

ASBJ Newsletter



Contents

- 1. Overview of ASBJ Meetings (273rd – 276th Meeting)*
- 2. ASBJ's Comment Submissions to the IASB and the FASB (October 1, 2013 – November 30, 2013)*
- 3. The 15th Regular Meeting with FASB held in Tokyo*
- 4. The 13th China-Japan-Korea Meeting held in Tokyo*
- 5. The 5th AOSSG Annual Meeting held in Colombo*
- 6. Appointment of Members of the Standards Advisory Council*

1. Overview of ASBJ Meetings (273rd – 276th Meeting)

(1) 273rd Meeting (held on October 3, 2013)

- a. Report on the second meeting of the Accounting Standards Advisory Forum (ASAF)
- b. Responses to the IASB's Exposure Draft *Insurance Contracts*, and the FASB's Exposure Draft *Insurance Contracts*
- c. Progress of Working Group for Endorsement of IFRSs

- a. An outline of the discussions held at the second meeting of the Accounting Standards Advisory Forum (ASAF) held in London on September 25 and 26, 2013 was presented.
- b. The Board discussed its draft comments on the IASB's revised Exposure Draft (ED) *Insurance Contracts*, issued on June 20, 2013, and the FASB's Proposed Accounting Standards Update *Insurance Contracts (Topic 834)*, issued on June 27, 2013.
- c. The Board reviewed the progress made by the Working Group for Endorsement of IFRSs in selecting possible items for consideration.

(2) 274th Meeting (held on October 17, 2013)

- a. Responses to the IASB's ED *Insurance Contracts*, and the FASB's ED *Insurance Contracts*
- b. Responses to the IASB's Discussion Paper *A Review of the Conceptual Framework for Financial Reporting*
- c. Reports on international meetings
- d. Progress of Working Group for Endorsement of IFRSs
- e. Discussion on practical solutions for transactions that deliver the company's own stock through trusts

- a. The Board discussed its draft comments on the IASB's revised Exposure Draft *Insurance Contracts*, and the FASB's Proposed Accounting Standards Update *Insurance Contracts (Topic 834)*.
- b. The Board discussed its draft comments on the IASB's Discussion Paper *A Review of the Conceptual Framework for Financial Reporting*, particularly focusing on Section 2 "Elements of financial statements," Section 3 "Additional guidance to support the asset and liability definitions," and Section 4 "Recognition and derecognition."
- c. Outlines of the following meetings were reported: the meeting of the International Forum of Accounting Standard Setters (IFASS) held on September 19-20, 2013; the interim meeting of the Asian-Oceanian Standards Setters Group (AOSSG) held on September 22, 2013; and the meeting of the World Standard-Setters (WSS) held on September 23-24, 2013.
- d. The Board reviewed the progress made by the Working Group for Endorsement of IFRSs in

selecting possible items for consideration.

- e. The Board discussed how to respond to the comments received on the Exposure Draft *Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts* (Exposure Draft of PITF No.39), after being presented with a summary of comments and staff recommendations.

(3) 275th Meeting (held on October 31, 2013)

- a. Responses to the IASB's ED *Insurance Contracts*, and the FASB's ED *Insurance Contracts*
- b. Response to the IASB's Discussion Paper *A Review of the Conceptual Framework for Financial Reporting*
- c. Progress of Working Group for Endorsement of IFRSs

- a. The Board discussed its draft comments on the IASB's revised Exposure Draft *Insurance Contracts*, and the FASB's Proposed Accounting Standards Update *Insurance Contracts (Topic 834)*.
- b. The Board discussed its draft comments on the IASB's Discussion Paper *A Review of the Conceptual Framework for Financial Reporting*, specifically on Section 5 "Definition of equity and distinction between liabilities and equity elements," Section 6 "Measurement," and Section 8 "Presentation in the statement of comprehensive income."
- c. The Board reviewed the progress made by the Working Group for Endorsement of IFRSs in selecting possible items for consideration.

(4) 276th Meeting (held on November 19, 2013)

- a. Responses to the December 2013 Meeting of the Accounting Standards Advisory Forum (ASAF)
- b. Report on international meetings
- c. Updates on the IASB's progress on impairment of financial assets project
- d. Discussion on practical solutions for transactions that deliver the company's own stock to employees etc. through trusts

- a. As one of agenda items for the December 2013 ASAF meeting, the Board discussed the ASBJ's agenda paper *Profit or Loss/OCI and Measurement*. In addition, the Board discussed what views to express on an occasional paper on liabilities prepared by the Australian Accounting Standards Board (AASB) and a bulletin prepared by the European Financial Reporting Advisory Group (EFRAG), *Accountability and the objective of financial reporting*.
- b. The Board was presented with an outline of the discussion during the China-Japan-Korea Meeting, as well as a brief introduction of a series of international meetings held in early November 2013 in Tokyo.
- c. An outline of the IASB's redeliberations since the receipt of comments on its Exposure Draft

Financial Instruments: Expected Credit Losses, as well as the discussions by the Financial Instruments Technical Committee of the ASBJ on the IASB's developments, was presented. The Board then reviewed the developments.

