

Project Leases Topic Cover Memo

Introduction

 This paper provides a brief overview of the leases project and a summary of the outreach performed and explains the objectives of the working group meeting. This paper also describes the form and content of the papers distributed to working group members.

Project Overview

- 2. In August 2010, the IASB and the FASB (Boards) issued an Exposure Draft, *Leases,* (ED) with a comment letter deadline of December 15, 2010.
- 3. The staff plans to provide the Boards with an analysis of outreach activities performed with constituents and the feedback received, including a preliminary summary of comment letters in January 2011. Additionally, the staff expect to present a project plan and redeliberation schedule to the Boards in January 2011.

Outreach

- 4. The staff has engaged in extensive outreach before and during the comment letter period. The following is a non-exhaustive list of the various outreach activities:
 - (a) Webcasts and podcasts

Page 1 of 3

Agenda paper

This paper has been prepared by the technical staff of the FASB and the IASCF for discussion at a public meeting of the FASB's and the IASB's Lease Accounting Working Group.

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.

The meeting at which this paper is discussed is a public meeting but it is not a decision-making meeting of the Boards. Comments made in relation to the application of IFRSs or U.S. GAAP do not purport to be acceptable or unacceptable application of IFRSs or U.S. GAAP.

The tentative decisions made by the FASB or the IASB at public meetings are reported in FASB *Action Alert* or in IASB *Update*. Official pronouncements of the FASB or the IASB are published only after each board has completed its full due process, including appropriate public consultation and formal voting procedures.

- (b) Meetings with various preparers, auditors, users, investors, and analysts
- (c) Speeches and conferences with various professional organizations and industry groups
- (d) Meetings with various advisory groups (e.g., FASAC, NAC, ITAC, SBAC, and PCFRC)
- (e) Preparer workshops (Toronto, Sao Paulo, London, Norwalk, Seoul, Tokyo, and Melbourne)
- (f) Public roundtables (London, Hong Kong, Chicago, and Norwalk).

Objectives

- 5. The objectives of this working group meeting are to do the following:
 - (a) Discuss tentative decisions made by the Boards in the ED
 - (b) Obtain the views and suggestions of the working group on certain key areas of the leases project
 - (c) Discuss feedback received through outreach activities and comment letters.

Meeting Information

6. The details of the working group meeting are as follows:

Date	Friday, January 7, 2011
Time	9:00 a.m. – 4:00 p.m. EST
Location	Financial Accounting Standards Board 401 Merritt 7 Norwalk, CT 06856 Tel: (203) 847 – 0700

Summary of Papers

- 7. The following agenda papers provide a high-level summary of the issues to be discussed:
 - (a) Agenda paper 2 Agenda
 - (b) Agenda paper 3 Differentiating between a service contract and a lease
 - (c) Agenda paper 4 Lessor accounting
 - (d) Agenda paper 5 Accounting for options to extend or terminate a lease
 - (e) Agenda paper 6 Accounting for variable lease payments
 - (f) Agenda paper 7 Lessee accounting: subsequent measurement
 - (g) Agenda paper 8 Transition.