

# Chairman & President Statement

January 7<sup>th</sup>, 2021

The Japanese Institute of Certified Public Accountants

Masahiko Tezuka

Chairman and President

## Statement with regard to the announcement of declaration of a state of emergency

Japanese government announced the declaration of a state of emergency today to Tokyo metropolitan area in response to re-prevalence of Covid-19. In order to avoid further prevalence of Covid-19 and protect people's lives, JICPA requests each member and associate member to take adequate actions compliant to the requests from the government and relevant authorities.

Under recent circumstances, JICPA believes that it is imperative to maintain the quality of corporate financial reporting and audit to ensure the effectiveness of the capital market function as a critical infrastructure <sup>\*1</sup>. JICPA requests each member and associate member who are involved in audit to utilize audit experiences under COVID-19 challenges so far and keep timely and appropriate communication with audit clients to carry on the audit work. Also, to maintain audit quality, "Audit consideration related to COVID-19" <sup>\*2</sup> and "Consideration on audit exercises under remote work environment" <sup>\*3</sup> (both JICPA released last year) shall be utilized. JICPA will continue issuing relevant guidance on a timely basis regarding audit exercises under remote work environment.

JICPA takes people's safety of life the top priority and is committed to keep close collaboration with relevant authorities and organizations to take appropriate actions in order to ensure credibility of the capital market.

\*1 [Maintenance of the Functions of the Financial System and Financial Markets under the Declaration of a State of Emergency Responding to the Spread of the COVID-19 Infection](#) (Statement by Mr. Aso, Minister for Financial Services) (Released on January 7<sup>th</sup>, 2021 in Japanese only)

\*2 Audit Consideration related to COVID-19 ([Part 1](#) [Part 2](#) [Part 3](#) [Part 4](#) [Part 5](#) [Part 6](#))

\*3 [The 1st release in response to remote work environment "Audit consideration on confirmation process through electrical media or route ~ Auditors' confirmation processes on Website ~"](#) and [the 2<sup>nd</sup> release in response to remote work environment "Consideration on remote based stock taking"](#) (Released on December 25<sup>th</sup>, 2020 in Japanese only)