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企業会計基準委員会 御中

社
団法人 生命保険協会
経 理 部 会
部会長 梅 原 真

「財務諸表の表示に関する論点の整理」に対する意見について

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さて、平成21年7月10日に公表されました、標記論点整理に関しまして、別紙のとおり、当会としての意見を申し上げます。今後の検討におかれまして、ご配慮を賜りますようお願い申し上げます。

敬白

「財務諸表の表示に関する論点の整理」に対する意見について

【全般意見】

第1部に関する意見に加えて、第2部で求めている国際会計基準審議会（IASB）と米国財務会計基準審議会（FASB）の予備的見解に対しては、生命保険協会より添付内容にて意見を行っている。

特に主な論点のうち、キャッシュフロー計算書については、直接法の強制および包括利益計算書との調整表の作成が提案されているが、これは、各計算書の一体表示を前提に検討が進められていることから生じるものと理解している。

しかしながら、当該対応のために企業への新たな負担が生じることが想定されるため、コストベネフィットの観点からは、現状の間接法の使用が認められるべきであると考えている。

第1部 現行の国際的な基準との差異に関する論点

【論点1】包括利益の表示

(1) 包括利益を財務諸表に表示することに賛成ですか。

「当期純利益」表示の維持を前提としていることに賛同するが、「当期純利益」の有効性確保のためにはリサイクリングの要否も密接に関わる問題と認識している。

一方、IASBにおいて、「その他の包括利益」に計上される項目・リサイクリングの要否については、個別のプロジェクト毎に検討されることとされているが、「当期純利益」の有用性を確保するためには、IASBに対してもこれらを横断的に検討することを求めていること等の対応が必要と考えられる。

(2) 包括利益を表示するとした場合、どの計算書に表示することが適切と考えますか。

1 計算書方式と2 計算書方式の複数の選択肢が残る場合は、比較可能性を確保するために、いずれの方法においても、記載される科目（項目）は同一のものとする等の配慮が必要と考えられる。

【論点2】非継続事業に関連する損益の損益計算書における区分表示

(3) 損益計算書上で、非継続事業に関連する損益を区分表示することに賛成ですか。

第 49 項に記載のとおり、廃止予定事業のうち一部の事業の損益のみが非継続事業として区分されることよりも、非継続事業とされた構成単位の損益等の情報を注記するという取り扱いを支持する。

非継続事業の定義にもよるが、「実際に廃止が予定されている事業」のうちその確実性が高い事業等、個別企業の意思決定の方法の相違により、継続・非継続のいずれに区分されるかが、会社によって異なる対応となることも考えられる。

また、第 52 項に記載のとおり、遡及再表示については事務負担の増加が懸念される。

このようなことから、非継続事業については、損益計算書上で区分表示するよりも、セグメント情報での注記に留めることが、財務情報利用者に対する情報開示として適当なものと考えられる。

仮に、非継続事業に関連する損益を損益計算書において区分表示する場合には、非継続事業の定義として、これに該当する企業の構成単位の規模に一定の要件（報告セグメントであること等）を設けるなどの方法により、区分表示する範囲が過度に細分化されることがないよう、情報の有用性と財務諸表作成者の負担とを慎重に比較考量すべきではないかと考える。

(4) 非継続事業をどのように定義することが適切と考えますか。

非継続事業の損益等の情報を注記開示で対応する場合、その定義については、同様にマネジメントアプローチが適用されるセグメント情報開示上の事業の定義と整合させる必要があると考えられる。

なお、セグメント情報開示では、「量的基準」により複数の事業セグメントを集約することができるものとされている。集約後の「報告セグメント」単位で開示の有用性は確保されることが考えられることから、非継続事業の判断についても、当該集約後の事業単位で行うことで足りると考えられる。

また、「非継続」の定義によるが、廃止「予定(計画されている)」の事業も対象になると思われることから、財務諸表利用者に対して誤解を与えないよう、その旨(「計画されたが、売却契約は来期以降となる」等の注記)を付記すること等の措置を講じるべきものとする。

(5) 当期に新たに非継続事業に該当することとなった事業について、過年度の損益計算書でも非継続事業として遡及再表示すべきですか。

継続事業間での比較可能性を確保することについても、有用な情報開示に繋がるものと考えられるが、これについては遡及再表示ではなく、セグメント情報等の注記開示において対応することが可能と考える。また、コストベネフィットの観点から慎重に検討いただきたい。

