)*
- 6. ASBJ attended the Asian-Oceanian Standard-Setters Group (AOSSG) Interim Meeting*
- 7. ASBJ attended the World Standard Setters (WSS) Meeting*
- 8. ASBJ held an Open Seminar – September and October 2013*
- 9. FASF Seminar for new practitioners, "To Utilize the FASF's Guides to the Preparation of Annual Securities Reports and Quarterly Reports"*

1. New ASBJ Pronouncements (released between August 1 and September 30, 2013)

- (1) [Final] Release of [Revised Accounting Standards for Business Combinations and related standards and implementation guidance](#) (September 13, 2013)

[Legend]

ED: Exposure Draft

Final: Statement/Guidance etc. (final version)

2. Overview of ASBJ Meetings (270th – 272nd Meeting)

- (1) 270th Meeting (held on August 9, 2013)

- a. Outline of the IASB's Discussion Paper *A Review of the Conceptual Framework for Financial Reporting*, and the ASBJ's Request for Views
- b. Progress of the Lease Accounting Technical Committee
- c. Outline of the IASB's Exposure Draft *Insurance Contracts*
- d. Discussion on Business Combinations (Step 2)
- e. Review of PITF No. 18

- a. After being presented with an overview of the International Accounting Standards Board's (IASB) Discussion Paper *A Review of the Conceptual Framework for Financial Reporting*, issued on July 18, 2013, the Board discussed how to respond.
- b. The Board discussed its draft comments on the revised Exposure Draft *Leases*, jointly issued by the IASB and the FASB on May 16, 2013.
- c. After being presented with an overview of the IASB Exposure Draft *Insurance Contracts* issued on June 20, 2013, the Board discussed issues relating to the Exposure Draft.
- d. After being presented with the draft revision of the *Accounting Standard for Business Combinations* and related pronouncements, the Board agreed with staff that re-exposure of the proposal is not necessary and decided to proceed to vote on the release of the final standard.
- e. The Board discussed how to proceed with the review of PITF No.18 *Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method*, after being given a report on the progress made by Practical Solutions Standing Committee.

- (2) 271st Meeting (held on August 28, 2013)

- a. Progress of the Technical Committee for ASAF

- b. Progress of the Lease Accounting Technical Committee
- c. Responses to the IASB's ED *Insurance Contracts*, and outline of the FASB's ED *Insurance Contracts*
- d. Progress of Working Group for Endorsement of IFRSs
- e. Review of PITF No. 18

- a. The Board was presented with a report on the progress made by the Technical Committee for the Accounting Standards Advisory Forum (ASAF), as well as a detailed explanation of the discussions at the Technical Committee on the IASB Discussion Paper *A Review of the Conceptual Framework for Financial Reporting* (presentation in the statement of comprehensive income - profit or loss and other comprehensive income, and measurement).
- b. The Board discussed its draft comments on the revised Exposure Draft *Leases*, jointly issued by the IASB and the FASB on May 16, 2013.
- c. An overview of the FASB Exposure Draft *Insurance Contracts*, issued on June 27, 2013 was presented. The Board then discussed the IASB's revised Exposure Draft with regard to (1) adjustment of the contractual service margin, (2) presentation of insurance contract revenue and expenses, and (3) interest expense in the profit or loss.
- d. An outline of the progress made by the Working Group for Endorsement of IFRSs was presented.
- e. The Board discussed how to proceed with a review of PITF No. 18, after being given a report on the progress made by the Practical Solutions Standing Committee.

(3) 272th Meeting (held on September 9, 2013)

- a. Responses to the 2nd Meeting of the Accounting Standards Advisory Forum (ASAF)
- b. Response to the IASB's ED *Leases*
- c. Responses to the IASB's ED *Insurance Contracts*, and the FASB's ED *Insurance Contracts*
- d. Release of *Revised Accounting Standards for Business Combinations and related standards and implementation guidance* [approval for release]

- a. The Board was presented with a plan regarding what views to express at the second ASAF meeting, held in London on September 25 and 26, 2013. The Board discussed the following agenda items for the ASAF Meeting: (a) Disclosure (an essay prepared by the Australian Accounting Standards Board and the feedback documents on Disclosure Forum by the IASB), (b) Conceptual Framework (Prudence) and (c) Accounting for Macro Hedging Activities.
- b. The Board discussed its draft comments on the revised Exposure Draft *Leases*, jointly issued by the IASB and the FASB on May 16, 2013.
- c. The Board discussed its draft comments on the IASB's revised Exposure Draft *Insurance*

Contracts and the FASB Exposure Draft Insurance Contracts.

