

FASB memo

reference

Project Leases

Topic Cover Note

## Background

- 1. The Leases discussion paper (DP) was published in March 2009. It presents the boards' preliminary views on lessee accounting.
- 2. At the joint meeting with the FASB in October 2009, the boards reaffirmed the right-of-use approach for lessees and tentatively decided to develop a performance obligation approach for lessors.

## Purpose

- 3. At this meeting the staff will present eight papers.
  - (a) Agenda Paper 5A/Memo 46: *Lessee accounting Initial measurement* 
     this paper asks the boards to reach a preliminary view on the initial measurement of the lessee's obligation to pay rentals and its right-of-use asset.
  - (b) Agenda Paper 5B/Memo 47: Lessee accounting Subsequent measurement of the obligation to pay rentals – this paper asks the boards to reach a preliminary view on the subsequent measurement of the lessee's obligation to pay rentals.
  - (c) Agenda Paper 5C/Memo 48: Lessee accounting Subsequent measurement of the right-of-use asset – this paper asks the boards to

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## IASB/FASB Staff paper

reach a preliminary view on the subsequent measurement of the lessee's right-of-use asset.

- (d) Agenda Paper 5D/Memo 49: Lessee accounting Leases with options
   this paper asks the boards to reach a preliminary view on the treatment for lessees of leases that include options.
- (e) Agenda Paper 5E/Memo 50: Lessee accounting Contingent rentals and residual value guarantees – this paper asks the boards to reach a preliminary view on the treatment for lessees of leases that include contingent rental arrangements and residual value guarantees.
- (f) Agenda Paper 5F/Memo 51: Lessor accounting Initial and subsequent measurement of the lessor's receivable and the lessor's performance obligation – this paper asks the boards to reach a preliminary view on the initial and subsequent measurement of the lessor's receivable and the lessor's performance obligation.
- (g) Agenda Paper 5G/Memo 52: Lessor accounting Leases with options
   this paper asks the boards to reach a preliminary view on the treatment for lessors of leases that include options.
- (h) Agenda Paper 5H/Memo 53: *Lessor accounting Contingent rentals –* this paper asks the boards to reach a preliminary view on the treatment for lessors of leases that include contingent rental arrangements.

## **Next steps**

- 4. During the December 2009 meeting the staff intend to ask the boards to reach a preliminary view on the following accounting issues for lessees and lessors:
  - (a) scope
  - (b) presentation.