Staff paper

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Project	**Post-implementation Review of IFRS 16 *Leases***
Topic	**Academic literature review—update**
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Purpose of this paper

1. At its March 2025 meeting the International Accounting Standards Board (IASB) discussed an overview of the academic literature relevant to the Post-implementation Review (PIR) of IFRS 16 *Leases*. This paper provides a summary of the additional academic literature relevant to the PIR of IFRS 16, identified since the initial review.

2. This paper includes:

   (a) background information (paragraphs 3–6);

   (b) key messages (paragraphs 7–12);

   (c) detailed research findings (paragraphs 13–38);

   (d) question for the IASB; and

   (e) Appendix A—List of academic references.

Background information

3. Of the 14 papers in this review:

   (a) six papers were referenced by academics who participated in the IASB workshop with the European Accounting Association (EAA), EFRAG and UK

Endorsement Board in October 2025, and who were asked to gather academic evidence relevant to the topics included in the Request for Information *Post-implementation Review of IFRS 16* Leases (RFI). The same team of academics submitted a comment letter providing a list of academic references that have also been considered in compiling this review.

(b) six papers became publicly available after the March 2025 IASB meeting—they were identified through a search for papers in Social Science Research Network, Google Scholar, and other databases of academic studies.

(c) two papers and a joint report by academics and a professional accounting organisation were referenced in comment letters on the RFI.

4. In addition, this review includes an overview of Chinese-based research and preliminary research findings that were referenced in an academic comment letter (see paragraph 38).

5. Another academic comment letter provided responses to the questions in the RFI. The staff included this feedback together with other feedback in Agenda Papers 7A–7D for the January 2026 IASB meeting and in Agenda Papers 7A–7B for this meeting.

6. Aligned with the literature review discussed by the IASB in March 2025, the key messages and detailed research findings are based on academic papers that examine the implementation and application of IFRS 16 and, in a few cases (where relevant to the PIR of IFRS 16), FASB ASC Topic 842, Leases (Topic 842) or both accounting standards.

Key messages

7. Recent academic papers continued to find that IFRS 16 had significant effects on entities' financial statements and ratios, with impacts varying by sector. They also showed that diversity persisted in how entities presented and explained these effects (for example, whether lease liabilities are included in debt and in performance metrics such as earnings before interest, taxes, depreciation and amortisation (EBITDA) and return on invested capital (ROIC)).

8. The evidence from one jurisdiction on compliance with IFRS 16 disclosure requirements indicated early compliance was moderate and was higher for entities audited by 'Big 4' audit firms.

9. Studies of IFRS 16 showed improved usefulness of lease-related information for users of financial statements (users), including improved investment and financing decisions in an experimental setting and a post-implementation decrease in entities' 'share price crash' risk, particularly for more lease-intensive entities.

10. Findings on the effects of the new lease requirements on comparability remained mixed. Some studies showed evidence suggesting improved transparency and comparability of lease-related information after the implementation of IFRS 16. However, two other studies showed that the different requirements in IFRS 16 and Topic 842 can affect users' judgements differently and increase users' information-processing costs.

11. Evidence on IFRS 16's real effects continued to highlight operating impacts, such as data collection, system changes and implementation cost, while also indicating that these operating impacts can enhance internal controls and support decision-making.

12. Evidence on investing and financing real effects indicated that after the implementation of IFRS 16 some IFRS reporters increased leasing while reducing capital expenditure and debt financing, alongside improvements in investment efficiency.

Detailed research findings

13. This section summarises academic research findings on the following areas:

(a) implementation of the new lease requirements (paragraphs 15–25);

(b) the usefulness of lease-related information for users' decisions (paragraphs 26–33);

(c) the real effects of the new lease requirements (paragraphs 34–37); and

(d) other evidence (paragraph 38).

14. For ease of comparison with the new academic evidence, in each section we included relevant key messages (or extracts) from the March 2025 Agenda Paper 7F.

Implementation of the new lease requirements

15. This section summarises academic research on:

    (a) the effects of transition to IFRS 16 on entities' financial statements (paragraphs 16–21); and

    (b) entities' compliance with the disclosure requirements in IFRS 16 (paragraphs 22–25).

