



Project **Leases**
Topic **Cover Memo**

Purpose

1. At the January 2010 joint meeting, the staff will present the following three papers:
 - (a) Agenda Paper 9B/Memo 61: ***Subsequent measurement of leases with options and contingent rentals under amortised cost*** – this paper asks the boards to tentatively agree on whether:
 - (i) the lessee’s *incremental borrowing rate* should be revised under the amortised cost-based approach where there are subsequent reassessments of the expected lease term or obligations under contingent rental arrangements; and
 - (ii) the *interest rate implicit in the lease* used by the lessor should be revised under the amortised cost-based approach where there are subsequent reassessments of the expected lease term or obligations under contingent rental arrangements.
 - (b) Agenda Paper 9C/Memo 62: ***Scope – Exclusion of short-term leases*** – this paper asks the boards to tentatively decide whether the proposed new leases requirements should include or exclude short-term leases.
 - (c) Agenda Paper 9D/Memo 63: ***Lessor accounting – Investment properties*** – this paper asks the boards to tentatively decide how lessors should account for leases of investment property.
 - (d) Agenda Paper 9A/Memo 60 is not used at this meeting.

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.

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Next steps

2. The staff plan to continue discussion of lessee and lessor accounting at the February and March 2010 meetings.