Staff Paper

IASB/FASB Meeting —week commencing 18 July, 2011

IASB Agenda reference **5E**

FASB ED Session —week commencing 11 July, 2011

FASB Agenda reference **191**

Project	**Leases**
Topic	**Accounting for Variable Lease Payments—Variable lease payments that depend on an index or a rate**

Objective

1. The purpose of this paper is to discuss the measurement of variable lease payments that depend on an index or a rate within the lessee's liability to make lease payments and the lessor's right to receive lease payments.

2. This paper does not discuss the following:

    (a) The accounting for variable lease payments that meet the definition of an embedded derivative (IASB Agenda Reference 5F/FASB Agenda Reference 192)

    (b) The disclosures for variable lease payments that depend on an index or a rate.

3. Additionally, if the Boards decide to require reassessment of variable lease payments that depend on an index or a rate, the staff will also request that the Boards clarify the reassessment accounting when variable lease payments are based on reference interest rates (discussed in paragraph 19 of the *Leases* Exposure Draft (ED)) at a future meeting.

This paper has been prepared by the technical staff of the IFRS Foundation and the FASB 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.

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.

4. This paper is organized as follows:

   (a) Summary of staff recommendations

   (b) Staff analysis of the initial measurement of variable lease payments that depend on an index or a rate

   (c) Staff analysis of the subsequent measurement of variable lease payments that depend on an index or a rate

   (d) Appendix A—Example calculations.

Summary of staff recommendations

5. The staff recommends that variable lease payments that depend on an index or a rate should be initially measured based on the index or rate that exists at the date of commencement of the lease. That is, the rate used to estimate variable lease payments that depend on an index or a rate would not represent, for example, a historical or forward rate.

6. The staff recommends that lessees and lessors should not reassess variable lease payments that depend on an index or rate when measuring the lessee's liability to make lease payments (lessee's liability) and the lessor's right to receive lease payments (lessor's receivable) in subsequent periods.

7. However, if the Boards decide to require reassessment of variable lease payments that depend on an index or a rate, the staff recommends that all changes to a lessee's liability and a lessor's receivable resulting from changes in variable lease payments that depend on an index or rate should be reflected as proposed in the ED. That is, changes in the expected amount of such payments should be reflected by:

   (a) Lessees:

      (i) in net income to the extent that those changes relate to current or prior periods; and

      (ii) as an adjustment to the right-of-use (ROU) asset to the extent that those changes relate to future periods.

(b) Lessors:

  (i) always as an adjustment in the expected amount of the right to receive lease payments in net income.

Initial measurement of variable lease payments that depend on an index or a rate

Summary of decisions reached

8. At the February 2011 joint Board meeting, the Boards tentatively decided that:

   (a) Variable lease payments that depend on an index or a rate should be included in the initial measurement of a lessee's liability and a lessor's receivable.

   (b) The estimate of variable lease payments that depend on an index or a rate should be measured using the "spot rate". That is, the estimate of variable lease payments that depend on an index or a rate does not consider the availability of any forward rate.

Summary of feedback received on tentative decisions reached

9. The staff has performed outreach activities since the Boards discussed variable lease payments at the February 2011 joint Board meeting. The feedback received from those outreach activities is summarized below.

10. The majority of entities that participated in the targeted outreach performed (which included preparers, users, accounting firms, etc.) supported including an estimate of variable lease payments that depend on an index or a rate in the initial measurement of a lessee's liability and a lessor's receivable.

11. However, some entities asked for clarification about how to apply a spot rate to the initial measurement of variable lease payments that depend on an index or a rate in situations in the following situations:

   (a) A daily spot rate does not exist (for example, when the lease payments are linked to an annual rate of inflation).

(b) The index is a scale rate (for example, when the lease payments are linked to a consumer price index (CPI) index formula and the CPI rate is 125 at the date of commencement).

12. These entities questioned whether, when determining the spot rate, an entity should use:

    (a) An annual rate of inflation of zero or CPI rate of 125 respectively,

    (b) A rate based on the most recent ‘annual rate of inflation’; or,

    (c) A rate based on a historical average.

13. Feedback from working group members, private entities, and users was consistent with that of the overall feedback received.

