

November 7, 2008

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

Dear Sirs,

**Comments on Exposure Draft
“Improvements to International Financial Reporting Standards”**

We welcome the opportunity to comment on the Exposure Draft “Improvements to International Financial Reporting Standards” (ED). The views expressed as follows are those of the International Issues Standing Committee of the Accounting Standards Board of Japan (ASBJ).

1. We basically agree with the proposed amendments to International Financial Reporting Standards (IFRSs) in the ED. We would like to ask the IASB to proceed with further deliberation for appropriate amendment by taking our comments into consideration.
2. We would like to make comments on the effective date issue about the proposed amendment to Appendix of International Accounting Standard (IAS) 18 *Revenue* - Determining whether an entity is acting as a principal or as an agent.

Effective date of Amendment to IAS 18

3. We agree that the issue on determining whether an entity is acting as a principal or as an agent has widespread and practical relevance, and therefore, the guidance is needed. We also agree with the essence of the proposal.
4. In addition, we agree with the proposal that adds an example in Appendix of IAS 18 rather than amending the main body of the standard.
5. In the ED, each proposed amendment to IFRS includes its proposed effective date.

However, the effective date of the proposed amendment to Appendix of IAS 18 is not explicitly described, because it does not include an amendment to the main body of the standard.

6. We also note that BC2 of Basis for Conclusions on the proposed amendment to Appendix of IAS 18 states that the Board acknowledged that IAS 18 does not provide guidance on determining whether an entity is acting as a principal or as an agent. We are concerned that the constituents might not be able to comprehend the Board's intention about from when this new guidance should be applied, without the explicit effective date.
7. We believe that the effective date of this amendment should be annual periods beginning on or after 1 January 2010, which is the same with the other proposed amendments in the ED, to ensure the sufficient transition period.
8. We note that Part II of "*Improvement to IFRSs*" issued in May 2008 included the amendment to Appendix of IAS18 and it specified the effective date for all amendments in Part II at the front of Part II, as follows;

<p><i>The amendments in Part II shall be applied for annual periods beginning on or after 1 January 2009. Earlier application is permitted.</i></p>

9. We suggest that the effective date of this amendment could be clarified in the manner similar to the above.

We hope that our comments will contribute to the work of the IASB in arriving at its final decision.

Sincerely yours,



Takehiro Arai

Chairman, International Issues Standing Committee
Board Member (full-time), Accounting Standards Board of Japan,