

IV Summary of Articles

Corporate Governance and Sustainability Information Disclosure - Considering the Modern Significance of Financial Reporting -

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This keynote address will clarify the characteristics of modern financial reporting by focusing on “corporate governance” and “disclosure of sustainability information.” To do so, it will consider institutional, theoretical, and practical aspects.

Because corporate governance and sustainability disclosure are closely related, I will explore this relationship and consider its implications for contemporary financial reporting and, ultimately, for international accounting research.

The Legal Framework and Financial Reporting of Private Equity Funds in the United States: The Use of Recent Investment Price and Time-Based Calibration in Fair Value Measurement

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The accounting practices by private equity (PE) funds have been changing significantly. In Japan, these changes have been driven by the adoption of fair value measurement, while in the United States, the growing scale of PE funds has highlighted the importance of research on PE fund accounting. Despite its growing importance, research on PE fund accounting in Japan remains insufficient. Therefore, as a starting point for research on PE fund accounting in Japan, this paper focuses on PE fund accounting in the United States, a leading country in the PE fund industry, to review its legal framework and financial reporting for PE funds. Based on that, this paper examines the features of fair value measurement for PE funds in the United States and the substantial influence of the expansion of fair value measurement procedures on the concept of fair value. Furthermore, this paper demonstrates the issues related to fair value measurement for

PE funds in the United States.

PE funds have used the price of recent investment as a critical basis for fair value measurement in the United States. Since the issuance of SFAS 157, the method of calibration for measuring unmarketable investments at fair value has been clarified. Such calibration can be interpreted as “time-based calibration” because it uses the transaction prices at initial recognition as a basis for subsequent measurement. This paper demonstrates that the features of fair value measurement for PE funds include estimating fair value based on the price of a recent investment as a starting point by using time-based calibration or assessing indications of changes in fair value as time progresses. This expansion of fair value measurement procedures may have substantially influenced the concept of fair value, which prioritizes the measurement date.