

IAS 17 Leases (July 2006)

Recognition of contingent rentals

The IFRIC has been asked to consider whether an estimate of contingent rentals payable / receivable under an operating lease should be included in the total lease payments / lease income to be recognised on a straight-line basis over the lease term.

The IFRIC noted that, although the Standard is unclear on this issue, this has not, in general, led to contingent rentals being included in the amount to be recognised on a straightline basis over the lease term. Accordingly, the IFRIC decided not to add this issue to its agenda but to recommend to the Board that IAS 17 be amended to clarify the approach intended by the Standard.