

February 15, 2002

International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

Comments on the Exposure Draft of a Proposed
“Preface to International Financial Reporting Standards ”

Dear Sirs:

This letter is in response to the Exposure Draft of a Proposed “Preface to International Financial Reporting Standards ”

The views expressed in this letter are those of the Accounting Standards Board of Japan (ASBJ) technical staff responsible for its preparation. Accordingly, this letter should be considered a staff reply and it does not represent an official position of the ASBJ based on its due process.

We would like to express the following comments about Question 2 of Invitation to Comment. With regard to other Questions, we have no particular comments.

We do not oppose to the proposal to discontinue the use of different type styles (bold italic type and plain type) in IFRS issued by IASB. However, considering that the use of bold italic type has been very useful from the following viewpoints, careful consideration should be given to keep the text of the standards as understandable as possible. For example, an adequate summary should be provided as a substitute for the function that the bold italic type has served. If the use of different type style were discontinued without such consideration, understandability of IFRS might be significantly reduced.

- (a) Since IFRS is intended to apply as a common rule in many jurisdictions that have different legal and economic environments, emphasize should be placed on clarification of the basic principles rather than on establishment of detailed rules covering all possible situations. We believe that the use of different type style to emphasize the basic principle has been well suited for such objective.

- (b) The use of different type style has provided an advantage in making IAS understandable. In particular, it has greatly enhanced the understandability of IAS to people whose first language is not English and thereby promoted the international use of IAS.

Masayoshi Ogiwara
Technical Manager
Accounting Standards Board of Japan