- d. After being presented with a summary of discussions conducted to date relating to the revised *Accounting Standard for Business Combinations* and related pronouncements were presented and the Board conducted a final discussion and proceeded to vote on the standard. All Board members present at the meeting approved the release of the final standard (seven revised accounting standards, including *Revised Accounting Standard for Business Combinations* (ASBJ Statement No.21) and four revised implementation guidance), subject to minor editorial changes which would be left to the Chairman.

3. ASBJ's Comment Submissions to the IASB and the FASB (August 1, 2013 – September 30, 2013)

- (1) ASBJ submitted its [Comments on the Exposure Draft Leases](#) to the IASB and the FASB (September 13, 2013)

4. The 2nd Accounting Standards Advisory Forum (ASAF) Meeting held in London

The second ASAF Meeting was held in London on September 25 and 26, 2013. The ASAF was established in April 2013 to provide technical advice to the IASB, and it consists of twelve organizations, including the ASBJ. The meeting was attended by representative of these twelve organizations, as well as IASB Chairman Hans Hoogervorst, Vice Chairman Ian Mackintosh, and a number of IASB Board Members and Staff members. The ASBJ was represented by Chairman Ikuo Nishikawa.

During the meeting, active discussions were conducted on the following topics.

- Disclosure (IASB's short-term and mi-term responses, essay released by the Australian Accounting Standards Board)
- Conceptual Framework (Prudence)
- Leases
- Impairment of financial assets
- Insurance Contracts
- Macro Hedging Activities

The next meeting is scheduled for December 5 and 6, 2013 in London.

5. ASBJ attended the Meeting of the International Forum of Accounting Standard Setters (IFASS)

The International Forum of Accounting Standard Setters (IFASS) Meeting was held on September 19 and 20, 2013 in Brussels, Belgium. The meeting was attended by 65 representatives from 38 national accounting standard setters and regional groups, including from the United Kingdom, the United States, Canada, France, Germany, Australia, Korea, India, and Singapore. The ASBJ was represented by Board Member Tomo Sekiguchi and Director Takao Kamiya.

The purpose of the forum is to discuss research projects undertaken by national standard setters and to provide input into, and support for the IASB's standards development. The meeting is held twice a year (in Spring and in Fall).

The following topics were discussed at the meeting:

	Agenda	Speaker
1	IASB Work Plan and IFRS Foundation Developments	
	(1) General	Secretariat / IASB
	(2) National Standard Setters' responses to a number of minor amendments	Germany
	(3) Interpretations	Secretariat
2	Topical issues in member countries	
	(1) Rate Regulated Activities	Korea
	(2) Application of IFRS 11 <i>Joint Arrangements</i>	Italy
	(3) Integrated Reporting	IASB
3	Discussion on Conceptual Framework	
	(1) Overview of the project	US
	(2) Prudence	EFRAG
	(3) Measurement	Australia
4	Revision to the Statement of Best Practice between National Standard Setters and IASB	IASB, Chairman, Australia
5	IFASS Administrative matters	Chairman / IASB
6	Post-Implementation Review of IFRS 3 <i>Business Combinations</i>	IASB
7	Role of Business Model	EFRAG / France / UK
8	IASB's major projects	
	(1) Leases	IASB
	(2) Financial Instruments	IASB
	(3) Insurance	IASB

9	Topical issues in member countries Disclosures required when partly owned subsidiaries are consolidated	Netherlands
10	Report from Regional Groups	Regional Groups
11	Topical issues in member countries	
	(1) Issues regarding discount rate	Germany
	(2) Presentation of exceptional items in the statement of comprehensive income	India
12	Other	Chairman, Australia