- d. With the aim of finalizing the PITF, the Board reviewed changes made to the exposure draft reflecting the discussions undertaken by the Practical Solutions Standing Committee.

2. ASBJ's Comment Submissions to the IASB and the FASB (October 1, 2013 – November 30, 2013)

- (1) ASBJ submitted its [Comments on the Exposure Draft *Insurance Contracts*](#) to the IASB (November 1, 2013)
- (2) ASBJ submitted its [Comments on the Proposed Accounting Standards Update – *Insurance Contracts \(Topic 834\)*](#) to the FASB (November 1, 2013)

3. [The 15th Regular Meeting with FASB held in Tokyo](#)

Representatives of the Financial Accounting Standards Board (FASB) and the Accounting Standards Board of Japan (ASBJ) met on October 15 and 16, 2013, in Tokyo, Japan. This meeting was the fifteenth in a series of biannual meetings between the FASB and the ASBJ.

The FASB and the ASBJ have been cooperating closely for the development of high-quality global accounting standards. At this meeting, the FASB and the ASBJ both provided updates on their respective activities, and exchanged views on the opportunities for cooperation among the interested organizations, including national accounting standard-setters.

The FASB and the ASBJ discussed leases and insurance contracts, both of which the FASB and the IASB are currently deliberating jointly, as well as the conceptual framework and macro hedging which the IASB is currently deliberating. In addition, the FASB and the ASBJ discussed several research topics.

The FASB and the ASBJ agreed that they would continue to exchange views on issues faced and potential future concerns. The next meeting is planned in the first half of 2014 in Norwalk.

4. [The 13th China-Japan-Korea Meeting held in Tokyo](#)

Accounting standards setters from China, Japan, and Korea met in Tokyo on 6 November 2013, where the meeting was attended by more than thirty delegates. The delegates included Ms. Yang Min, Secretary-General of China Accounting Standards Committee (CASC), Mr. Ikuo Nishikawa, Chairman of Accounting Standards Board of Japan (ASBJ), Mr. Suk-Sig (Steve) Lim, Chair of Korea Accounting Standards Board (KASB), as well as observers including Messrs Takatsugu Ochi and Chung Woo Suh from the International Accounting Standards Board (IASB) and representatives from the Hong Kong Institute of Certified Public Accountants and Committee for the Registry of Auditors and Accountants of Macau. In addition, several other IASB representatives participated in some part of the meeting.

At this meeting, each delegate provided an update on the developments in their respective jurisdictions, and had in-depth discussions about topical agendas of the IASB. The meeting agenda included the Conceptual Framework, Leases, Financial Instruments, and Insurance Contracts.

Delegates at this meeting reached the following consensus:

1. To have more frequent communication through face-to-face meetings and/or the use of technology, such that views from China, Japan, and Korea would become closer or common; thereby these views would be better reflected in the International Financial Reporting Standards (IFRSs);
2. To play a leading role to promote enhanced cooperation among standards setters from the Asia-Oceania region, and to increase the prominence of the Asian-Oceanian Standard Setters Group (AOSSG) in the global accounting standards setting community; and
3. To collaborate, to the extent possible, on research projects commissioned by national accounting standards setters and the IFRS Foundation Asia-Oceania office.

The next meeting will be held in China in 2014.

5. The 5th AOSSG Annual Meeting held in Colombo

On 26-28 November 2013, the fifth annual meeting of the Asian-Oceanian Standard-Setters Group (AOSSG) and a meeting of the Working Group was held in Colombo, Sri Lanka. The meeting was attended by approximately 60 representatives from seventeen AOSSG member jurisdictions. The ASBJ was represented by Mr. Atsushi Kogasaka (Vice Chairman), Mr. Tomo Sekiguchi (Board Member) and Mr. Takao Kamiya (Director), as well as an ASBJ staff member. The IASB was represented by Mr. Hans Hoogervorst (Chairman), Mr. Takatsugu Ochi (Board Member), Mr. Zhang Wei-Guo (Board Member), Mr. Chung Woo Suh (Board Member) and staff members, along with the

Office Director of the IFRS Foundation Asia-Oceania Office, Mr. Mitsuhiro Takemura.

The IASB provided an update on recent activities. The meeting included an exchange of views among the AOSSG members, together with the IASB representatives, on the IASB's review of the Conceptual Framework. The IASB's major projects (revenue recognition, insurance contracts, financial instruments, and leases) as well as other projects relating to rate-regulated activities, Islamic finance, agriculture and post-implementation review were also discussed.

In addition, recent developments including the progress over the past year on the IFRS support program for developing countries ('IFRS Centre of Excellence for a Developing Country') was reported.

6. Appointment of Members of the Standards Advisory Council

The Financial Accounting Standards Foundation (FASF) held the Board of Directors Meeting on November 12, 2013. The appointment of a member to the Standards Advisory Council (SAC) was approved, pursuant to Article 64, paragraph 1 of the FASF Constitution.

- Mr. Ryota Yasui (Director Listing Department, Tokyo Stock Exchange, Inc.)

(Appointment effective November 12, 2013)

Dated November 11, 2013, Mr. Hiroyuki Matsuzaki (Standing Auditor, Tokyo Stock Exchange Regulation) stepped down as an SAC member.

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