

# STAFF PAPER

**16-19 July 2012**
**FASB | IASB Meeting**

FASB Education Session July 11, 2012  
IASB Education Session July 17, 2012

Project	Leases		
Paper topic	Cover paper		
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## Introduction

1. This paper does the following:
  - (a) Summarizes the Boards' progress in the leases project
  - (b) Provides an overview of the papers for the July 2012 meeting
  - (c) Describes next steps toward publishing the *Leases* re-exposure document.

## Progress report

2. The Boards published a *Leases* Exposure Draft (2010 ED) in August 2010, with a comment period that ended on December 15, 2010.
3. The Boards commenced deliberations of the proposals in the 2010 ED in February 2011, taking into account feedback received from respondents to the ED and through other outreach (for example, roundtables and workshops held during the comment period, and other targeted outreach conducted during the redeliberations).
4. In July 2011, the Boards decided that that they would re-expose the leases proposals given the extent of changes proposed since publishing the 2010 ED.

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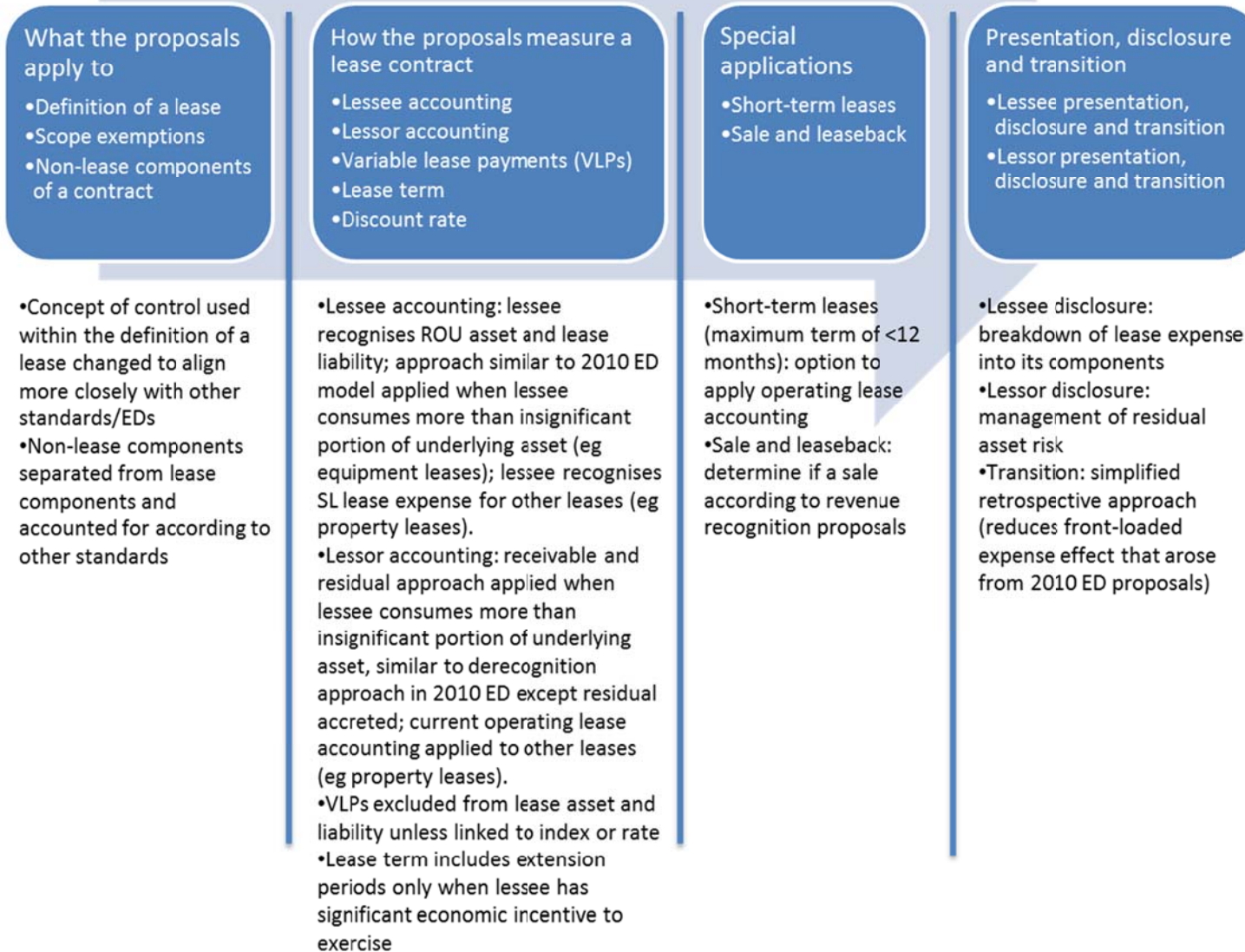
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5. At the June 2012 joint meeting, the Boards made tentative decisions about the lessee accounting model and the lessor accounting model. The main objective of the July meeting is to discuss and reach tentative decisions on some sweep issues that mainly relate to the decisions made by the Boards in June.
6. The diagram on the following page summarises where the Boards are on the project and the main changes from the 2010 ED.

# Where we are

## Main changes from 2010 ED



## Overview of papers for the July 2012 joint meeting

7. **Agenda Paper 3A/239 – Lessee—statement of financial position:** This paper considers whether any changes should be made to the presentation of lease assets and liabilities in a lessee’s statement of financial position as a consequence of the Boards’ decision to require a lessee to recognise a single lease expense for some leases.
8. **Agenda Paper 3B/240 – Lessee—statement of cash flows:** This paper considers whether any changes should be made to the presentation of lease cash flows in a lessee’s statement of cash flows as a consequence of the Boards’ decision to require a lessee to recognise a single lease expense for some leases.
9. **Agenda Paper 3C/241 – Lessee disclosures:** This paper considers whether any changes should be made to the lessee disclosure requirements as a consequence of the Boards’ decision to require a lessee to recognise a single lease expense for some leases.
10. **Agenda Paper 3D/242 – Lessee transition—measurement of the ROU asset:** This paper discusses the transition requirements (specifically, measurement of the ROU asset at transition) relating to leases for which the lessee recognises a single lease expense in its statement of comprehensive income.
11. **Agenda Paper 3E/243 – Lessor accounting—measurement of the underlying asset when the lease terminates prematurely:** This paper sets out three options for how a lessor, applying the receivable and residual approach, would measure the underlying asset when the lessor recovers the asset before the end of the lease term.
12. **Agenda Paper 3F/244 – Interim disclosures:** This paper considers whether the existing interim disclosure standards should be amended to require either lessees or lessors to provide specific lease disclosures in interim financial statements.
13. **Agenda Paper 3G/245 – Exposure Draft comment period and permission to begin the balloting process:** This paper discusses the length of the comment period for the revised Exposure Draft, and asks the Boards for permission to begin drafting having reviewed the tentative decisions on the project to date.

## **Next steps**

14. The staff expects that the decisions made at the July 2012 joint meeting will be the last decisions to be made before re-exposing the lease accounting proposals, other than those that may arise during the drafting process. Following the July 2012 meeting, the staff plans to proceed to drafting the revised Exposure Draft for publication in the final quarter of 2012.