Effects of transition to IFRS 16 on entities' financial statements

16. The March 2025 Agenda Paper 7F summarised academic evidence that showed:

    (a) IFRS 16 had significant effect on most entities' financial statements, with most significant effects documented in lease-intensive industries. Evidence from a large sample of European entities and a New Zealand case study showed increases in assets and liabilities and particular financial metrics (such as EBITDA and leverage ratios) and mixed effects on profitability ratios (such as return on assets, return on equity or earnings per share).

    (b) the information disclosed applying IFRS 16 did not affect financial statements' readability.

17. The new evidence on IFRS 16 transition effects includes:

    (a) a pre-IFRS 16 implementation study for European listed entities quantifying expected balance sheet and ratio impacts and sectoral variation (paragraph 18);

    (b) a review of Spanish annual reports for 2023 (prepared in accordance with IFRS Accounting Standards) documenting diversity in classifying lease liabilities within debt and alternative performance measures and in impairment approaches (paragraphs 19–20); and

(c) an Australian study assessing the prevalence and magnitude of recognised lease liabilities, audit focus, and how lease liabilities are treated in alternative performance measures (paragraph 21).

18. Morales-Díaz and Zamora-Ramírez (2018) examined the effect of IFRS 16 on key financial ratios using actual 2015 data and 2015 data on an IFRS 16 basis (as if IFRS 16 had been applied) for 646 European entities listed on STOXX Total Market. The findings were:

(a) the implementation of IFRS 16 was expected to have, on average, a significant effect on entities' balance sheet, leverage and solvency ratios;

(b) the effects of IFRS 16 implementation on entities' financial statements would vary by sector; and

(c) the effects on profitability would not be consistent across sectors.

19. Molina-Sánchez, Morales-Díaz, and Zamora-Ramírez (2024) used the 2023 annual reports of a sample of 93 Spanish, listed non-financial entities (27 listed on IBEX 35; 66 listed on Continuous Market) and a short survey of five credit analysts and four investment analysts to assess, among other matters:

(a) how IFRS 16 lease liabilities were classified within debt and alternative performance measures;

(b) how right-of-use (RoU) assets were considered in impairment testing; and

(c) which IFRS 16-related matters entities considered to involve significant uncertainty (whether due to the exercise of judgement or the use of estimates).

20. Their findings were:

(a) on classification of lease liabilities within debt:

(i) 30 entities (33% of the combined sample) excluded lease liabilities from debt.

(ii) 35 entities (38% of the combined sample) included lease liabilities in debt.

(iii) 10 entities (11% of the combined sample) presented two versions of debt—one excluding lease liabilities and another including them.

(iv) the remaining entities in the sample (18%) did not provide detailed information on classification of lease liabilities.

(b) on classification of lease liabilities in alternative performance measures:

(i) most entities presented EBITDA on an IFRS 16 basis (which excludes interest on lease liabilities and depreciation of RoU assets).

(ii) a few entities presented both EBITDA on an IFRS 16 basis and EBITDA on an IAS 17 basis (which includes the entire expense related to off-balance-sheet leases in operating expenses), which the authors interpret as an effort to preserve time-series and peer comparability, support covenant and multiples analysis, and isolate the effect of IFRS 16.

(c) on the impairment test—approaches among entities varied by whether they included the RoU asset in the carrying amount of a cash-generating unit (CGU) and how they treated the lease liability and lease-related cash flows in determining whether the CGU is impaired.

(d) on significant uncertainty—estimating lease terms (where extension or termination options exist) was the most frequently cited matter involving significant uncertainty and the determination of discount rates was the next most frequently cited matter.

(e) on overall assessment—in the authors' view, IFRS 16 improved transparency but differences remain in how entities exercise judgement, treat lease liabilities (debt or non-debt) or communicate results (for example, as alternative performance measures or in investor presentations).

21. A joint report by academics and a professional accounting organisation provided empirical evidence on IFRS 16 implementation by Australian listed entities. The report's findings were:

(a) using a sample of 622 entities, 84% of entities reported a lease liability in their financial statements in 2024, representing 50% (44%) of their average (median) total debt. This percentage was reported to be higher for smaller entities and in particular industries such as healthcare and consumer discretionary.

(b) using a sample of 529 audit reports for 2024, only 4% of audit reports identified leases as a key audit matter, indicating that leases are not a source of audit complexity or cost.

