

Accounting Standards Board of Japan (ASBJ)

Fukoku Seimei Building 20F, 2-2, Uchisaiwaicho 2-chome, Chiyoda-ku, Tokyo 100-0011, Japan
Phone +81-3-5510-2737 Facsimile +81-3-5510-2717 URL <http://www.asb.or.jp/>



March 2, 2010

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

Dear Sir/Madam

Comments on Exposure Draft “Management Commentary”

We are very pleased to have this opportunity to comment on the Exposure Draft “Management Commentary” (ED).

General Comments

We agree to this project because the development of a guidance on management commentary will be especially useful for jurisdictions which do not currently have management commentary-type of reporting system.

However, the International Accounting Standards Board (IASB) will need to develop or amend many important IFRSs, including those included in Memorandum of Understanding (MoU) with the US Financial Accounting Standards Board (FASB), for a short period of time by June 2011. Therefore, we believe that the IASB should give top priority to complete the MoU projects and resume the development of guidance on management commentary after the IASB completed them.

Response to Specific Questions

Question 1

Do you agree with the Board’s decision to develop a guidance document for the preparation and presentation of management commentary instead of an IFRS?

If not, why?

We agree to develop a non-mandatory guidance instead of an IFRS because it enables individual jurisdictions to make management commentary based on their own judgements.

Question 3

Do you agree with the Board's decision not to include detailed application guidance and illustrative examples in the final management commentary guidance document? If not, what specific guidance would you include and why?

IASB plans to issue high-level guidance on management commentary as the final document and does not intend to include application guidance or illustrative examples in it. However, we believe that in practice, it is very difficult to use the high-level guidance on management commentary without application guidance and illustrative examples. Therefore, the IASB should develop a comprehensive guidance on management commentary which includes application guidance and illustrative examples as well as the guidance proposed in the ED.

We hope that our comments therein contribute to the forthcoming deliberations in the project.

Yours sincerely,



Atsushi Kato

Board Member in charge of International Affairs, Accounting Standards Board of Japan