

Release of updated ASBJ's Project Plan

September , 2010

Accounting Standards Board of Japan

The Accounting Standards Board of Japan (ASBJ) today publishes the update of the project plan through to 2011, which was approved at the board meeting on September 16, 2010.

The ASBJ is working on the global convergence of accounting standards, pursuant to the “Agreement on initiatives to accelerate the convergence of accounting standards (Tokyo Agreement)” jointly announced with the International Accounting Standards Board (IASB) in August 2007. This time the project plan was updated primarily in response to the “Progress Report on Commitment to Convergence of Accounting Standards and a Single Set of High Quality Global Accounting Standards”ⁱ issued by the IASB and the US Financial Accounting Standards Board (FASB) and their updated work plan based on that.

In addition, the updated plan also reflects the new projects that the ASBJ has decided to undertake based on the recommendation by the Standards Advisory Council in August 2010, namely, “Amendments to Accounting Standards for Quarterly Financial Statements” and “Development of Accounting Standard for Subsequent Events”.

The ASBJ will continue working on development of accounting standards from the perspective of global convergence and make every effort to promote acceptability of global standards in Japan by further getting involved in the international accounting standard-setting process for the development of high quality global accounting standards.

ⁱ The IASB and the FASB reviewed the priority order of their projects so as to obtain higher quality input on their exposure drafts and decided to retain the targeted completion dates of June 2011 or earlier for the projects of higher priority and extend a few project (including that on Financial Statement Presentation) into the second half of 2011.

ASBJ Project Plan

September 2010

September 2011

	2010	2011				Remarks
	4Q	1Q	2Q	3Q	4Q	
Items related to the remaining differences between existing Japanese GAAP and IFRSs						
Business combinations (Step2)	ED	Final →				(Including amortization of goodwill. The project will be completed together with 'Intangibles' project.)
Intangibles	ED	Final →				(The project will be completed together with 'Business combinations (Step2)')
Items related to projects addressed in the MoU between the IASB and the FASB						
1 Scope of consolidations		ED		Final →		IASB plans to issue the final standard in 4Q of 2010. .
2 Financial statement presentation						
- PhaseB (Note1)		DP			→	IASB/FASB plan to issue the ED in 1Q of 2011.
- Discontinued operations		ED	Final →			IASB plans to issue the ED in 1Q of 2010. (see Note 2)
3 Revenue recognition	DP			ED	→	IASB/FASB plan to issue the final standard in 2Q of 2011.
4 Liabilities and equity distinctions				DP →		IASB/FASB plan to issue the ED in 1Q of 2011.
5 Financial instruments						
- Classification and measurement (Financial assets)				ED	→	
- Classification and measurement (Financial liabilities)	DP or DP2			ED	→	IASB plans to issue the Final Standard in 2Q of 2011.
- Impairment				ED	→	IASB plans to issue the final stanterd in 2Q of 2011. ASBJ will also consider whether to issue Discussion Paper 2.
- Hedging				ED	→	IASB plans to issue the ED in 3Q of 2010. ASBJ will also consider whether to issue Discussion Paper 2.
6 Fair value measurement and disclosure			Final →			IASB plans to issue the final stanterd in 1Q of 2011.
7 Post-employment benefits						
- Step1 (Note3)	Final →					
- Step2 (Note3)			DP		ED →	IASB plans to issue the final stanterd in 1Q of 2011.
8 Leases	DP			ED	→	IASB/FASB plan to issue the ED in 2Q of 2010.
9 Derecognition (Note 4)		DP		ED	→	
Items related to the IASB projects other than those addressed in the MoU between the IASB and the FASB						
Provisions			DP2		ED →	IASB plans to issue the final standard in 1H of 2011.
Emission trading scheme					→	IASB plans to issue the ED in 2H of 2011. ASBJ will proceed depending on developments of the IASB's project.
Insurance contracts					→	IASB plans to issue the ED in 2Q of 2011.
Items other than those addressed by the IASB and the FASB						
Consolidation of SPE	Final →					Amendment to the treatment of SPE in the existing standard.
Quarterly reporting	ED	Final →				Simplification of disclosure in quaterly financial statements.
Subsequent events	ED	Final →				Establishment for accounting standard regarding subsequent events.

The following explains what abbreviations in the table stand for:

DP: Discussion Paper **DP2**: Discussion Paper 2 **ED**: Exposure Draft **Final**: Accounting standard/Guidance etc.

("Discussion Paper 2" means a document in the form near to draft standard issued before ED in order to present preliminary views or future direction.)

(Note1)

Phase B is a reference used in the IASB project.

(Note2)

Whether to converge with the existing IFRS 5 is being considered.

(Note3)

In Step 1, attribution of defined benefit obligations and service costs to periods, immediate recognition of items currently deferred and enhancement of disclosure is being considered.

In Step 2, issues relating to the MoU between the IASB and the FASB will be considered.

(Note4)

Future direction (either convergence with IAS 39 or enhancement of disclosure) is being considered.

The IASB's plans stated in "Remarks" are referred from IASB Work Plan issued July 2, 2010.