(c) of the ten largest lease-intensive Australian entities, 70% included lease liabilities in the ROIC denominator and 30% of entities excluded lease liabilities from the ROIC calculation.

(d) in the authors' view:

   (i) many entities consider lease liabilities to be relevant for assessing financial performance, aligning with the objectives of IFRS 16.

   (ii) the only area where further guidance or education material could be warranted is the treatment of lease liabilities in alternative performance measures such as ROIC.

Entities' compliance with the disclosure requirements in IFRS 16

22. The March 2025 Agenda Paper 7F summarised academic evidence that showed entities' compliance with IFRS 16 disclosure requirements varied but improved over time.

23. New evidence from Lemos, Monteiro, and Oliveira (2023) documented moderate compliance in the first year of IFRS 16 implementation by 32 non-financial Portuguese entities listed on Euronext Lisbon. Using a 12-item compliance index, counting how many of the items of information required in paragraphs 53, 55, 58–60 of IFRS 16 (excluding paragraphs 53(f) and 53(i)) an entity disclosed, the authors showed that:

(a) average compliance was moderate (66%);

(b) entities audited by 'Big 4' audit firms were more likely to comply with the IFRS 16 disclosure requirements; and

(c) compliance did not vary with entity size, sector or profitability.

24. Delgado-Vaquero, Morales-Díaz, and Zamora-Ramírez (2022) showed evidence of limited and inconsistent disclosure practices about discount rate assumptions in the notes to financial statements of 68 European listed entities in the hotel and retail sectors. Based on 2019 financial statements, their findings were that:

(a) most entities (95.6%) said they used the incremental borrowing rate for discounting lease payments.

(b) only 40% of entities explicitly said they used the incremental borrowing rate when the implicit rate was not available.

(c) 49.2% of entities provided the mean or range of the incremental borrowing rate percentage used.

(d) 33.8% of entities disclosed that they considered the leased asset as a collateral or made a loss-given-default adjustment to the incremental borrowing rate, but none explained the loss-given-default technique used. Entities disclosing that they adjusted for collateral reported higher incremental borrowing rates, which in the authors' view was indicative of opportunistic discretion rather than transparency.

(e) only three entities disclosed all key incremental borrowing rate-related information mentioned in subparagraphs (a)–(d).

25. The authors proposed a more structured way to estimate incremental borrowing rates which in their view would help improve transparency and comparability across entities.

The usefulness of lease-related information for users' decisions

26. The March 2025 Agenda Paper 7F summarised academic evidence that showed:

(a) IFRS 16 has improved the transparency of lease-related information provided by entities. One study showed that IFRS 16 has improved analysts' forecast accuracy and reduced analysts' disagreement, particularly for lease-intensive entities, thereby achieving its goal of improving comparability of lease-related information. Other research showed that the implementation of IFRS 16 provided new relevant information to users.

(b) the effects of IFRS 16 and Topic 842 on the comparability of financial information among entities were mixed. Some studies documented enhanced comparability of balance sheet information not only between entities applying the same standard for leases but also between lease-intensive entities applying either of the two standards. However, another study provided evidence that differences in lease terms and discount rates (the latter affected by economic factors such as interest rates or exchange rates) reduced comparability between entities—for example, entities with longer lease terms reported larger amounts of RoU assets and lease liabilities, and those renegotiating contracts experienced significant volatility in reported values.

(c) Topic 842 had the following effects on the usefulness of lease-related information:

  (i) the new lease requirements improved entities' financial reporting quality;

  (ii) changes to the balance sheet and information provided by entities in accordance with Topic 842 were useful to both creditors and non-professional investors;

  (iii) the association of operating lease information with risk measures increased after Topic 842 implementation, indicating that the market's ability to assess risk improved;[1] and

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[1] A positive (negative) association between two variables means that higher levels of one variable are associated with higher (lower) levels of the other variable. An increase in the positive association between operating lease information and risk measures indicates that, in the authors' view, investors started to factor the impact of operating lease liabilities into their risk assessments because information about operating leases has become more transparent after Topic 842 implementation.

(iv) the information about leases that entities present and disclose applying Topic 842 helped users assess RoU assets which are part of entities' revenue-generating assets and, therefore, improved analysts' ability to forecast revenue.

