

## Accounting Standards Board of Japan (ASBJ)

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February 25, 2008

Committee of European Securities Regulators  
11-13 Avenue de Friedland  
75008 Paris  
France

Dear Sirs,

### **Comments on the Consultation Paper “CESR’s advice on the equivalence of Chinese, Japanese and US GAAPs”**

- The Accounting Standards Board of Japan (ASBJ) welcomes that the Committee of European Securities Regulators (CESR) gave us an opportunity to comment on the consultation paper “CESR’s advice on the equivalence of Chinese, Japanese and US GAAPs” (CESR’s Advice).
- Firstly, we would like to emphasize that the ASBJ is making efforts to achieve our ultimate goal toward a single set of accounting standards which are of global high quality.
- We appreciate that the CESR announced its draft advice that Japanese GAAP is considered to be equivalent to International Financial Reporting Standards (IFRSs) based on the holistic approach in taking account of our progress toward convergence. We also appreciate that the CESR assessed our efforts appropriately by mentioning in its draft advice about the initiatives toward the convergence between Japanese GAAP and IFRSs as well as the Tokyo Agreement.
- As our project plan sets out an estimated timetable for each project, the ASBJ published an accounting standard, exposure draft and discussion papers on the following short term convergence projects on December 27, 2007;
  - Accounting standard on construction contracts
  - Exposure draft of accounting standard on asset retirement obligations
  - Discussion paper on business combinations
  - Discussion paper on research & development costs

- The ASBJ is currently proceeding on the projects on the items advised by the CESR in June 2005 for the purpose of EU equivalent assessment as a highest priority under the due process. In cooperating with constituents, we expect to finalize the projects in line with our project plan.
- In addition, regarding the other joint projects in the Memorandum of Understanding (MOU) between the IASB and the FASB, the ASBJ will be fully involved in their discussion on those projects from early stages so that the international approach would be accepted in Japan when new accounting standards are finalized and become effective. As its first step, the ASBJ established the technical committees, which are composed of constituents, for deliberating issues on the projects on scope of consolidations, financial statement presentation, revenue recognition, liabilities and equity, and financial instruments. Following the publication of discussion papers on the above projects by the IASB, the ASBJ will discuss the same topics on the projects to publish the discussion papers for public comment.
- We hope that the CESR assesses our efforts appropriately and submits a final advice to the EC that Japanese GAAP is deemed to be equivalent to IFRSs.

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Ikuo Nishikawa  
Chairman, Accounting Standards Board of Japan

Attachments:

- [Press Release: Release of Project Plan-Initiatives toward international convergence of accounting standards based on the Tokyo Agreement \(December 6, 2007\)](#)
- [Press Release: The ASBJ and the IASB announce Tokyo Agreement on achieving convergence of accounting standards by 2011 \(August 8, 2007\)](#)