なお、計算書上で「非継続」事業を表示する場合でも、過年度においては「継続」事業との実態があるため（売却目的で取得した事業を除く）、当該過年度の損益計算書上は、当事業を「継続」事業として含めた実績表示を行うことが適当と考えられ、過年度の遡及再表示は不適当と考える。

このようなことから、非継続事業の損益情報については、必ずしも計算書上で区分することが求められるものではなく、過年度における企業の事業活動を反映したものと表示するという観点から、セグメント情報として補足的な開示（注記）に留めることが望ましいと考える。

第2部 IASBとFASBの予備的見解における主な論点(フェーズB関連)

第2部で意見を求めている論点に対しては、生命保険協会より4月14日付けでIASBあて意見提出を行っていることから、当該内容を改めて添付いたします。

以上

The LIAJ's Comments on the IASB Discussion Paper "Preliminary Views on Financial Statement Presentation"

1. We, The Life Insurance Association of Japan (LIAJ), would like to extend our sincerest gratitude to the International Accounting Standards Board (IASB) and the US Financial Accounting Standards Board (FASB) for providing us with an opportunity to submit our comments on the discussion paper entitled Preliminary Views on Financial Statement Presentation.
2. The LIAJ is a trade association comprised of all (46) life insurance companies operating in Japan. Its purpose is to promote sound development of the life insurance industry in Japan and maintain its reliability.

1 General opinions

3. In general, we agree to the proposals presented in the discussion paper. As described below, however, we are concerned about the possible cost increases that some of the proposals in the discussion paper will impose on preparers. We believe it is important to treat the presentation of profit or loss and other comprehensive income (OCI) consistently with other relevant IASB projects, and we would like to ask that due consideration be given to our comments.
4. Concern about increasing costs for preparers and possible impact on practice
Although it is likely that the financial statement format proposed in the discussion paper will provide investors with decision-useful information, we believe that it contains certain elements that need careful consideration in terms of costs and benefits, such as "presenting cash flow statement by a direct method" and "disaggregating information by function/nature." With particular regard to the proposals on "presenting cash flow statement by a direct method" and "reconciling from the statement of direct method cash flows to comprehensive income," we believe that the use of an indirect method cash flow statement should be allowed in terms of costs and benefits as a direct method would impose excessive costs on preparers.
5. Presentation of profit or loss and OCI
We agree with the proposal in the discussion paper for retaining the presentation of profit or loss and recycling. On the other hand, however, the discussion paper states that the boards decided not to consider whether to change existing requirements that describe which items must be presented in OCI outside of profit or loss in the financial statement presentation project. Instead, relative IASB projects, including post-employment benefits, will address these issues. In such cases as when the boards leaves such considerations to individual projects, the presentation of profit or loss may be neglected on the grounds that such a conceptual principle does not exist¹; this may result in a lack of consistency among the projects. We therefore propose that the common nature of items to be presented as OCI should be considered across all projects.

As the nature of insurance business is to underwrite risks over a long period by diversifying such risks into various insurance portfolios, the financial statements of insurers, properly

¹ With regard to post-employment benefits costs, the IASB Board's preliminary decision at the 23 January meeting was that all amounts should be presented as profit or loss, not as OCI because 'there is no conceptual basis for identifying which items should be presented outside of profit or loss.' We believe that this decision is inconsistent with the conclusion under this project to remain profit or loss, given that users emphasize it.

reflecting the results of the insurance business (e.g. by recognising profit when an insurer is released from risks and by not recognising future profits at inception), should be prepared. Thus, presenting appropriate profit or loss as well as comprehensive income in the financial statement will provide useful accounting information for users. In order to present profit or loss appropriately, we believe it necessary to allow for OCI presentation not only on the asset side, but also on the liability side.

2 Response to the questions under the preliminary views

We have addressed only those questions that warrant our specific comments.

Question 1

Would the **objectives of financial statement presentation** proposed in paragraphs 2.5–2.13 improve the usefulness of the information provided in an entity’s financial statements and help users make better decisions in their capacity as capital providers? Why or why not? Should the boards consider any other objectives of financial statement presentation in addition to or instead of the objectives proposed in this discussion paper? If so, please describe and explain.

<Comment>

6. We agree to the proposed objectives on financial statement presentation. However, with regard to the third objective, i.e. “helps users to assess an entity’s ability to meet its financial commitments as they become due and to invest in business opportunities,” it should be noted that information on the fulfilment of an entity’s financial commitments will not be presented accurately if the entity’s own credit characteristics, which are now under discussion, were reflected in the fair value measurement of financial liabilities. Thus, we are concerned that this objective may not be achieved.

