



International Accounting Standards Board®

Press Release

11 December 2009

IASB welcomes decision by Japanese FSA to permit domestic use of IFRSs for current financial year

The International Accounting Standards Board (IASB) welcomes the recent regulatory changes announced by the Japan Financial Services Agency (FSA) on 11 December 2009. The changes establish an operational framework for the voluntary application of International Financial Reporting Standards (IFRSs) in Japan, starting from the fiscal year ending on or after 31 March 2010 and represent an important step towards the adoption of IFRSs in Japan.

The changes to the Cabinet Office Ordinances provide listed companies that meet particular criteria the option of preparing their consolidated financial statements according to IFRSs, for fiscal years ending on or after 31 March 2010. The changes also end, for fiscal years ending after 31 March 2016, the option for some Japanese listed companies to submit their consolidated financial statements according to US generally accepted accounting principles.

In announcing the changes, the FSA is following the roadmap for the *Application of International Financial Reporting Standards (IFRS) in Japan (Interim Report)* released by the Business Accounting Council (BAC), an important advisory body to the Commissioner of the FSA, in June 2009. In the interim report the BAC proposed allowing an early adoption of IFRSs by listed companies followed by mandatory adoption of IFRSs from 2015 or 2016, with a final decision on the mandatory requirements being taken around 2012.

Welcoming the decision, Sir David Tweedie, Chairman of the IASB, said:

The FSA's decision to permit domestic use of IFRSs represents a first step towards a mandatory use of IFRSs in Japan, and is an important milestone on the path towards global standards. The decision is also a recognition of the successful cooperation between the IASB and the Accounting Standards Board of Japan. This decision should provide encouragement to other countries on the path to embracing global standards.

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Notes for editors

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. The IASB has 15 full-time members, who are drawn from ten countries and have a variety of professional backgrounds. By 2012 the IASB will be expanded to 16 members. Board members 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