

STAFF PAPER

January 2015

FASB | 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 January 2015 joint Board meeting and to update the Boards on the next steps in the leases project redeliberations.
2. The objective of the January 2015 meeting is to reach decisions on lessee disclosure.

Overview of Agenda Papers

3. The staff have prepared two papers for the January 2015 meeting:
 - (a) **Lessee Disclosure Requirements – FASB** (Agenda Paper 3A/FASB Memo 303), which discusses lessee disclosure under the FASB lessee accounting model. This paper is provided to the IASB members for information – they are not expected to read the paper in detail and will not be asked to make any decisions relating to this paper.
 - (b) **Lessee Disclosure Requirements – IASB** (Agenda Paper 3B/FASB Memo 304), which discusses lessee disclosure under the IASB lessee accounting model. This paper is provided to the FASB members for information – they

are not expected to read the paper in detail and will not be asked to make any decisions relating to this paper.

4. Both papers provide a high level overview of the staff recommendations under each of the FASB and IASB lessee accounting models, highlighting differences between the two. However, each paper contains detailed staff analysis *only* for the proposals relevant to the respective lessee model. This is in order to provide each board with a comprehensive summary of the full recommended disclosure package under each lessee model.
5. Appendix A to this paper provides a summary of the topics discussed in the two Agenda Papers with references to the relevant paragraphs, question numbers, and pages for each respective paper.

Next Steps

6. 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) Transition
 - (b) Effective date
 - (c) Sweep issues.
7. The redeliberations will continue on a joint basis, with the intention of minimizing any differences between U.S. GAAP and IFRS.

Appendix A – Summary of Topics Discussed in the Agenda Papers

	FASB Para #	FASB Question #	IASB Para #	IASB Question #
Disclosure Objective	27-37 (pg.10-13)	1-2 (pg.13-14)	23-32 (pg.9-12)	1-2 (pg.40)
Qualitative Disclosures	38-53 (pg.14-19)	3-4 (pg.20)	111-129 (pg.33-40)	7 (pg.41)
Quantitative Disclosures				
Reconciliation of Lease Liabilities	54-62 (pg.20-23)	5 (pg.23)	35-41 (pg.13-14)	3 (pg.40)
Reconciliation of ROU Assets			42-46 (pg.14-15)	3 (pg.40)
Quantitative Disclosure Table	63-124 (pg.23-45)	6-7 (pg.45)	47-98 (pg.16-28)	4-5 (pg.40-41)
Type A Lease Expense and Type B Lease Expense	76-81 (pg.28-29)			
Lease Expense Split By Amortisation and Interest			53-57 (pg.17-18)	
Lease Expense Split By Asset Type			58-63 (pg.19-20)	
Short-term Lease Expense	75 (pg.27)		64-66 (pg.20-21)	
Small Asset Lease Expense			67-68 (pg.21)	
Variable Lease Expense	82-86 (pg.29-32)		69-73 (pg.21-22)	
Sublease Income	87-90 (pg.32-33)		74-78 (pg.22-24)	
Cash Paid for Amounts Included in Lease Liabilities	91-99 (pg.33-36)			
Total Cash Flow for Leases			79-80 (pg.24)	
ROU Assets Obtained in Exchange for Lease Liabilities	100-104 (pg.36-38)			
Additions to ROU Assets			81-84 (pg.24-25)	
Weighted-Average Remaining Lease Term	105-113 (pg.38-41)		85-89 (pg.25-26)	
Weighted-Average Discount Rate for Type B Leases	114-119 (pg.41-43)			
Gains and Losses on Sale and Leaseback Transactions	120-124 (pg.43-45)		90-94 (pg.26-27)	
ROU Assets by Asset Type			95-98 (pg.27-28)	
Maturity Analysis of Lease Liabilities	125-136 (pg.45-49)	8 (pg.49)	99-110 (pg.28-32)	6 (pg.41)
Maturity Analysis of Commitments for Nonlease Components	137-145 (pg.49-52)	9-10 (pg.52)		
Nonpublic Business Entity Considerations	146-150 (pg.52-53)	11 (pg. 54)		