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PRESS RELEASE

Representatives of EFRAG and the Japanese Accounting and Sustainability Boards Hold Meetings in Brussels

Representatives of EFRAG – Europe’s voice in Corporate Reporting and representatives of the Accounting Standards Board of Japan (ASBJ) and the Sustainability Standards Board of Japan (SSBJ) (hereinafter referred to as “the Japanese Boards”) held meetings on 30-31 March 2023 in Brussels, Belgium.

Regarding financial reporting, meeting participants provided updates on their respective activities and exchanged views on items of mutual interest, including primary financial statements, crypto-assets, international tax reform-pillar two model rules, and business combinations-disclosures goodwill and impairment.

Regarding sustainability reporting, meeting participants introduced their respective organisational structure, work plan and priorities. Participants also exchanged views on climate change and other topics related to sustainability reporting.

EFRAG and the Japanese Boards plan to continue to exchange views on a regular basis.

Patrick de Cambourg, Chair of the EFRAG Sustainability Reporting Board, said:

“The bilateral dialogue between the SSBJ and the SRB is an outstanding opportunity for our respective organisations to draw on reciprocal insights from being at the vanguard in the development of sustainability reporting requirements. In accordance with the CSRD provisions, EFRAG is making every effort to build on and contribute to the global sustainability reporting momentum.

As members of the ISSB Jurisdictional Working Group, both the SRB and the SSBJ are committed to fostering the international interoperability of sustainability-related disclosure requirements. This meeting builds on the collaboration so far and is a further step in understanding the opportunities and challenges that arise from developing

sustainability reporting standards.”

Wolf Klinz, Chair of the EFRAG Financial Reporting Board, said:

“Engaging with national accounting standard setters is integral to the success of EFRAG financial reporting pillar’s activities in influencing the development of IFRS Standards. Accordingly, EFRAG welcomes the bilateral dialogue with the ASBJ and the resumption of the past and laudable tradition of our two organisations having these meetings regularly.

Even though the pandemic restricted the ability to have this exchange of views during the last few years, our collaboration has been ongoing over the years on many fronts including as members of the ASAF and in our organisations’ successive Chairmanship of the IFASS. For this meeting, we welcome the opportunity to exchange notes on topics that are of mutual interest related to the IASB workplan, the ASBJ standard-setting activity, and our respective proactive research agenda.”

Yasunobu Kawanishi, Chair of both the ASBJ and the SSBJ, said:

“The ASBJ and the SSBJ would like to thank EFRAG for hosting this in-person meeting in Brussels. It was the first time in several years to hold an in-person meeting related to accounting standards and the first related to sustainability standards under the new organisational structure at EFRAG. The ASBJ and the SSBJ look forward to continuing the constructive dialogue with EFRAG in the future.”

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About the Accounting Standards Board of Japan (ASBJ)

The Accounting Standards Board of Japan (ASBJ) was established in July 2001 under the Financial Accounting Standards Foundation (FASF) and is a private-sector organisation. Accounting standards developed by the ASBJ are to be authorised by the Financial Services Agency (FSA) as part of Japanese generally accepted accounting principles. 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 its website at <https://www.asb.or.jp/en/>

About the Sustainability Standards Board of Japan (SSBJ)

The Sustainability Standards Board of Japan (SSBJ) was established in July 2022 under the FASF and is a private-sector organisation. The legal framework for sustainability disclosure standards is to be determined by the Financial Services Agency, and the SSBJ will develop domestic standards in line with such framework, once it is established. The SSBJ is a member of the Jurisdictional Working Group of the International Sustainability Standards Board (ISSB) and has been appointed as one of the inaugural members of the Sustainability Standards Advisory Forum (SSAF). For more information about the SSBJ, visit its website at <https://www.asb.or.jp/en/>

About EFRAG (<https://www.efrag.org/>)

EFRAG's mission is to serve the European public interest in both financial reporting and sustainability reporting by developing and promoting European views in the field of corporate reporting and by developing draft EU Sustainability Reporting Standards.

In its financial reporting activities, EFRAG ensures that European views are properly considered in the IASB's standard-setting process and related international debates. EFRAG ultimately provides advice to the European Commission on whether newly issued or revised IFRS Standards meet the criteria of the IAS Regulation for endorsement for use in the EU, including whether endorsement would be conducive to the European public good.

In its sustainability reporting activities, EFRAG provides technical advice to the European Commission in the form of draft EU Sustainability Reporting Standards that are accompanied by basis for conclusions and cost-benefit analyses including impact analyses. Throughout the standard-setting process, EFRAG seeks input from all stakeholders, and obtains evidence about specific European circumstances. Its legitimacy is built on transparency, governance, due process (which may include field tests, impact analyses and outreaches), public accountability and thought leadership. This enables EFRAG to speak convincingly, clearly and consistently, and be recognised as the European voice in corporate reporting. EFRAG is operating in a fast-evolving environment. It is attentive to the need to adapt its activities to meet new opportunities and challenges in corporate reporting.