IFRS 16-related papers

27. The new evidence gathered since March 2025 confirms the key messages from the earlier literature review on improvement in transparency and relevance of lease-related information after IFRS 16 implementation. Paragraphs 28–29 summarise evidence of improvement in users' investment and financing decisions and reduction in entities' 'share price crash' risk.

28. Van Kints and Spoor (2019) used a controlled laboratory experiment to examine whether recognising operating leases on the balance sheet after IFRS 16 implementation improved the quality of users' investment and financing decisions and the ease of making these decisions. The experiment used 46 executive Master of Finance and Control students with relevant finance or accounting training as a proxy for reasonably informed users. Participants were asked to act as internal financial advisers to a chief financial officer and to recommend (yes/no/don't know) whether to support a lease-financed investment proposal given financing constraints. Participants were randomly assigned to two otherwise identical case studies that differed only in lease reporting—(a) reporting operating leases off balance sheet and providing disclosures about them in accordance with IAS 17; and (b) reporting the same operating leases on balance sheet and providing disclosures about them in accordance with IFRS 16. The authors measured decision outcomes, consensus, time to complete, and perceived decision difficulty. The research showed that:

(a) presenting leases on the balance sheet improved decision quality and increased consensus: participants were significantly more likely to reach the expected decision (that is, to recommend against a lease-financed investment) and showed greater agreement;

(b) the IFRS 16 presentation did not make the task easier or more difficult, as evidenced by: (i) no significant difference in time taken; and (ii) no significant differences in perceived difficulty; and

(c) in the authors' view, consistent with IFRS 16 objectives, capitalisation of operating leases improved the quality of investment and financing decisions and enhanced transparency and comparability by reducing reliance on users' estimates of net present value of future lease payments.

29. Hsu and Liu (2025) examined whether the new lease requirements reduced entities' 'share price crash' risk by constraining managers' ability to hoard negative news—withhold adverse information—based on an expectation that IFRS 16 would improve transparency about a lessee's financial leverage and capital employed, and comparability of lease-related information. To isolate the effect of IFRS 16 on 'share price crash' risk, the researchers compared entities that were more affected by IFRS 16—entities whose share of recognised lease liabilities in total liabilities at 1 January 2019 was higher than the average for the sample—with entities that were less affected by IFRS 16 before and after the implementation. Using a sample of Taiwanese IFRS reporters from non-financial sectors over the 2015–2022 period and measuring 'share price crash' risk by (a) the frequency and severity of unusually negative entity-specific weekly share returns; and (b) how much more volatile returns are in below-average weeks than in above average weeks after removing market effects, the researchers showed that:

(a) after IFRS 16 implementation, entities' 'share price crash' risk decreased, especially for entities more affected by the Standard. The decrease in 'share price crash' risk was higher for:

(i) entities with lower institutional ownership—a proxy for less sophisticated investors, who had more difficulty processing disclosures about off-balance-sheet leases before IFRS 16; and

(ii) entities with poorer corporate governance, measured by a lower governance score; and

(b) in the authors' view, balance sheet recognition of leases improved transparency and comparability of lease-related information.

IFRS 16 and Topic 842-related papers

30. Consistent with the earlier mixed evidence on comparability summarised in the March 2025 Agenda Paper 7F, He, Tan, Zhang, and Cao (2025) showed that IFRS 16 and Topic 842 can lead to different user judgements depending on user role (lender vs investor) and lease stage (early vs late). The researchers conducted an experiment with 170 master students randomly assigned into lenders' and investors' roles to compare how IFRS 16 and Topic 842 affect user judgments by role and lease stage. Participants were shown one-year financial summaries for either year one (early stage) or year six (late stage) of a ten-year lease or mortgage for two otherwise similar entities—a lessee and an entity owning an asset. Their findings were:

(a) lenders' choices depended on lease stage:

(i) earlier stage: no meaningful difference in participants' willingness to lend to the lessee, regardless of the lease standard applied, which can be explained by lenders balancing weaker IFRS 16 early profitability against stronger solvency metrics.

(ii) later stage: more lending to the IFRS 16 reporter than the entity applying Topic 842.

(b) investors' focus on profitability depended on lease stage:

(i) earlier stage: marginally lower willingness to invest in the lessee applying IFRS 16 than the entity applying Topic 842.

