

Accounting Standards Board of Japan (ASBJ)

Fukoku Seimei Building 20F, 2-2, Uchisaiwaicho 2-chome, Chiyoda-ku, Tokyo 100-0011, Japan
Phone +81-3-5510-2737 Facsimile +81-3-5510-2717 URL <http://www.asb.or.jp/>



Release of revised ASBJ's Project Plan

September 19, 2008

Accounting Standards Board of Japan

The Accounting Standards Board of Japan (ASBJ) is working on the initiatives toward international convergence of accounting standards, based on the “Medium-Term Operating Policy” issued in June 2007.

The ASBJ publishes today the revised Project Plan approved at the Board meeting held on September 18, 2008, which is based on the Tokyo Agreement on achieving convergence of accounting standards jointly announced with the International Accounting Standards Board (IASB) in August 2007 and the update of the Memorandum of Understanding (MoU) between the IASB and the Financial Accounting Standards Board (FASB) in September 2008.

This is a revised version of the Project Plan dated December 2007 that mainly set forth the status of initiatives in 2008.

The revised Project Plan, in accordance with the content of the Tokyo Agreement, firstly classifies the project items into three categories (short-term, medium-term and medium and long-term). Items exhibited in “2. Items related to the remaining differences between existing Japanese GAAP and IFRSs (medium-term)” and “3. Items related to the MoU between the IASB and the FASB (medium and long-term)” are only the items that have already been launched or clearly planned.

Furthermore, the revised Project Plan adds “4. Items related to the IASB projects other than the MoU between the IASB and the FASB (medium and long-term)” to widely show the status of initiatives toward convergence of accounting standards¹.

¹ In the Tokyo Agreement, the goal by June 30, 2011 is to bring about convergence on “2. Items related to the remaining differences”. As for “3. Items related to the MoU between the IASB and the FASB” and “4. Items related to the IASB projects other than the MoU between the IASB and the FASB” that are areas of difference on which the IASB now has a major project that will result in a new standard with an effective date after June 30, 2011, the ASBJ and the IASB will work closely to ensure the acceptance of the international approach in Japan when new standards become effective.

	2008		2009				2010	Remarks	
	3Q	4Q	1Q	2Q	3Q	4Q			
1. Items advised by CESR for EU equivalence assessment purpose (short-term)									
Business combinations (Step1) <i>see note2</i>		Final							
Inventories (LIFO)	Final								
Impairments of fixed assets								The ASBJ will deliberate this item considering developments at IASB/FASB. <i>See note3</i>	
Intangibles (In-process R&D)		Final						With respect to capitalization of development costs, the ASBJ will deliberate this item considering developments at IASB/FASB. <i>See note3</i>	
Retirement benefits (Discount rate)	Final								
Investment property		Final							
2. Items related to the remaining differences between existing Japanese GAAP and IFRSs (medium-term)									
Business combinations (Step2)								The Technical Committee for Business Combinations deliberates this item.	
Issues for Phase II (<i>see note4</i>)					DP		ED		
Amortization of goodwill					DP		ED		
Intangibles							DP	The Technical Committee for Intangible Assets deliberates this item, including enhancement of disclosures and development of a comprehensive accounting standard, etc.	
Retrospective restatement (Change in accounting policy)				ED			Final	The Technical Committee for Retrospective Application deliberates this item.	
Discontinued operations				DP			ED	Final	The Technical Committee for Financial Statement Presentation deliberates this item.
3. Items related to the MoU between the IASB and the FASB (medium and long-term)									
Scope of consolidations			DP				ED	Final	The Technical Committee for SPEs deliberates this item. IASB expects to issue the ED in 4Q of 2008.
Financial statement presentation									The Technical Committee for Financial Statement Presentation deliberates this item.
(Comprehensive income and other)				DP			ED	Final	
(Phase B (<i>see note4</i>))				DP					IASB/FASB expect to issue the DP in 3Q of 2008.
Revenue recognition				DP					The Technical Committee for Revenue Recognition deliberates this item. IASB/FASB expect to issue the DP in 4Q of 2008.
Liabilities and equity distinctions									The Working Group for Liabilities and Equity deliberates this item (considering developments at IASB/FASB). FASB and IASB issued the DP in November 2007 and February 2008, respectively.
Financial instruments									The Technical Committee for Financial Instruments deliberates this item.
(Replacement of existing standards)				DP					IASB/FASB issued the DP in March 2008.
(Fair value measurement)				DP					IASB expects to issue the ED in 1st half of 2009.
Post-employment benefits		DP							The Technical Committee for Retirement Benefits deliberates this item. IASB issued the DP in March 2008.
Leases									The Technical Committee for Lease Accounting will deliberate this item. IASB/FASB expect to issue the DP in 4Q of 2008.
4. Items related to the IASB projects other than the MoU between the IASB and the FASB (medium and long-term)									
Earnings per share		TC		ED			Final		IASB/FASB issued the ED in August 2008.
Provisions		TC				DP		ED	IASB expects to issue the final standard in 2010.
Insurance contracts									The Working Group for Insurance Contracts deliberates this item. IASB expects to issue the ED in 2nd half of 2009.

(Note1)

For "2008/2010" column:

TC : Technical Committee to be established.

DP : Discussion Paper to be issued.

ED : Exposure Draft to be issued.

Final: Accounting Standard/Guidance, etc.

(Note2)

ASBJ will divide "Business combinations project" into Step1 and Step2.

Step1 deals with the items related to EU equivalence assessment, and Step2 takes up others.

"Business combinations (Step1)" includes issues for "Pooling-of-interest method", "Date of exchange", "Negative goodwill",

"Minority interests at historical cost", "Step acquisitions", and "Translation of goodwill".

(Note3)

No schedule has been fixed at this stage, due to monitoring progress of IASB/FASB discussions.

(Note4)

Phase II and Phase B are references used in the IASB project.