Question 3

Should **equity** be presented as a section separate from the financing section or should it be included as a category in the financing section (see paragraphs 2.19(b), 2.36 and 2.52–2.55)? Why or why not?

<Comment>

7. We agree to the proposal made in the discussion paper. We believe that earned surplus, which represents retained earnings and OCI in the statement of financial position, should be separated from external financing. Therefore, equity should be presented as a separate section from financing.

Question 9

Are the **business section** and the **operating and investing categories** within that section defined appropriately (see paragraphs 2.31–2.33 and 2.63–2.67)? Why or why not?

<Comment>

8. The classification of assets and liabilities under paragraph 2.64 – what management views as the core operations of an entity (“operating category”) and its non-core activities (“investing category”) – does not seem to provide an adequate definition. An alternative would be to provide guidance on assets and liabilities to be classified in the “investing category,” while leaving all others in the “operating category.”

As noted in paragraph 2.66, many entities will have few investment assets or liabilities, and

some may have none at all. This is particularly applicable to entities involved in a single business operation, such as life insurers. We believe that presentation in a single category should be allowed for such entities.

Question 11

Paragraph 3.2 proposes that an entity should present a **classified statement of financial position** (short-term and long-term subcategories for assets and liabilities) except when a presentation of assets and liabilities in order of liquidity provides information that is more relevant.

- (a) What types of entities would you expect **not** to present a classified statement of financial position? Why?

<Comment>

9. With regard to technical provision, which accounts for most of a life insurer's liabilities, the classifying of liabilities into short-term and long-term in each section on the face of financial statements, rather than in disclosed information, would be of little use in terms of costs and benefits. Instead, we believe that technical provision may be presented wholly rather than dividing it into short-term and long-term categories. Also, we find little usefulness in classifying assets as short-term and long-term items as far as life insurers are concerned. Securities, which account for a substantial part of the total assets held by life insurers, include assets with a specified maturity, such as bonds and debentures, as well as assets with no specified maturity, such as common shares. We believe that such assets do not fit into the short-term or long-term categorization and should therefore be presented wholly.

Question 14

Should an entity present comprehensive income and its components in a **single statement of comprehensive income** as proposed (see paragraphs 3.24–3.33)? Why or why not? If not, how should they be presented?

<Comment>

10. In light of the materiality of profit or loss, we believe that disclosure in a two statement approach – allowing for a clear distinction between profit or loss and comprehensive income for the period – should be accepted. With regards to profit or loss as stated in the discussion paper (paragraph 3.35), the boards acknowledge the usefulness of profit or loss in its present form, premised on the presentation of OCI after recycling, as a technique used for valuing available-for-sale securities. Although the preliminary views acknowledge the existence of profit or loss with such a specific nature, the boards do not consider which items should be included in profit or loss or OCI, thus raising concern about possible inconsistency among the projects. We therefore propose that the common nature of items to be presented as OCI should be considered across all projects.

Question 16

Paragraphs 3.42–3.48 propose that an entity should further **disaggregate** within each section and category in the statement of comprehensive income its revenues, expenses, gains and losses **by their function, by their nature, or both** if doing so will enhance the usefulness of the information in predicting the entity's future cash flows. Would this level of disaggregation provide information that is decision-useful to users in their capacity as capital providers? Why or why not?

<Comment>

11. Although we do not deny the possibility of enhancing the usefulness of the information for users through disaggregation by function/nature, we do believe it necessary to consider

carefully whether such efforts will impose excessive costs.

Question 18

Paragraph 3.63 proposes that an entity should present **foreign currency transaction gains and losses**, including the components of any net gain or loss arising on remeasurement into its functional currency, in the same section and category as the assets and liabilities that gave rise to the gains or losses.

- (a) Would this provide decision-useful information to users in their capacity as capital providers? Please explain why or why not and discuss any alternative methods of presenting this information.

<Comment>

12. Presenting foreign currency transaction gains and losses in the same category as the related assets and liabilities would provide useful information to users of financial statements. For entities involved in financial services, however, this may impose significant costs as they conduct daily foreign currency transactions in large numbers and amounts. We therefore disagree with the requirement for presenting such gains and losses in the same section and category as the assets and liabilities that gave rise to such gains or losses. In accordance with paragraph 2.35, we believe that foreign currency transaction gains and losses should be presented as operating activities on the grounds that the asset or liability section that gave rise to gains or losses cannot be clearly identified.