(ii) later stage: no difference in participants' willingness to invest regardless of the lease standard applied.

(c) in the authors' view:

(i) lenders considered solvency and profitability, whereas investors emphasised profitability.

(ii) presentation differences between IFRS 16 and Topic 842 could:

(1) alter lenders' and investors' judgments differently and these effects could vary by user type and lease stage; and

(2) reduce comparability and potentially affect debt covenants and cross-border financing decisions.

31. Michels, Paul, and Zhang (2026) examined whether the differences between IASB's single classification model and FASB's dual classification model[2] affected users' processing costs and their forecasting outputs. Comparing analysts covering both IFRS and US GAAP reporters with analysts covering only IFRS or US GAAP reporters and using a large sample (5,266 unique analysts over a period from two years before to two years (up to six years in an extended test) after implementation of the new lease requirements), the research showed that after the implementation of the new lease requirements:

(a) analysts covering both IFRS and US GAAP reporters were less likely to issue EBITDA forecasts— the measure most affected by the presentation differences between IFRS 16 and Topic 842—but their likelihood of issuing earnings per share forecasts was not affected.

(b) the decrease in EBITDA forecasting was due to analysts having to compare IFRS and US GAAP reporters that present lease effects in EBITDA differently, rather than having to compare IFRS reporters' EBITDA from before and after IFRS 16 implementation.

(c) the reduction in EBITDA forecasting persisted for several years; EBITDA forecasting showed a smaller decline among analysts that followed reporters with relatively greater pre-implementation exposure to leases.

(d) in the authors' view, the differences between IASB's and FASB's leases models increased users' information-processing costs.

[2] IFRS 16 applies a single lessee accounting model, which views all leases recognised on the balance sheet as providing finance. The FASB decided on a dual lessee accounting model that requires a lessee to classify leases in a similar manner to the previous US GAAP requirements for distinguishing between operating leases and capital leases.

Topic 842-related papers

32. Consistent with evidence summarised in the March 2025 Agenda Paper 7F, Ai, Gu, and Yu (2025) and Erickson, Lindsey, and Talakai (2025) show that the implementation of Topic 842 was associated with improved relevance of lease-related information for users' decisions. Specifically:

(a) using a sample of S&P 1500 entities from 2010 to 2021, Ai, Gu, and Yu (2025) showed an increase in the value and risk relevance of operating lease liabilities, where value relevance (risk relevance) was measured by the association of operating lease liabilities and share price (an estimate of the cost of equity). The authors also showed these effects operated through two mechanisms:

(i) by changing the location of information—moving operating lease liabilities from note disclosure to balance sheet recognition was associated with stronger value and risk relevance, consistent with the perception that information provided by recognition is more reliable than disclosed information.

(ii) by increasing the information available to users—the information provided after the implementation of Topic 842, particularly related to discount rates, helped explain variation in both share price and cost of equity.

(b) using a sample of 8,538 entity-year observations in the 2019–2022 period (after the implementation of Topic 842), Erickson, Lindsey, and Talakai (2025) showed that investors valued recognised operating and finance lease liabilities differently,[3] with a significantly higher valuation multiple for finance lease liabilities. Using an additional sample of 39,778 entity-year observations in the 2000–2015 period, the authors also showed that operating liabilities were value relevant even before the implementation of Topic 842 but

[3] The researchers used a regression of market value of equity on operating and finance lease liabilities and other control variables, scaling all variables by number of shares outstanding.

their value relevance increased after the implementation, suggesting in the authors' view that the FASB's decision to move operating lease liabilities onto the balance sheet reduced the cost of extracting this information. The distinction between operating and finance leases is specific to US GAAP and therefore not directly comparable to IFRS 16's single lessee model (which does not classify lease liabilities into operating and finance). However, the broader implication of this study for the PIR of IFRS 16 is that bringing previously off-balance-sheet operating lease obligations onto the balance sheet appears to provide value relevant information.

33. Qiu and Ronen (2025) found a significant increase in loan spreads for entities after the issuance of the 2010 FASB lease exposure draft although the findings applied to entities with higher operating lease intensity. Exploring the reasons for these changes, the researchers showed that lenders raised rates because they anticipated that recognising lease liabilities would increase entities' reported leverage and increase the risk of entities' breaching loan covenants. In addition, the pre-implementation uncertainty about the standard's effects warranted a higher risk premium.

