

Accounting Standards Board of Japan (ASBJ)

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27 January 2017

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

Comments on the Tentative Agenda Decision Relating to
IAS 28 Investments in Associates and Joint Ventures—
Fund Manager’s Assessment of Significant Influence

1. The Accounting Standards Board of Japan (the “ASBJ”) welcomes the opportunity to comment on the IFRS Interpretation Committee’s (the “Committee”) tentative agenda decision relating to IAS 28 *Investments in Associates and Joint Ventures—Fund Manager’s Assessment of Significant Influence* in the November 2016 IFRIC Update.
2. We agree with the Committee’s decision not to add this issue to its agenda because a comprehensive review of the definition of significant influence in IAS 28 would be necessary to address this issue.
3. However, the wording in tentative agenda decision that says “IAS 28 does not contemplate whether and how decision-making authority held in the capacity of an agent affects the assessment of significant influence” could be read as if the decision-making authority should not be considered when assessing significant influence.
4. Our understanding of the Committee’s intention was to clarify that the fund manager should assess whether it has significant influence over the fund taking into account all facts and circumstances, including the fund manager’s decision-making authority held in the capacity of an agent. Accordingly, we think the Committee should clarify that the decision-making authority in the capacity of an agent should be considered when assessing whether the fund manager has significant influence, but

taking into account all other facts and circumstances the fund manager may or may not have significant influence.

5. We hope our comments are helpful for the Committee's and the IASB's consideration in the future. If you have any questions, please feel free to contact us.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Y. Kawanishi', with a long horizontal line extending to the right.

Yasunobu Kawanishi

Chairman of the Technical Committee for IFRS Implementation

Accounting Standards Board of Japan