



**The Japanese Institute of
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Ms. Stephenie Fox

Technical Director

International Public Sector Accounting Standards Board

International Federation of Accountants

277 Wellington Street West

Toronto, Ontario, Canada M5V 3H2

Comments on Exposure Draft 48 “Separate Financial Statements”

Dear Ms. Fox,

The Japanese Institute of Certified Public Accountants (JICPA) is pleased to comment on Exposure Draft 48 (ED 48) “Separate Financial Statements” as follows.

I. Comments on specific matters

Specific Matter for Comment 1:

Do you agree generally with the proposals for separate financial statements? In particular, do you agree with the proposal to permit the use of the equity method, in addition to cost or fair value, for investments in other entities?

We generally agree with the proposals in ED 48 for separate financial statements.

ED 48 is now being discussed so as to align with Exposure Draft (ED/2013/10), *Equity Method in Separate Financial Statements*, issued by the International Accounting

Standards Board (IASB). There is no need to differentiate between the public sector and the private sector with regard to accounting for investments in controlled entities, joint ventures, and associates in separate financial statements. ED 48 should follow the same direction as the amendments to the IFRSs.

Paragraph 14 of ED 48 states that paragraph 54 of Exposure Draft 49 (ED 49), *Consolidated Financial Statements*, could also apply to separate financial statements. This approach differs from that taken in the IFRSs. Since the basis for the conclusion drawn in the ED is unclear in this respect, we suggest that the ED should include descriptions equivalent to BC24 to BC26 in ED 49 or descriptions that refer to those BCs in ED 49.

Yours sincerely,

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