

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 <https://www.asb.or.jp/en/>



21 August 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*—
Acquisition of an associate or joint venture from an entity under common control

1. The Accounting Standards Board of Japan (the “ASBJ” or “we”) 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*— Acquisition of an associate or joint venture from an entity under common control in the June 2017 IFRIC Update.
2. In our discussions, we could not reach a consensus regarding the proposals. Nevertheless we would like to share with you the following views for the Committee’s future consideration:
 - (a) The Committee should not clarify whether an entity should only apply the requirements in IAS 28 for the transaction in question until the International Accounting Standards Board (IASB) concludes on the accounting treatment for business combinations under common control (hereinafter referred to as “BCUCC”) in its ongoing project on “Business Combinations under Common Control”. The transaction in question is a transaction under common control, and the accounting for such transaction should be consistent with the accounting for BCUCC. The IASB should firstly analyse the accounting for BCUCC from a conceptual perspective before making any conclusions.
 - (b) The Committee’s tentative agenda decision is acceptable because the transaction in question is included in the scope of IAS 28.

3. 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 'Yukio Ono', written in a cursive style.

Yukio Ono

Chairman of the Accounting Standards Board of Japan