6. ASBJ attended the Asian-Oceanian Standard-Setters Group (AOSSG) Interim Meeting

On September 22, 2013 an interim meeting of the Asian-Oceanian Standard-Setters Group (AOSSG) was held in London. The meeting was attended by approximately 27 representatives from eleven AOSSG member organizations. The ASBJ was represented by Chairman Ikuo Nishikawa, Vice Chairman Atsushi Kogasaka, Board Member Tomo Sekiguchi and Director Takao Kamiya. This meeting was positioned as an interim meeting with the annual meeting to be held in November 2013. Discussions were held on the AOSSG's draft comments on the IASB exposure drafts and other topics, as follows.

	Agenda	Speaker
1	IFRS Center of Excellence Project	Chair
2	Agriculture: Bearer Plants	India, Malaysia
3	Conceptual Framework	ASBJ
4	Insurance Contracts	Korea
5	Establishment of new Working Groups	Chair
6	Other	Chair

7. ASBJ attended the World Standard Setters (WSS) Meeting

A World Standard-Setters (WSS) Meeting was held on September 23 and 24, 2013 in London. The WSS Meeting is held once a year by the IFRS Foundation to exchange views with national standard setters. The latest WSS Meeting was attended by a number of accounting standard setters from around the world. The ASBJ was represented by Chairman Ikuo Nishikawa, Vice Chairman Atsushi Kogasaka, Board Member Tomo Sekiguchi and Director Takao Kamiya. The meeting included a presentation by the IASB Board Members and staff on the IASB's Discussion Paper *A Review of the Conceptual Framework for Financial Reporting*, in particular on the definition of

assets and liabilities, measurement and other comprehensive income. The participants then exchanged their views on these topics.

8. ASBJ held an Open Seminar – September and October 2013

The ASBJ/FASF has hosted the ASBJ Open Seminar series since 2010. Through its work the ASBJ is able to identify global trends in accounting in a timely manner and in the Open Seminars provides up-to-date information about these trends to members of the FASF.

During the most recent seminars, the ASBJ provided an update on its plan regarding the development of endorsed IFRS, the IASB's development of its projects, the Accounting Standards Advisory Forum (ASAF) and others. The ASBJ also provided an outline of *Revised Accounting Standards for Business Combinations* and related pronouncements, issued on September 13, 2013. In addition, the Financial Services Agency presented on recent initiatives surrounding the IFRS.

The seminars were held in five major cities across Japan, with the support from local stock exchanges. More than 600 attendees across five locations joined the seminars. In conjunction with these seminars, the ASBJ/FASF met to exchange views with Hokkaido Economic Federation, in Sapporo and the Japanese Institute of Certified Public Accountants, Tokai, in Nagoya, to promote their understanding of and support for the ASBJ/FASF.



Date	Location	Venue
September 24, 2013	Sapporo	Sapporo Securities Exchange
September 27, 2013	Fukuoka	TKP TENJIN City Center
September 30, 2013	Osaka	Osaka International Convention Center
October 1, 2013	Tokyo	Yomiuri Hall
October 4, 2013	Nagoya	DAITEC SAKAE

9. FASF Seminar for new practitioners, “To Utilize the FASF’s Guides to the Preparation of Annual Securities Reports and Quarterly Reports”

In addition to its regular seminars focusing on changes in requirements to be considered in the preparation of securities reports, the FASF started a new series of seminars in December 2011 targeted at new practitioners of financial disclosures. The third and most recent seminar sessions were held on September 13, 2013 in Osaka and on September 17, 2013 in Tokyo. The seminars were well received by participants with approximately 450 attendees joining the seminars this year.

The seminar is designed to help participants become familiar with the use of the FASF’s “Guide to the Preparation of Annual Securities Reports” and “Guide to the Preparation of Quarterly Reports.” It focuses on ‘fundamentals of disclosure,’ such as relevant regulations and related systems, targeting mainly at those who are in their first or second year of disclosure practice.



Date	Location	Venue
September 13, 2013	Osaka	Osaka International Convention Center
September 17, 2013	Tokyo	Bellesalle Hanzomon

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