

STAFF PAPER

October 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 October 2015 board meeting and to update the IASB on the next steps in the leases project.
2. The objective of the October 2015 meeting is for the IASB to reach decisions on:
 - (a) four sweep issues identified as a result of comments received on the external review draft of the new *Leases* Standard; and
 - (b) the effective date of the new *Leases* Standard.

Overview of Agenda Papers

3. The staff have prepared two papers for the October 2015 meeting:
 - (a) **Sweep issues** (Agenda Paper 3A). The paper discusses the following four sweep issues identified as a result of comments received on the external review draft of the new *Leases* Standard:
 - (i) Issue 1: lease modifications treated as a separate new lease;
 - (ii) Issue 2: reassessment of the discount rate for floating interest rate leases;

- (iii) Issue 3: costs associated with returning an underlying asset at the end of a lease; and
 - (iv) Issue 4: short-term leases and leases of low-value assets in a business combination.
- (b) **Effective date** (Agenda Paper 3B). The paper discusses the effective date of the new *Leases* Standard and whether early application should be permitted.

Next Steps

4. The drafting of the new *Leases* Standard is progressing in accordance with the planned timetable. The staff expect that the new *Leases* Standard will be ready for publication before the end of 2015 and that there will be no further IASB discussions relating to the new *Leases* Standard before the Standard is issued.