



1 February 2024

Mr. Bruce Mackenzie
Chair of the IFRS Interpretations Committee
Columbus Building, 7 Westferry Circus
Canary Wharf, London, E14 4HD
United Kingdom

**Comments on the Tentative Agenda Decision Relating to
Climate-related Commitments
(IAS 37 Provisions, Contingent Liabilities and Contingent Assets)**

1. The Accounting Standards Board of Japan (the “ASBJ” or “we”) welcome the opportunity to provide our comments on the IFRS Interpretations Committee (“the Committee” or “IFRS-IC”)’s tentative agenda decision relating to “Climate-related Commitments (IAS 37 Provisions, Contingent Liabilities and Contingent Assets)” in the November 2023 IFRIC Update.
2. We agree with the analysis in the tentative agenda decision (TAD) and the conclusion that the Committee decided not to add a standard-setting project to the work plan. We believe that the analysis in the TAD will assist a wide range of stakeholders in understanding when a provision should be recognised in accordance with IAS 37.
3. In reaching our conclusion in the preceding paragraph, some stakeholders noted that the process of determining whether an entity has a constructive obligation is likely to be more complicated because the facts and circumstances related to the entity’s commitments may not be as straightforward as the fact pattern presented in the TAD.
4. Regarding the determination of whether an entity has a present obligation as a result of a past event, other stakeholders noted that the example of minimum wage payment in Agenda Paper 2 for discussions at the November 2023 IFRS-IC meeting may be a better example for a wide range of stakeholders to understand the thought process in the TAD.
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,

Y. Kawanishi

Yasunobu Kawanishi
Chair
Accounting Standards Board of Japan