Staff analysis and recommendation

14. The staff thinks it is necessary to clarify the tentative decision made to date by stating that variable lease payments that depend on an index or rate (that are not accounted for as embedded derivatives) should be initially measured based on the index or rate that exists at the date of commencement of the lease. That is because not all variable lease payments that are based on an index or a rate can be measured using a spot rate.

15. The staff has prepared three examples to illustrate the initial measurement of the lessee’s liability and the lessor’s receivable. Detailed calculations (which assume the variable lease payments are not accounted for as embedded derivatives) of the below examples are included in Appendix A.

    (a) Scenario A – Lease payments based on a commodity price

    (b) Scenario B – Lease payments based on a CPI rate

    (c) Scenario C – Lease payments based on sales-based performance.

16. In Scenario A, the lessee is required to pay a base rent of CU100,000 plus a variable lease payment based on the spot rate of the price of crude oil per gallon. The spot price of the commodity is CU104.06 at the date of lease commencement. As a result, the lessee would initially measure its lease liability to reflect payments of CU104,060 (fixed payment of CU100,000 plus the

variable lease payment of CU4,060) in each of the 5 years of the lease. Using a discount rate of 6 percent the lessee discounts the lease payments to recognize a lease liability of CU438,339. The staff notes that in this example CU104.06 is the current (spot) price of crude oil per gallon at the date of commencement of the lease and is not a future or forward rate of crude oil.

17. In Scenario B, the lessee is required to pay a base rent of CU100,000 plus a variable lease payment based on the change in CPI. At the date of commencement of the lease, the CPI is 125. As discussed in paragraph 11, because no spot rate exists, the staff thinks that the estimate of the lessee's lease liability would not include any forecast of the future lease payments based on the variability of the index. The staff thinks that applying the spot rate in a different manner (for example, based on a historical average of CPI) would decrease the comparability of measurements between entities because of the potential challenges of determining the appropriate historical period to be used and would create inconsistency when using a historical average rate versus the notion of using a current spot rate. As a result, the lessee would initially measure its lease liability to reflect payments of CU100,000 in each of the 5 years of the lease. Using a discount rate of 8 percent the lessee discounts the lease payments to recognize a lease liability of CU981,815. The staff notes that in this scenario, on the date of commencement of the lease, the measurement of the lessee's liability would exclude any estimation of future inflation rates.

18. In Scenario C, a lease arrangement requires the lessee to pay a base rent of CU100,000 each year. Additionally, the lessee must pay 10 percent of the annual sales, and the lessee's sales were CU151,240 in the year before entering into the lease. At inception of the lease the lessee recognizes a liability to make lease payments of CU421,236 based on the base rental payments of CU100,000 over 5 years using a discount rate of 6 percent and excludes any payments that are linked to the annual sales figure (detailed calculations of this example is included in Appendix A).

19. The staff notes that, from outreach performed, some constituents think that the tentative decision to measure variable lease payments that depend on an index or a rate means that sales-based and usage-based variable lease payments would be measured at the current indication of price. However, the staff thinks that the

Boards' tentative decision results in no estimate of variable lease payments that are based on performance or usage. Therefore, the staff thinks the above is the appropriate application of the Boards' tentative decision that variable lease payments that depend on an index or a rate should be measured using the spot rate. That is, when variable lease payments depend on sales-based or usage-based rates, those types of variable lease payments are not included in the measurement of the lessee's liability or lessor's receivable.

Question 1 – Initial measurement of variable lease payments that depend on an index or a rate
Question 1 – Do the Boards agree with the staff's recommendation that variable lease payments that depend on an index or a rate should be initially measured based on the index or rate that exists at the date of commencement of the lease? If not, why not?

