



International Accounting Standards Board®

# Press Release

For immediate release

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## **IASB and Accounting Standards Board of Japan start talks about a joint project for convergence**

The International Accounting Standards Board (IASB) and the Accounting Standards Board of Japan (ASBJ) today started talks about a joint project to minimise differences between International Financial Reporting Standards (IFRSs) and Japanese accounting standards towards a final goal of convergence of their standards. Both boards believe that this effort is the first step in promoting further international convergence to high quality accounting standards and will contribute to the development of global capital markets.

In today's meeting, the IASB and the ASBJ discussed how to proceed with the joint project and agreed to launch the project as soon as possible.

Sir David Tweedie, Chairman of the IASB, said:

The objective of the IASB is to promote the use of a single set of high quality global standards. The decision of the ASBJ to join with us to examine the differences between our standards and, where the economic facts are similar, to discuss which of our two methods best reflects economic reality is a major boost for the convergence of accounting standards worldwide. I applaud the decision of the ASBJ to take this historic step.

Professor Shizuki Saito, Chairman of the ASBJ, said:

I believe that in developing global capital markets it is important that major accounting standard-setters around the world co-operate in reducing differences between standards as much as possible. We will work on the project from the perspectives of both co-ordination of domestic systems and the contribution to the establishment of an international order.

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**NOTES TO EDITORS**

1. The IASB, based in London, began operations in 2001. It is funded by 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. The 14 IASB members (12 of whom are full-time) are drawn from nine countries and have a variety of professional backgrounds. 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.
2. At present, some 35 countries require the use of international standards for all domestic listed companies, six other countries require the use of international standards for some companies, and many countries base their national practices on international standards. In 2002, several jurisdictions, including Australia, the European Union, and Russia, announced that they would require the application of international standards on or before 1 January 2005. 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.