



Project	Leases
Topic	Lessor accounting – Questions for the boards and next steps

Lessor accounting model

1. The staff have now presented two lessor accounting models to the boards: the performance obligation approach and the derecognition approach. The staff would therefore like to ask the boards the following questions:

Question 1

Do you have sufficient information about the two approaches to lessor accounting to decide which of the approaches you support?

Question 2

If your answer to question 1 is “no” what additional analysis do you need to make a decision?

Question 3

If your answer to question 1 is “yes” which of the two approaches to lessor accounting do you support:

- (a) The performance obligation approach
- (b) The derecognition approach?

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Staff paper

Next steps

2. If the boards decide that additional analysis of the lessor accounting models is required, we will develop that analysis and present it to you at a future board meeting. Our ability to publish an exposure draft by the end of June will, of course, depend upon how much additional analysis you require.
3. If the two boards choose the same lessor accounting model at this meeting, we will incorporate that model into the exposure draft which we would hope to be able to publish by the end of June.
4. If the two boards choose different lessor accounting models we will draft an exposure draft that includes both models.
5. Even if the boards choose the same lessor accounting model the staff believe that a detailed description of the rejected accounting model should be included in the exposure draft to help facilitate informed and structured comments from respondents. This could be done either as an alternative view or as part of the basis for conclusions.