



Project	Leases
Topic	Cover Memo

Purpose

1. At the joint meeting the staff will present five papers.
 - (a) Agenda Paper 10A/Memo 66: *Accounting for changes in contingent rentals* – this paper asks the boards to reach a tentative view on how to account for changes in contingent rentals.
 - (b) Agenda Paper 10B/Memo 67: *Scope – Purchase or sale of the underlying asset* – this paper asks the boards to tentatively decide how to determine when contracts are purchases or sales of the underlying asset in the context of a lease contract.
 - (c) Agenda Paper 10D/Memo 69: *Lessee accounting – Transition* – this paper asks the boards to tentatively decide transitional provisions for four issues when applying the proposed new accounting model for lessees.
 - (d) Agenda Paper 10F/Memo 71: *Definition of the interest rate implicit in the lease* – this paper asks the boards to tentatively decide on the definition of the interest rate implicit in the lease.
 - (e) Agenda Paper 10G/Memo 72: *Initial direct costs* – this paper asks the boards to tentatively decide on the definition of initial direct costs.

This paper has been prepared by the technical staff of the FASB and the IASCF for discussion at a public meeting of the FASB or the IASB.

The views expressed in this paper are those of the staff preparing the paper. They do not purport to represent the views of any individual members of the FASB or the IASB.

Comments made in relation to the application of U.S. GAAP or IFRSs do not purport to be acceptable or unacceptable application of U.S. GAAP or IFRSs.

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Staff paper

2. Agenda Paper 10C/Memo 68 and Agenda Paper 10E/Memo 70 are not used at this meeting.

Next steps

3. The staff plan to continue discussion of lessee and lessor accounting at the meeting in March 2010.