Reassessment and subsequent measurement of variable lease payments that depend on an index or a rate

Summary of proposals in the Leases ED

20. The ED states:

> After the date of commencement of the lease, the lessee/lessor shall reassess the carrying amount of the liability to make lease payments/right to receive lease payments arising from each lease if facts or circumstances indicate that there would be a significant change in the liability/right to receive lease payments since the previous reporting period. [paragraphs 17, 39, and 56]

21. When facts or circumstances indicate that there would be a significant change in the lessee's liability due to a reassessment of variable lease payments, the ED states that a lessee should distinguish changes in variable lease payments that relate to current or prior periods from those that relate to future periods as follows:

> A lessee shall recognize changes in the expected amount of such payments:
>
> a. In net income, to the extent that those changes relate to current or prior periods.
>
> b. As an adjustment to the right-of-use asset to the extent that those changes relate to future periods.
>
> For example, when lease payments depend on the amount of the lessee's sales, changes relating to sales in current or prior periods are recognized in net income, whereas changes relating to expectations of future sales are recognized as an adjustment to the right-of-use asset. [paragraph 18]

22. Similar guidance is proposed for lessors that apply the performance obligation approach except that changes in the lessor's receivable are reflected as an adjustment to the lease liability (performance obligation). Lessors that apply the derecognition approach would be required to reflect changes in the expected amount of the right to receive lease payments in net income.

Feedback received

23. The ED did not request specific feedback on variable lease payments that depend on an index or a rate. Therefore, the majority of respondents to the ED (which included preparers, users, industry organizations, etc.) did not comment specifically on variable lease payments that depend on an index or a rate and instead commented on variable lease payments in general.

24. In regards to variable lease payments in general, a minority of respondents to the ED expressed support for the requirement for lessees and lessors to remeasure assets and liabilities arising under a lease if significant changes to those amounts occur based on a reassessment of variable lease payments. Those respondents stated that this would provide users of financial statements with up-to-date management estimates of lease assets and liabilities.

25. Many respondents and workshop participants expressed concerns relating to the cost of performing reassessments and questioned whether those costs would exceed the benefits for users of financial statements. Additionally, respondents cited the increased difficulty in complying with the reassessment requirements when faced with interim or quarterly reporting requirements.

26. Respondents also requested clarification on how any reassessment changes should be reflected in profit or loss/net income. For example, retail lessees frequently have lease payments that are indexed to an inflation rate, but the increase in the lease payments are, in effect, naturally hedged against expected increases in the prices of their goods or services over the lease term. Some retail lessees expressed concerns that an accounting mismatch may be created if the effect of inflation rate reassessments relating to future periods is reflected in current period profit or loss/net income.

> Changes in contingencies are typically due to circumstances that have arisen in the future accounting period, and should therefore be reflected in the profit and loss during that year. For example, consider a scenario where three years into the lease the country experiences high rates of inflation of 6 percent, which is above the initial estimated increases of 3 percent per annum included in the initial lease calculation. ACAG considers that in the third year, the lessee should recognise an expense equal to the increase above its initial expectations. Users would then be able to identify the real impact of current year changes on the entities assets and liabilities. [CL #36]

27. The staff notes that some of these cost-benefit concerns have been addressed by the Boards in their redeliberations. For example, the concerns raised by the following respondent have been addressed by the Boards' decisions to change the requirements relating to the measurement of option periods and the decision to require measurement of variable lease payments that are based on an index or a rate using a spot rate, rather than using a projected (for example, forward) rate:

> If reassessments should be performed regularly for optional lease periods and contingent rents we are very doubtful how reliable such reassessments would be when there are contracts with both contingent rents and optional periods. The reassessments could be for 10 or 15 years in the future (or even longer) and we think such a reassessment often would be technical exercise with low value for users of the financial reports. By nature it is almost impossible to assess with any degree of reliability if an option to prolong will be used in the long future and contingent rents for the optional period(s). The assessment would be even more complex if contingent rents are based on a floating interest rate or similar as the yield curve in the future has to be assessed. [CL #200]

28. The staff thinks that this concern has also been addressed during the Boards' redeliberations because of the decision to require use of a spot rate to measure variable lease payments that depend on an index or a rate.

29. Respondents also identified practical application challenges with the proposals relating to:

    (a) Allocating reassessment changes between prior, current, and future accounting periods; and

    (b) Proving that no significant change has occurred, with many commenting that preparers are likely to have to perform all of the reassessment steps that would be required to recognize the effects of reassessment to determine if a significant change has occurred.

