



# The SAAJ's Contribution to Corporate Reporting

---

Quest for Better Dialogue between Investors and Management

June 2016

IFRS Advisory Council Members' Communication

Goro Kumagai

Mizuho Securities representing  
The Securities Analyst Association of Japan



# Profile of the SAAJ

---

- Founded on October 15, 1962 supported by securities companies, banks, insurance companies, trust banks, and other related companies
- Promote the development of analytical techniques and professional standards through issuance of CMA(Chartered Member Analyst) qualification
  - Number of the CMA Charter Holders ca. 26,000
  - Promotion of the CIIA® (Certified International Investment Analyst) qualification



# Setting higher professional standards in Japan

---

- Training and examination programs of the CMA and the CIIA® applicants
- Continuing educational and training activities for the CMA members
- Promoting research on capital markets
  - Securities Analyst Journal
  - SAAJ-Nippon Finance Association Joint Seminar
  - Industry Study Group
- Setting Professional Codes and Standards
  - Code of Ethics and Standards of Professional Conduct
  - Investment Performance Standards

# Voice for the better capital markets



---

- Corporate Accounting Committee (CAC)
- Corporate Disclosure Study Group
- Investment Performance Standards Committee
- Private Banking Education Study Group



# Corporate Accounting Committee

---

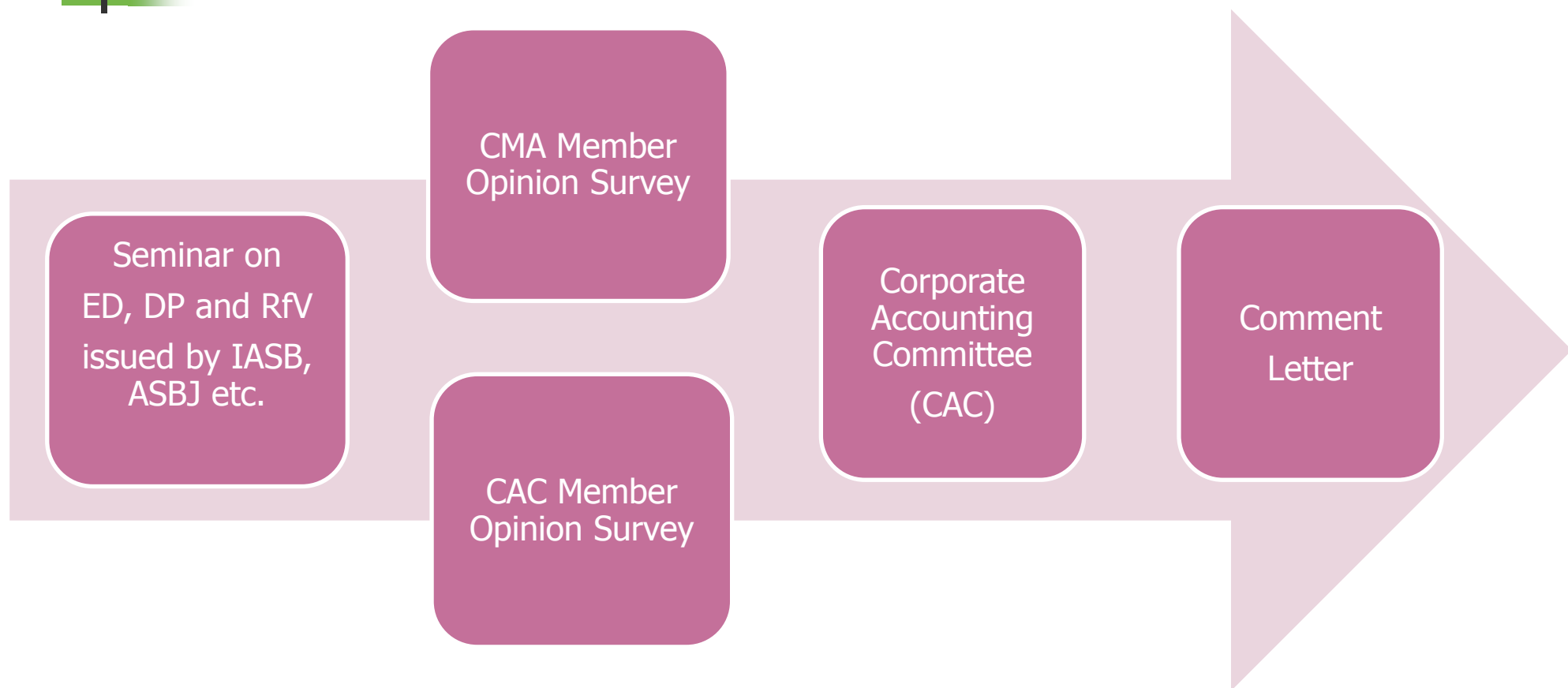
- The CAC is held on an ad-hoc basis to issue the comment letters to IASB, ASBJ etc.
  - Chair:
    - Professor Keiko Kitamura, Chuo University
  - CAC members: 14
    - Financial statement users: 11
    - Academicians and accountants: 3

# Contribution to Standard Setting Process



- The CAC issues comment letters to the IASB, the ASBJ and so on to deliver the financial statement users' views to the standard setters and the regulators.
- Recent comment letters to the IASB
  - RfV: "Agenda Consultation 2015"
  - RfV: "Trustees' Review of Structure and Effectiveness"
  - ED: "Conceptual Framework for Financial Reporting"
- Recent comment letters to the ASBJ
  - RfV: "Development of Comprehensive Revenue Recognition Standard"
  - ED: "Guidance on Recoverability of Deferred Tax Assets"

# Well-established Comment-Letter Drafting Process





# Contribution to Financial Reporting

---

- Members of the CAC are actively participating in the global financial reporting standard setting process.
  - IFRS Advisory Council
  - Capital Market Advisory Committee
  - Consultative Advisory Group, the IAASB





# Contribution to Financial Reporting

---

- Members of the SAAJ and the CAC are actively participating in the domestic financial reporting standard setting process.
  - ASBJ (Accounting Standards Board of Japan)
    - Technical Committees of ASBJ
    - Working Group of Endorsement of IFRS (for JMIS)
  - Business Accounting Council of the JFSA
    - Accounting Committee
    - Audit Committee



# Relationship with CRUF Japan

---

- Members of the CAC overlap substantially with those of the CRUF Japan.
- The CAC meets on an as-hoc basis as necessary, while the CRUF Japan meets on a monthly basis.
- The CAC issues the comment letters to both domestic and global issues under its own name.
- The CRUF Japan expresses the views from Japan to the Global CRUF HQ mostly on the IFRS, which may be reflected as a part of Global CRUF's comment letters.