

STAFF PAPER

February 2015

IASB Meeting

Project	Leases
Paper topic	Cover Memo
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Introduction and Objective of the Meeting

1. The purpose of this paper is to provide an overview of the agenda papers prepared for the February 2015 board meeting and to update the IASB on the next steps in the leases project redeliberations.
2. The objective of the February 2015 meeting is to reach decisions on:
 - (a) transition,
 - (b) leases of small assets, and
 - (c) a sweep issue related to subleases.

Overview of Agenda Papers

3. The staff have prepared six papers for the February 2015 meeting:
 - (a) **Transition—Leases Previously Classified As Operating Leases** (Agenda Paper 3A). The paper discusses the transition requirements when first implementing the new leases standard for leases previously classified as operating leases.

- (b) **Transition—Sale and Leaseback Transactions** (Agenda Paper 3B). The paper discusses the transition requirements for lessees and lessors with respect to sale and leaseback transactions.
 - (c) **Transition—Subleases** (Agenda Paper 3C). The paper discusses the transition requirements for subleases by an entity that acts as an intermediate lessor.
 - (d) **Transition—Definition of a Lease** (Agenda Paper 3D). The paper discusses transition requirements with respect to the definition of a lease.
 - (e) **Leases of Small Assets** (Agenda Paper 3E). The paper provides the IASB with a summary of the outreach performed and feedback received relating to the recognition and measurement exemption for leases of small assets.
 - (f) **Subleases Sweep Issue—Discount Rate** (Agenda Paper 3F). The paper discusses the discount rate an intermediate lessor should use to account for its subleases.
4. The FASB plan to discuss the following at a FASB-only board meeting in February 2015:
- (a) transition,
 - (b) the reassessment of variable lease payments that depend on an index or rate, and
 - (c) build-to-suit transactions.

Next Steps

5. The staff plan to bring the following topics for discussion before issuing a final leases standard:
- (a) permission to ballot,
 - (b) effective date, and
 - (c) any sweep issues that arise during the drafting process.