> We also agree that changes in the financial liability/receivable, due to contingent rentals relating to future periods which vary with usage of the leased item should be recognised in the right-of-use asset/performance obligation (provided that the IASB decided to include contingent rentals that vary with usage or performance of the leased item when measuring the lease liability/receivable). However, we believe that changes in the liability/receivable due to changes in rentals that are contingent on an index or rate should be recognised in profit or loss. [CL #481]

30. Private company feedback was consistent with the overall feedback received on reassessment.

Reassessment

31. The staff is presenting the following approaches for whether or not lessees and lessors should reassess the measurement of variable lease payments that depend on an index or a rate:

    (a) Require reassessment

    (b) Do not require reassessment.

32. Topic 840 states the following in regards to lease payments that depend on an index or a rate in the definition of minimum lease payments:

> …lease payments that depend on an existing index or rate, such as the consumer price index or the prime interest rate, shall be included in minimum lease payments based on the index or rate existing at lease inception; *any increases or decreases in lease payments that result from subsequent changes in the index or rate are contingent rentals and thus affect the determination of income as accruable*. [paragraph 840-10-25-4; emphasis added.]

33. The staff notes that requiring reassessment of the measurement of variable lease payments that depend on an index or a rate would provide both timely and better information to users about lease assets and lease liabilities. Because of the Boards' tentative decision to use the existing index or rate as the basis for initial measurement, not requiring a reassessment of the index or rate used will result in many lease assets and liabilities excluding the effect of an index or a rate from their measurement. That is, upon initial measurement, estimates would assume zero inflation. Some staff members think that if the Boards' objective is to reflect variable lease payments that depend on an index or a rate within the measurement of lease assets and lease liabilities, then reassessment is necessary and the advantages of reassessment would outweigh the disadvantages.

34. The staff notes that, in general, users of the financial statements receive more relevant and timelier information when entities are required to reassess because that reassessed value reflects current economic conditions, specifically because of the effects of requiring initial measurement of these lease payments using the index or rate that exists at the date of commencement of the lease.

35. Those who support reassessment of variable lease payments that depend on an index or rate think that many of the cost concerns noted in the feedback received on the ED relate to challenges with reassessing usage-based variable lease payments and performance-based variable lease payments, rather than reassessing index-based variable lease payments or rate-based variable lease payments. They also think that if an entity has multiple lease arrangements that include index-based variable lease payments or rate-based variable lease payments, one updated index or rate (for example, a single foreign exchange rate change) may be applied to a number of lease contracts on a portfolio basis, rather than an entity being required to determine multiple numbers of updated rates or indexes.

36. Those who do not support reassessment of variable lease payments that depend on an index or a rate think that the costs of requiring reassessment for variable lease payments that depend on an index or a rate outweighs the benefits of that information. Additionally, they think that the recognition of the reassessment of variable lease payments that depend on an index or a rate should be consistent with the accounting for other variable lease payments, such as, performance-

based and usage-based payments. The Boards have tentatively decided that those payments would be recorded in profit or loss as incurred and would be excluded from the measurement of leases assets and lease liabilities until the payment is due. Therefore, those who do not support reassessment of variable lease payments that depend on an index or a rate think that recognizing any changes because of changes in those variable lease payments in profit or loss as incurred would be consistent with those tentative decisions.

37. The staff has analyzed the differences between reassessing and not reassessing variable lease payments that depend on an index or a rate in Appendix A.

Measurement of the lessee's liability (balance sheet effects)

38. The difference in the measurement of the lessee's liability about whether to update the spot rate at each reporting period is illustrated in Scenario B in Appendix A.

39. If the lessee's liability is not remeasured using the spot rate that exists at each reporting date, at the end of year 19 of the lease, the entity recognizes a liability to make lease payments of CU92,953. However, because the inflation index has increased from a rate of 125 that existed at the date of commencement of the lease to a rate of 187 at the end of the lease term, the lease payments made in year 20 of the lease are CU162,000. As a result, the lease payment made in the final year of the lease arrangement is significantly more than the lessee's liability of CU92,593 that is recognized.

40. The staff thinks this example shows that updating the spot rate at each reporting period provides more useful information about the lessee's liability.

Measurement of lease expense (income statement effects)

41. Scenario B in Appendix A can also be used to illustrate how the measurement of lease expense recognized is affected by whether or not the spot rate is updated at each reporting period.

