

IFRS 10 - Consolidated Financial Statements (May 2015)

IFRS 10 Consolidated Financial Statements— Single-asset, single-lessee lease vehicles

The Interpretations Committee received two requests for clarification about the interaction of IFRS 10 and IAS 17 Leases. In both examples, a structured entity (SE) is created to lease a single asset to a single lessee. In one submission the lease is an operating lease; in the other it is a finance lease. In the case of the operating lease, the question was whether the lessee should consolidate the SE. In the case of the finance lease, the question was whether the lender should consolidate the SE. In both examples, the consolidation decision would be based on an assessment of whether the entity controls the SE. In particular, the submitters asked whether the lessee's use of the leased asset is a relevant activity of the SE when assessing power over the SE.

As a result of its discussions, the Interpretations Committee concluded that the principles and guidance within IFRS 10 would enable a determination of control to be made in a specific scenario based on the relevant facts and circumstances of that scenario. The Interpretations Committee also noted that it is not its practice to give case-by-case advice on individual fact patterns. Consequently, the Interpretations Committee thought that neither an Interpretation of nor an amendment to a Standard is required and decided not to add these issues to its agenda.