Question 20

What **costs** should the boards consider related to using a direct method to present operating cash flows (see paragraphs 3.81–3.83)? Please distinguish between one-off or one-time implementation costs and ongoing application costs. How might those costs be reduced without reducing the benefits of presenting operating cash receipts and payments?

<Comment>

13. As noted in paragraph 3.78 (a), we acknowledge that a direct method has the merit of helping “to relate information about operating assets and liabilities and operating income and expenses to operating cash receipts and payments.” However, building a system that clearly identifies cash receipts and payments in gross terms by linking them with related assets and liabilities would incur significant costs.

For a financial service entity that is frequently involved in large cash transactions on a daily basis with numerous customers/employees/business partners, more detailed information than that which is provided by the current system will be required, along with relevant administrative measures, including the establishment of an internal control system that ensures accurate data aggregation from individual transactions. Such a requirement, which would also entail the establishment of similar systems and administrative measures in subsidiaries, as well as the netting of cash flows in consolidate basis, would place an unacceptable burden on financial service entities. We therefore believe that the use of an indirect method should be allowed in terms of costs and benefits.

Question 21

On the basis of the discussion in paragraphs 3.88–3.95, should the **effects of basket transactions** be allocated to the related sections and categories in the statement of comprehensive income and the statement of cash flows to achieve cohesiveness? If not, in which section or category should those

effects be presented?

<Comment>

14. We believe that a simplification should be introduced, such as Alternative A under paragraph 3.94 (presentation in the operating category).

Question 22

Should an entity that presents assets and liabilities in order of liquidity in its statement of financial position disclose information about the **maturities of its short-term contractual assets and liabilities** in the notes to financial statements as proposed in paragraph 4.7? Should all entities present this information? Why or why not?

<Comment>

15. As answered to Question 11, information about the maturities of short-term/long-term assets and liabilities of a life insurer would not be useful to users of financial statements. We therefore believe that there is no need to disclose information about the maturities of short-term contractual assets and liabilities in the notes to financial statements, even if assets and liabilities are presented in order of liquidity in the statement of financial position.

It should be noted that paragraph 39 (a) of IFRS 7 requires an entity to disclose a maturity analysis of its financial liabilities that shows that the remaining contractual maturities do not apply to insurance contracts under paragraph 39 (d) (i) of IFRS 4. We believe that this exemption should remain.

Question 23

Paragraph 4.19 proposes that an entity should present a schedule in the notes to financial statements that reconciles cash flows to comprehensive income and disaggregates comprehensive income into four components: (a) cash received or paid other than in transactions with owners, (b) accruals other than remeasurements, (c) remeasurements that are recurring fair value changes or valuation adjustments, and (d) remeasurements that are not recurring fair value changes or valuation adjustments.

- (a) Would the proposed **reconciliation schedule** increase users' understanding of the amount, timing and uncertainty of an entity's future cash flows? Why or why not? Please include a discussion of the costs and benefits of providing the reconciliation schedule.

<Comment>

16. As noted above, we believe that the use of an indirect method in cash flow statement should be allowed. Although information provided in the indirect method in the cash flow statement will include fewer items, we believe that it represents adequate alternative information to that which is to be provided in the proposed reconciliation schedule. In order to make the proposed reconciliation schedule, preparers will need a system that would enable them to obtain detailed data (to be used as components for the reconciliation schedule) as well as relevant administrative measures. Since the associated increase in costs is expected to outweigh any benefits for users, the introduction of the reconciliation schedule should be subject to due consideration.

Question 24

Should the boards address further disaggregation of **changes in fair value** in a future project (see paragraphs 4.42 and 4.43)? Why or why not?

<Comment>

17. As fair value changes for a variety of reasons, any further disaggregation of such changes would require mobilisation of substantial resources. On the other hand, the usefulness of such disaggregation would not be significant in terms of costs and benefits. Furthermore, the treatment of changes in fair value and their disclosure is apparently beyond the scope of a project on financial statement presentation. Thus, we believe that the boards should not address the disaggregation of changes in fair value in this project, leaving this issue to discussions under individual projects.

Question 25

Should the boards consider other **alternative reconciliation formats** for disaggregating information in the financial statements, such as the statement of financial position reconciliation and the statement of comprehensive income matrix described in Appendix B, paragraphs B10–B22? For example, should entities that primarily manage assets and liabilities rather than cash flows (for example, entities in the financial services industries) be required to use the statement of financial position reconciliation format rather than the proposed format that reconciles cash flows to comprehensive income? Why or why not?

<Comment>

18. As answered to Question 23, we believe that the introduction of any alternative reconciliation schedule should be subject to due consideration in terms of costs and benefits.