

ASBJ Newsletter



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1. New ASBJ Pronouncements (released between December 1, 2013 and January 31, 2014)

- (1) [Final] Release of [PITF No.30 Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts](#) (December 25, 2013)

[Legend]

ED: Exposure Draft

Final: Statement/Guidance etc. (final version)

2. Overview of ASBJ Meetings (277th – 280th Meeting)

- (1) 277th Meeting (held on December 12, 2013)

<ul style="list-style-type: none">a. Agenda item recommendations from the Standards Advisory Councilb. Responses to agenda item recommendations from the Standards Advisory Councilc. Report on the December 2013 Accounting Standards Advisory Forum (ASAF)d. Responses to the IASB's Discussion Paper <i>A Review of the Conceptual Framework for Financial Reporting</i>e. Progress of the Working Group for Endorsement of IFRSsf. Discussion on practical solutions for transactions that deliver the company's own stock through trusts
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- a. The Standards Advisory Council recommended three agenda items: (1) relocation of accounting related parts of “the auditing treatment on determining the recoverability of deferred tax assets” (the JICPA Audit Committee Report No.66) as well as other practical guidelines relating to accounting for deferred taxes, from the JICPA to the ASBJ, (2) consideration of the accounting treatment for the scheme in support of investments in advanced technology equipment using leases, and (3) consideration of the treatment for contingent consideration for an acquisition under the *Accounting Standard for Business Combinations*.
- b. The Board discussed the three agenda recommendations from the Standards Advisory Council, and then decided to take up them as new agenda items.
- c. An outline of the discussions at the meeting of the ASAF held in London on December 5 and 6, 2013 was presented.
- d. The Board discussed its draft comments on the IASB's Discussion Paper *A Review of the Conceptual Framework for Financial Reporting*.
- e. The Board reviewed the progress made by the Working Group for Endorsement of IFRSs (Working Group) in the selection of ‘possible items for consideration’ as well as in the detailed

analysis of some items.

- f. With the aim of finalizing the PITF, the Board reviewed changes made to the draft PITF reflecting the discussions undertaken during the previous Board meeting.

(2) 278th Meeting (held on December 25, 2013)

- a. Accounting treatments for the scheme in support of investments in advanced technology equipment using leases
- b. Release of PITF *Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts* [approval for release]
- c. Responses to the IASB's Discussion Paper *A Review of the Conceptual Framework for Financial Reporting*
- d. Progress of the Working Group for Endorsement of IFRSs

- a. At the 277 Meeting, the Board decided to take up as an agenda item the accounting treatments for the scheme in support of investments in advanced technology equipment using leases, following the agenda recommendation from the Accounting Advisory Council. At this meeting, the Board had a discussion after being presented with the progress made by the Lease Accounting Technical Committee as well as the outline of the scheme.
- b. The Board had a final discussion and proceeded to vote on the release of the final PITF, after being presented with a summary of discussions conducted to date relating to the PITF *Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts*. All Board members present at the meeting approved the release of the final PITF, subject to minor editorial changes being left to the Chairman.
- c. The Board discussed its draft comments on the IASB's Discussion Paper *A Review of the Conceptual Framework for Financial Reporting*.
- d. The Board reviewed the discussions at the 6th Meeting of the Working Group on responses to comments from the Working Group and the Financial Instruments Technical Committee on 'possible items for consideration', which were originally presented at the 4th Meeting of the Working Group.

(3) 279th Meeting (held on January 10, 2014)

- a. Response to the IASB's Discussion Paper *A Review of the Conceptual Framework for Financial Reporting*
- b. Updates on the IASB's progress on impairment of financial assets
- c. Progress of the Working Group for Endorsement of IFRSs
- d. Establishment of the Technical Committee for Deferred Tax Accounting

- a. The Board discussed its draft comments on the IASB's Discussion Paper *A Review of the Conceptual Framework for Financial Reporting*.

