



International Accounting Standards Board®

# Press Release

FOR IMMEDIATE RELEASE

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## **The ASBJ and the IASB hold fourth meeting on joint project towards convergence**

On September 28 and 29 in London, the Accounting Standards Board of Japan (ASBJ) and the International Accounting Standards Board (IASB) held their fourth joint meeting towards the final goal of achieving convergence between Japanese GAAP and International Financial Reporting Standards (IFRSs). Two ASBJ members, Professor Shuzuki Saito, Chairman, and Mr. Ikuo Nishikawa, Vice Chairman, and staff on behalf of the ASBJ, and three IASB members including Sir David Tweedie, Chairman, and staff on behalf of the IASB attended the meeting.

At this latest in their series of joint meetings, the ASBJ and IASB representatives discussed the following items:

- the progress that has been made on the short-term issues included in the ‘whole picture approach’ adopted in March 2006
- the ASBJ’s recently issued *Practical Solution on Unification of accounting policies applied to foreign subsidiaries for consolidated financial statements*<sup>\*</sup> and agreed that they would consider these topics as part of their convergence project
- the exposure draft on liabilities (IAS 37) currently being redeliberated by the IASB
- the progress being made in the ASBJ’s research projects on intangibles and retrospective application
- the latest developments in the IASB’s joint projects with the US Financial Accounting Standards Board (FASB) on revenue recognition and financial statement presentation
- the ASBJ’s plan to finalise its conceptual framework shortly.

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<sup>\*</sup> This document identifies several items that must be adjusted in consolidating IFRS or US GAAP subsidiaries with Japanese GAAP parents if they lead to significant differences.

Both boards believe that these discussions are useful in promoting mutual understanding that will contribute to subsequent deliberations at the respective boards.

In addition, the boards confirmed their plans to continue their joint work and reviewed their respective project plans. The next meeting will be held in Tokyo in March 2007. The boards also concluded that the technical sessions of their future convergence meetings should be open to public observation.

**END**

**For Press Enquiries:**

**Tom Seidenstein** Telephone: +44 (0)20 7246 6450; email: [tseidenstein@iasb.org](mailto:tseidenstein@iasb.org)

**NOTES TO EDITORS**

**About the IASB**

1 The International Accounting Standards Board (IASB), based in London, began operations in 2001. Contributions collected by its Trustees, the IASC Foundation, from the major accounting firms, private financial institutions and industrial companies throughout the world, central and development banks, and other international and professional organisations fund the operations of the IASB. The 14 Board members (12 of whom are full-time) are drawn from nine countries and have wide international experience and a variety of functional backgrounds.

2 The IASB is committed to developing, in the public interest, a single set of high quality, global accounting standards that require transparent and comparable information in general purpose financial statements. In pursuit of this objective, the IASB co-operates with national accounting standard-setters to achieve convergence in accounting standards around the world.

3 A Deloitte & Touche study indicates that 100 countries either require or permit the use of IFRSs for publicly traded companies beginning in 2006. Some other jurisdictions, including Australia, New Zealand, the Philippines and Singapore, base their national practices on international standards. In September 2002 the IASB and the US standard-setter, the Financial Accounting Standards Board, reached an agreement to work towards the convergence of existing US and international practices and the joint development of future standards. In October 2004, the IASB and the Accounting Standards Board of Japan agreed to initiate discussions about a joint project to minimise differences between IFRSs and Japanese accounting standards towards a final goal of convergence of their standards. In January 2005 the two boards announced their agreement to launch a joint project to reduce differences between IFRSs and Japanese accounting standards, and in March 2005 the boards met to decide on the initial programme of work for the project.