42. When the spot rate is not updated at each reporting period:

    (a) All lease payments relating to the change in the index/rate after lease commencement are separately presented as lease expense; and

    (b) The full effect of the change in the index/rate is recognized in the period in which that change occurs.

43. In contrast, when the spot rate is updated at each reporting period:

    (a) Most of the effect of lease payments relating to the index/rate is presented as part of amortization or interest expense, rather than being separately presented; and

    (b) The effect of changes in the index/rate is recognized over future reporting periods, rather than all being recognized in the period in which those changes occur.

44. The staff thinks that the lease expense recognized and presented when the spot rate is not updated at each reporting period provides the most useful information. This is because the effects of the index/rate on lease payments are separately presented. In addition, using CPI as an example, an entity would recognize profit or loss relating to those variable lease payments in a manner that reflects the views of many constituents that these payments provide a natural hedge against the effect of inflation on revenue generate by the lease asset.

Summary of advantages and disadvantages

45. The staff has analyzed the advantages and disadvantages of requiring reassessment below:

Advantages	Disadvantages
• Provides relevant and timelier information to users of financial statements because it reflects current economic conditions. If reassessment is	• May be costly to apply for lessees and lessors that have numerous leasing arrangements. • In general, requiring reassessment is not consistent

not required, information may be outdated, irrelevant, or misleading, specifically because of the Boards' decision to measure these variable lease payments using a spot rate, rather than allowing these variable lease payments to be measured using readily available forward indexes or rates. • Is consistent with the requirement to reassess options to extend or renew a lease. • Is consistent with the accounting for foreign exchange differences in Topic 830 and IAS 21 • Because the underlying spot index or rate should be available at each reporting period, it may be easy to apply in practice than the reassessment requirements in the ED.	with current guidance, as discussed in paragraph 32 of this memo. • Reassessment adds complexity and the benefits to users of the financial statements may be outweighed by the costs to preparers.

Staff recommendation

46. The staff recommends that lessees and lessors should not reassess variable lease payments that depend on an index or a rate. Therefore, any changes in the index or rate that affect lease payments for lessees and lessors would be excluded from the measurement of leases assets and lease liabilities until the payment is due.

47. The staff members note that although the conceptually correct answer is to reassess those variable lease payments because that would provide a more faithful depiction of the lessee's liability and the lessor's receivable, the costs of requiring reassessment would outweigh the benefits. They note the feedback received from entities with numerous lease arrangements that change depending on indexes and rates and the cost and complexity of re-doing the calculations of those lease arrangements every reporting period. These staff members also think that the profit or loss recognition pattern that arises by recognizing variable lease payments in the period in which they are incurred provides users with more useful information.

48. Additionally, the staff members think that additional information about variable lease payments based on an index or a rate can be provided through disclosures. Disclosures will be discussed in a separate memo.

Question 2 – Reassessment of variable lease payments that depend on an index or a rate
Question 2 – The staff recommends that lessees and lessors should not reassess variable lease payments that depend on an index or a rate. Do the Boards agree with the staff recommendation? If not, why not?

How to account for reassessment

49. The staff is presenting the following approaches on how to account for the reassessment of variable lease payments that depend on an index or a rate if the Boards tentatively decide to require reassessment (Question 2) (detailed calculations of those approaches are illustrated in Appendix A):

    (a) Retain the proposals in the ED as summarized in paragraphs 21–22. Upon reassessment, the lessee's liability and the lessor's receivable would reflect the current index or rate that exists.

    (b) Require all changes to the lessee's liability and the lessor's receivable to be recognized in net income (IASB: profit or loss).

50. The staff has rejected using a forward curve upon reassessment of arrangements that contain variable lease payments that depend on an index or rate. This is because that approach would be inconsistent with the Boards' tentative decision on the initial measurement of lease assets and liabilities that contain variable lease payments that depend on an index or a rate. Therefore, the following analysis does not consider that approach.