- b. The Board reviewed the IASB's developments on impairment of financial assets, after being presented with an outline of the IASB's redeliberations after it received comments on its Exposure Draft *Financial Instruments: Expected Credit Losses*, as well as the discussions by the Financial Instruments Technical Committee of the ASBJ.
- c. The Board reviewed the progress made by the Working Group on the detailed analysis of 'possible items for consideration.'
- d. The Board approved the establishment of the Technical Committee for Deferred Tax Accounting, as well as the selection of the chairman and members of the technical committee.

(4) 280th Meeting (held on January 27, 2014)

- a. Accounting treatments for the scheme in support of investments in advanced technology equipment using leases
- b. Updates on the IASB's progress on its Leases project
- c. Updates on the IASB's progress on its Financial Instruments project
- d. Discussion on how the Technical Committee for Deferred Tax Accounting should proceed

- a. The Board reviewed the draft, after being presented with a draft PITF on the accounting treatments for the scheme in support of investments in advanced technology equipment using leases, which reflected the discussion by the Lease Accounting Technical Committee.
- b. The Board reviewed the IASB's developments on its Lease project, after being presented with an outline of the IASB's redeliberations since the receipt of comments on its Exposure Draft *Leases*.
- c. The Board reviewed the IASB's developments on its Financial Instruments project, after being presented with an outline of the IASB's redeliberations after it received comments on its Exposure Draft *Classification and Measurement: Limited Amendments to IFRS 9* and Exposure Draft *Financial Instruments: Expected Credit Losses*, as well as the discussions by the Financial Instruments Technical Committee of the ASBJ.
- d. At the 277th Meeting, the Board decided to take up the accounting for deferred taxes as a new agenda item. At this meeting, the Board discussed how the Technical Committee for Deferred Tax Accounting should proceed with the project.

3. ASBJ's Comment Submissions to the IASB (December 1, 2013 – January 31, 2014)

- (1) The ASBJ submitted its [Comments on the Discussion Paper A Review of the Conceptual Framework for Financial Reporting](#) to the IASB (January 31, 2014)

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

The Accounting Standards Advisory Forum (ASAF) Meeting was held in London on December 5 and 6, 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 eleven originations, 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. For discussions in relation to the Conceptual Framework, the ASBJ prepared an agenda paper, [*Profit or Loss/OCI and Measurement*](#), which was presented by Chairman Nishikawa during the ASAF Meeting.

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

- Conceptual Framework (Stewardship/Accountability, and Reliability)
- Conceptual Framework (Liabilities)
- Conceptual Framework (Profit or Loss and OCI, and Measurement)
- Post-implementation Review of IFRS 3 *Business Combinations*
- Rate-regulated Activities
- Leases

The next meeting is scheduled for March 3 and 4, 2014 in London.

5. [ASBJ and EFRAG Hold Bilateral Meeting in Tokyo](#)

Representatives of the Accounting Standards Board of Japan (ASBJ) and the European Financial Reporting Advisory Group (EFRAG) met on 21 and 22 January 2014, in Tokyo, Japan.

The ASBJ and EFRAG (hereafter “both parties”) have been exchanging views and information for the development of high-quality global accounting standards. Considering the recent developments including the creation of the Accounting Standards Advisory Forum (ASAF), both parties felt that it would be useful to formalise the past practice of holding bilateral meetings so as to better understand views and surroundings of each party.

At this meeting, the ASBJ and EFRAG both provided updates on their respective activities, and exchanged views on the opportunities for cooperation between the two parties as well as among the interested parties more broadly, including major national accounting standard-setters from the world. As for the technical topics, the ASBJ and EFRAG discussed respective views on the International Accounting Standards Board (IASB)’s major projects including the Conceptual Framework, Financial Instruments, Leases and Insurance Contracts. In addition, the ASBJ and EFRAG discussed how they can work together more effectively on research activities including the topic of impairment

and amortisation of goodwill on which both parties and the Organismo Italiano di Contabilità (OIC) have worked together.

Both parties agreed that they would continue to exchange views on issues faced and potential future concerns and confirmed that the next meeting will be held in Brussels.

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