



**The Japanese Institute of  
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International Accounting Standards Board

30 Cannon Street

London EC4M 6XH

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**Comments on**

**IFRIC DRAFT INTERPRETATION D23, “Distributions of Non-cash Assets to Owners”**

The Japanese Institute of Certified Public Accountants hereby presents out comments on IFRIC DRAFT INTERPRETATION D23, “Distributions of Non-cash Assets to Owners.”

**Question 1**

We agree with the proposal set out in Paragraph 9.

**Question 2**

We agree that, as proposed in Paragraph 12, when an entity settles the dividend payable, it shall recognise the difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable in profit or loss.

We also agree that, as proposed in Paragraph 5, the Interpretation does not apply to a distribution of an asset that is ultimately controlled by the same parent entity before and after the distribution.

We propose that the Interpretation shall clarify whether it applies to the following cases that:

- (a) at business divestiture an splitting-off entity distributes the shares of split-off entity as consideration of its business divestitures pro rata to the number of shares of each owner; and
- (b) an entity distributes all shares of its subsidiaries pro rata to the number of shares of each owner.

### **Question 3**

We agree that an entity shall apply IFRS 5 to non-current assets held for distribution to owners. We propose that IFRIC shall add illustrative examples to IFRS 5, in order to clarify recognition and measurement criteria for non-current assets held for distribution to owners.

- (a) We agree that an entity should apply IFRS 5 when it is committed to make a distribution.
- (b) We believe that the date an entity is committed to make a distribution is different from the date the entity has an obligation to distribute the assets.
- (c) We believe that the commitment date may be earlier than the dividend declaration date when an entity is committed to make a distribution of the assets by a resolution of the board of directors. We propose that it shall be an indicator of classification into the non-current assets as held for sale under IFRS 5 when a distribution is highly probable, that is, when the entity is committed to a plan of distribution.

Yours faithfully,

Kiyoshi Ichimura

Executive Board Member—Accounting Standards

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