51. The guidance on the accounting for changes in accounting estimates in Topic 250 (and similarly in IAS 8) is as follows:

> A change in accounting estimate shall be accounted for in the period of change if the change affects that period only or in the period of change and future periods if the change affects both. A change in accounting estimate shall not be accounted for by restating or retrospectively adjusting amounts reported in financial statements of prior periods or by reporting pro forma amounts for prior periods. [paragraph 250-10-45-17]

52. The staff thinks that some variable lease payments that depend on an index or rate do not always affect the value of the underlying asset. Although the index may be linked to the leased asset's market, there still may not be a high correlation between the index or the rate and the use of the underlying lease asset. Therefore, recognizing changes to the lessee's ROU asset and a lessor's residual asset (which would reflect a change in the historical cost of the underlying asset) may be misleading to users. However, some staff members note that the initial measurement of the lessee's liability and the lessor's receivable included an estimate of variable lease payments that depend on an

index or a rate and that changes to these estimates should be allocated by lessee's between lease payments made in the current and future periods.

53. The staff notes that the feedback received identified practical application challenges with the proposals relating to allocating reassessment changes between prior, current and future accounting periods. However, some staff members think that many of the cost concerns noted in the feedback received on the ED relate to challenges with reassessing usage-based variable lease payments and performance-based variable lease payments and allocating those between reporting periods, rather than reassessing index-based variable lease payments or rate-based variable lease payments. Additionally, those staff members who support reassessment consistent with the proposals in the ED recommend providing application guidance to clarify the practical application of the proposals.

54. Appendix A illustrates reassessment of Scenario A and Scenario B. If, for example, the spot rate changes from 104.06 in Scenario A to 104.23, the following entry would need to be made to reflect the change to the lessee's liability:

Right-of-use Asset	589	
Lease Liability		589

55. However, if the reassessment was reflected in net income, the following entry would need to be made to reflect the change to the lessee's liability:

Lease Expense	589	
Lease Liability		589

56. The staff has summarized the advantages of the approaches below:

Retain ED	All changes to net income
• Reflects the economics of many leases because it recognizes costs and income in periods to which those costs and income relate.	• Would reflect the relationship between the underlying asset and index/rate. That is, changes in the index/rate do not change the value of the

• Is more consistent than recognizing all changes to net income/profit or loss with the tentative decisions made for the remeasurement of options to extend or renew a lease.	underlying leased asset. • May be easier and less complex to apply than the ED proposals, specifically in relation to lessor accounting. • Is consistent with the tentative decision that foreign exchange differences related to the lessee's liability should be recognized in profit or loss

Staff recommendation

57. If the Boards tentatively decide to require reassessment of variable lease payments that depend on an index or a rate, the staff recommends that changes to a lessee's liability and a lessor's receivable resulting from changes in variable lease payments that depend on an index or rate should be reflected as proposed in the ED. That is, changes in the expected amount of such payments should be reflected by:

    (a) Lessees:

        (i) in net income to the extent that those changes relate to current or prior periods; and

        (ii) as an adjustment to the ROU asset to the extent that those changes relate to future periods.

    (b) Lessors:

        (i) always as an adjustment in the expected amount of the right to receive lease payments in net income.

58. The staff thinks that many of the cost concerns noted in the feedback received on the ED relate to challenges with allocating remeasurements of usage-based variable lease payments and performance-based variable lease payments between current and future reporting periods, rather than allocating

remeasurements in variable lease payments that depend on an index or a rate between different reporting periods.

59. The staff thinks it would be inappropriate to always reflect changes in variable lease payments that depend on an index or a rate through net income/profit or loss in the period in which those changes occur for lessees. This is because the current indication of price may change over the lease term. If the current indication of price is recognized completely through net income/profit or loss, there is the possibility that upon every reassessment the net income/profit or loss would need to be updated to reflect the current indication of price and therefore "reversing" journal entries would be necessary. Therefore, in cases in which the current indication of price changes over the lease term, those staff members think the costs of this approach would outweigh the benefits and would not provide useful information.

Question 3 – Subsequent measurement of variable lease payments that depend on an index or a rate
Question 3 – The staff recommends that changes to a lessee's liability and resulting from changes in variable lease payments that depend on an index or rate should be reflected in (a) net income to the extent that those changes relate to current or prior periods and (b) as an adjustment to the ROU asset to the extent that those changes relate to future periods. Additionally, the staff recommends that changes to a lessor's receivable resulting from changes in variable lease payments that depend on an index or a rate should always be reflected in net income. Do the Boards agree with the staff recommendation? If not, why not?