



**The Japanese Institute of  
Certified Public Accountants**

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International Accounting Standards Board  
30 Cannon Street  
London EC4M 6XH  
United Kingdom

**Comments on Proposed Amendments to IAS 37 “Provisions, Contingent  
Liabilities and Contingent Assets” and IAS 19 “Employee Benefits”**

Dear Sir or Madam;

We, the Japanese Institute of Certified Public Accountants, are pleased to comment on proposed amendments to IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” and IAS 19 “Employee Benefits”.

Our comments on the proposed amendments to IAS 37 are described below. With regard to the proposed amendments to IAS 19, we agree and make no comments.

**Question 2 – Contingent liabilities**

We agree with eliminating the term ‘contingent liability’ and recognizing an unconditional obligation that encompasses conditional obligation irrespective of probability of occurrence. However, we disagree with the statement of draft paragraph 27 that an entity will be able to determine a reliable measure of a liability except in extremely rare cases. In particular, we believe that obligations arising from lawsuits often fail in meeting the reliability criteria in draft paragraph 11 (b), because each case is individually specific and therefore estimates based on past experience would be generally impracticable. Therefore, the abovementioned statement in draft paragraph 27 should be deleted because it is a groundless and inappropriate assertion.

**Question 8 – Onerous contracts**

We agree with sub-question (a). With regard to (b), we suggest that it should be made clear that 'estimated sublease rentals that could be reasonably obtained' does not include the sublease rentals when it is difficult to find a sublessee.

Very truly yours,

Satoshi Komiyama  
Executive Board Member - Accounting Standards  
The Japanese Institute of Certified Public Accountants