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## **ASBJ and IASB make continued progress towards goal of convergence in accounting standards by 2011**

The Accounting Standards Board of Japan (ASBJ) and the International Accounting Standards Board (IASB) have held their first two-day meeting since the announcement of an initiative to accelerate convergence between Japanese generally accepted accounting principles (GAAP) and International Financial Reporting Standards (IFRSs), known as ‘The Tokyo Agreement’.

At the meeting in London on 27 and 28 September 2007 members of the ASBJ and the IASB had two objectives. First, to review the convergence programme and the shared goal of eliminating major differences between IFRSs and Japanese GAAP by 2008, with the remaining differences being removed on or before 30 June 2011. And second, to discuss the arrangements for the ASBJ to input its views into the IASB’s current work programme.

The discussions included a review of short-term convergence projects, where major differences are to be eliminated toward the goal of 2008, as well as other major projects including segment reporting, intangible assets, special purpose entities and business combinations. In addition, the representatives of the boards exchanged views on the current status of their work on consolidation, liabilities and equity and revenue recognition.

The boards also agreed on future arrangements for interaction both by board members and by staff in order to achieve convergence within the agreed timetable.

Commenting on the meeting, Sir David Tweedie, Chairman of the IASB, said:

There remains much work ahead of us but I am pleased to report that we are on schedule to achieve convergence between Japanese GAAP and current IFRSs by 2011.

Ikuo Nishikawa, Chairman of the ASBJ, said:

We are pleased with the close co-operation of staff from both boards and the good progress we have jointly made during the meeting in pursuit of an accelerated convergence programme.

The next joint meeting is scheduled for April 2008 in Tokyo, Japan.

## Notes to Editors:

'The Tokyo Agreement', a joint declaration announced by the ASBJ and the IASB on 8 August 2007, sets out an initiative to accelerate a convergence programme between IFRSs and Japanese GAAP first announced in March 2005. The aim of the initiative is to eliminate major differences between Japanese GAAP and current IFRSs (as defined by the July 2005 CESR assessment of equivalence) by 2008, with full convergence between Japanese GAAP and current IFRSs in use by 2011.

### *About the ASBJ*

The Accounting Standards Board of Japan (ASBJ) was established in July 2001 as a private sector organisation. Accounting standards developed by the ASBJ are to be authorised by the Financial Services Agency as part of generally accepted accounting principles (GAAP). The ASBJ develops accounting standards and implementation guidance that appropriately reflect the environment in which business enterprises operate. The ASBJ also communicates with corresponding organisations abroad and contributes to the development of global accounting standards. For more information about the ASBJ, visit the Website at [www.asb.or.jp/index\\_e.php](http://www.asb.or.jp/index_e.php).

### *About the IASB*

The IASB was established in 2001 and is the standard-setting body of the International Accounting Standards Committee (IASC) Foundation, an independent private sector, not-for-profit organisation. The IASB is committed to developing, in the public interest, a single set of high quality, global accounting standards that provide high quality transparent and comparable information in general purpose financial statements. In pursuit of this objective the IASB conducts extensive public consultations and seeks the co-operation of international and national bodies around the world. Its 14 members (12 of whom are full-time) are drawn from nine countries and have a variety of professional backgrounds. They are appointed by and accountable to the Trustees of the IASC Foundation, who are required to select the best available combination of technical expertise and diversity of international business and market experience.