

Representatives of the Financial Accounting Standards Board and the Accounting Standards Board of Japan Hold Biannual Meeting

Representatives of the Financial Accounting Standards Board (FASB) and the Accounting Standards Board of Japan (ASBJ) held a regularly scheduled meeting on October 26-27, 2020. The meeting was the 28th in a series of biannual meetings between the FASB and the ASBJ to further the Boards' cooperative efforts to develop high-quality global accounting standards. As same as the previous meeting, the meeting was held as a virtual meeting due to the novel coronavirus (COVID-19) pandemic.

At this meeting, representatives of the FASB and the ASBJ provided updates on their respective activities, including the response to the COVID-19 pandemic's effects, and discussed agenda items in which both Boards have common interests, such as the accounting for goodwill, the equity method of accounting, as well as the FASB's Exposure Draft on the Elements chapter of the *Conceptual Framework for Financial Reporting*.

The FASB and the ASBJ plan to continue to exchange views. The next meeting is planned in the first half of 2021.

Richard R. Jones, Chair of the FASB, stated, "The biannual meetings between the ASBJ and the FASB contribute to better, more aligned standards in our respective jurisdictions, and I am honored to engage in these discussions in my new role with the FASB. Our exchange of ideas on goodwill accounting, the equity method of accounting, and the conceptual framework yielded new insights on these issues, as well as valuable input on our post-implementation review of standards on leases, credit losses, and revenue recognition. Our dialogues are especially critical at a time when both boards seek to help stakeholders successfully address pandemic-related financial reporting challenges."

Atsushi Kogasaka, Chair of the ASBJ, stated, "This was our first meeting since Mr. Jones became Chair of the FASB, and I am pleased that we were able to deepen our mutual understanding. We had informative discussions on a wide variety of issues, including the accounting for goodwill and the FASB's Exposure Draft on the Elements chapter of the *Conceptual Framework for Financial Reporting*, over the two days. Although this was the second meeting to be held in the form of a video conference, I believe that it is important to contribute to improving the quality of global accounting standards by responding to the uncertain circumstances."

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About the Accounting Standards Board of Japan (ASBJ)

The Accounting Standards Board of Japan (ASBJ) was established in July 2001 as a private-sector organization. Accounting standards developed by the ASBJ are to be authorized by the Financial Services Agency as part of generally accepted accounting principles. The ASBJ develops accounting standards and implementation guidance that appropriately reflect the environment in which business enterprises operate. The ASBJ also communicates with corresponding organizations abroad and contributes to the development of global accounting standards. For more information about the ASBJ, visit its website at:

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

About the Financial Accounting Standards Board (FASB)

Established in 1973, the FASB is the independent, private-sector organization, based in Norwalk, Connecticut, that establishes financial accounting and reporting standards for public and private companies and not-for-profit organizations that follow Generally Accepted Accounting Principles (GAAP). The FASB is recognized by the Securities and Exchange Commission as the designated accounting standard setter for public companies. FASB standards are recognized as authoritative by many other organizations, including state Boards of Accountancy and the American Institute of CPAs (AICPA). The FASB develops and issues financial accounting standards through a transparent and inclusive process intended to promote financial reporting that provides useful information to investors and others who use financial reports. The Financial Accounting Foundation (FAF) supports and oversees the FASB. For more information, visit www.fasb.org