

Accounting Standards Board of Japan (ASBJ)

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Mr. Hans Hoogervorst
Chair
International Accounting Standards Board
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Comments on the Exposure Draft (ED/2019/3): Reference to the Conceptual Framework (Proposed amendments to IFRS 3)

1. The Accounting Standards Board of Japan (the “ASBJ” or “we”) welcome the opportunity to provide our comments on the International Accounting Standards Board (“IASB”)’s Exposure Draft (ED/2019/3) *Reference to the Conceptual Framework (Proposed amendments to IFRS 3)* (the “ED”), issued in May 2019.
2. We support the proposals in the ED, under the assumption that the IASB’s conclusion in the ED holds. The IASB’s conclusion in the ED is that, as described in paragraph BC15 of the ED, when updating the reference to the *Conceptual Framework* without making any other amendments to IFRS 3 *Business Combinations*, significant unintended consequences would be confined to the Day 2 gains that could arise for liabilities accounted for after the acquisition date applying IFRIC 21 *Levies* or IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.
3. However, we believe that it would be necessary to fully consider whether the assumption described in the preceding paragraph holds, and that it would be preferable not to change the reference to the *Conceptual Framework* in IFRS 3 if the assumption does not hold.
4. We hope our comments are helpful for 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 "A. Kogasaka". The signature is written in a cursive, fluid style.

Atsushi Kogasaka

Chair

Accounting Standards Board of Japan