

Accounting Standards Board of Japan (ASBJ)

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

Comments on the Tentative Agenda Decision Relating to
IFRS 9 *Financial Instruments*—Modifications or exchanges of financial liabilities
that do not result in derecognition

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 IFRS 9 *Financial Instruments*—Modifications or exchanges of financial liabilities that do not result in derecognition in the March 2017 IFRIC Update.
2. We agree with the proposed clarifications to IFRS 9 regarding this issue. However, we believe that the proposed clarifications are not necessarily obvious from the existing requirements in IFRS 9. Considering the fact that the Committee has decided to address this issue because there was diversity in practice, we believe IFRS 9 should be amended so that all parties can understand the requirements appropriately, as intended by the IASB, solely from the text in IFRS 9.
3. Given that agenda decisions are not authoritative in nature, we think that issuing an agenda decision to clarify IFRS 9 on this issue is insufficient as a permanent measure.
4. Accordingly, we suggest amending IFRS 9 on this issue in the next Annual Improvements cycle.
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 flourish extending to the right.

Yasunobu Kawanishi

Chairman of the Technical Committee for IFRS Implementation
Accounting Standards Board of Japan