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This document is provided as a convenience to observers at the Global Preparers Forum meeting, to assist them in following the discussions. It does not represent an official position of the IASB. Board positions are set out in Standards.

Note: These notes are based on the staff papers prepared for the GPF meeting. Paragraph numbers correspond to paragraph numbers used in the GPF agenda paper.

INFORMATION FOR OBSERVERS

GPF Meeting:

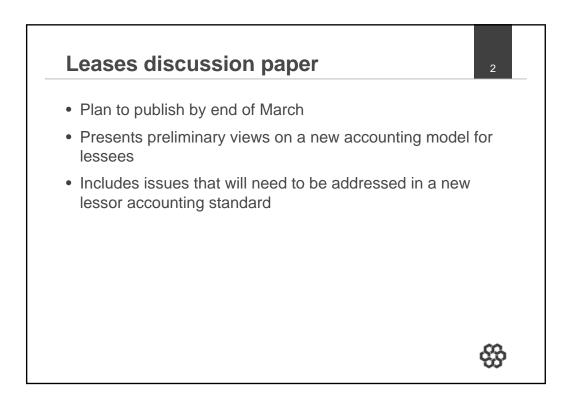
March 2009, London

Project:

Leases

(Agenda Paper 6)





Approach

- No classification as a finance lease or operating lease
- The lessee has purchased a right to use the asset and is paying for that right with its rental payments

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- The lessee recognises:
 - A right-of-use asset
 - An obligation to pay rentals

	Obligation to pay rentals	Right-of-use asset
Initial measurement	Present value of lease payments discounted using the lessee's incremental borrowing rate	Cost = Present value of lease payments discounted using the lessee's incremental borrowing rate
Subsequent measurement	Amortised cost	Amortised cost

