

STAFF PAPER

December 2014

FASB | IASB Meeting

Project	Leases
Paper topic	Cover Memo
CONTACT(S)	Danielle Zeyher dtzeyher@fasb.org +1 203 956 5265 Patrina Buchanan pbuchanan@ifrs.org +44 207 246 6468

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Introduction and Objective of the Meeting

1. The purpose of this paper is to provide an overview of the agenda paper prepared for the December 2014 joint Board meeting and to update the Boards on the next steps in the leases project redeliberations.
2. The objective of the December 2014 meeting is to decide whether the definition of a lease should include a requirement that a customer must have the ability to derive the benefits from directing the use of an identified asset on its own or together with other resources that are sold separately.

Overview of Agenda Paper

3. The staff have prepared one paper for the December 2014 meeting, **Definition of a Lease—Ability to Derive the Benefits from Directing the Use of an Identified Asset** (Agenda Paper 3A/FASB Memo 301). The paper analyses whether the definition of a lease should include a requirement that a customer must have the ability to derive the benefits from directing the use of an identified asset on its own or together with other resources that are sold separately *or* that can otherwise be sourced in a reasonable period of time ('ability to derive the benefits' requirement).

The IASB is the independent standard-setting body of the IFRS Foundation, a not-for-profit corporation promoting the adoption of IFRSs. For more information visit www.ifrs.org

The Financial Accounting Standards Board (FASB), is the national standard-setter of the United States, responsible for establishing standards of financial accounting that govern the preparation of financial reports by nongovernmental entities. For more information visit www.fasb.org

Next Steps

4. The Boards will continue redeliberating the proposals in the May 2013 ED at future Board meetings. The staff plan to bring the following topics for discussion before issuing a final leases standard:
 - (a) Lessee disclosures
 - (b) Transition
 - (c) Effective date
 - (d) Sweep issues.
5. The redeliberations will continue on a joint basis, with the intention of minimizing any differences between U.S. GAAP and IFRS.