The real effects of the new lease requirements

IFRS 16-related papers

34. The March 2025 Agenda Paper 7F summarised limited evidence on IFRS 16's real effects.[4] One study discussing stakeholders' concerns about IFRS 16's real effects said that real effects could arise through *financing decisions*—for example, by altering lease contracts, renegotiating debt covenants affected by financial ratio changes, or switching from leasing to purchasing assets to manage the effects of IFRS 16 on financial statements. The same study also reported *investing real effects*—for example, high-lease-intensity entities increased capital expenditure in the post-issuance period,

[4] In academic literature, the effects of any new requirements on entities' business decisions are commonly known as 'real effects'.

which the authors interpreted as substituting leasing with ownership. The study also provided evidence on *operating real effects,* including implementation challenges related to additional data gathering and system changes; and improvements in data and systems during implementation which the authors viewed as an often-overlooked benefit of standard-setting.

35. The evidence on *operating real effects* identified since the initial literature review is broadly consistent with the previous evidence. Garcia-Osma, Gómez-Conde, and Mora (2025) examined changes in entities' information technology and management control systems resulting from the implementation of IFRS 16. The research involved seven interviews with auditors, preparers or information technology consultants and a survey of 196 preparers who had implemented IFRS 15 as well as IFRS 16 and 45 preparers who had implemented IFRS 16 but had been unaffected by IFRS 15. The findings were:

    (a) based on the interviews with preparers, that managers:

        (i) identified changes in management control systems and highlighted costs of IFRS 16 implementation;

        (ii) were reluctant to acknowledge the potential benefits of IFRS 16 implementation on internal control and decision-making; and

        (iii) discussed implementation costs, in terms of changes in management control systems, such as more up-to-date information, more disaggregated data, fewer human errors, which could be considered as potential benefits; and

    (b) based on the survey of preparers, that:

        (i) the changes in information technology and management control systems:

            (1) were more significant for entities that classified most of their leases as operating leases before IFRS 16;

(2) affected internal decision-making, such as buy-or-lease decisions, standardising procedures, centralising information, and increasing accounting department's involvement in lease contract design; and

(3) were associated with improvements in efficiency and cost reductions although the effect varied across entities; and

(ii) the relevance and comparability of information resulting from IFRS 16 increased.

36. Hartmann-Wendels, Hendriock, and Kussmaul (2025) provided new evidence on *investing real effects*. They compared German IFRS reporters and German GAAP reporters in the period 2013–2022. The research showed that in the period after the implementation of IFRS 16:

(a) IFRS reporting entities increased the use of leases. Specifically:

(i) entities whose managerial compensation was linked to earnings before interest and tax (EBIT) or EBITDA increased their use of leases more. In the authors' view, IFRS 16's favourable effect on EBITDA—because lease expenses are replaced by interest and depreciation—may have incentivised managers whose performance metrics benefit from higher EBIT or EBITDA to favour leasing over purchasing assets.

(ii) entities with higher pre-implementation operating lease intensity—ratio of reported lease liabilities to total assets—increased their use of leases more than entities whose use of leases was minimal before the implementation of IFRS 16.

(b) IFRS reporting entities reduced their capital expenditure and reliance on debt financing. In the authors' view, entities' shift towards the use of leases and away from traditional financing may reflect better alignment of financial reporting choices with underlying economics and incentives.

(c) although leasing increased more for IFRS reporters whose managerial compensation was linked to EBIT or EBITDA, IFRS reporters, on average, improved their investment efficiency compared to entities applying German GAAP. In the authors' view, the net effect of entities' incentive-driven increase in leasing was value enhancing.

Topic 842-related papers

37. Qiu and Ronen (2025) examined whether the FASB exposure draft on new lease requirements in 2010 had anticipatory effects on the cost of debt for entities that relied heavily on operating leases. Using a sample of 12,253 entity-year observations, the researchers showed the publication of the FASB's exposure draft in 2010 affected entities' leasing and investing decisions. Entities reduced the use of operating leases and capital expenditure. The decline in leasing contrasts with the increased use of leases by German IFRS reporters in Hartmann-Wendels et al (2025), while the reduction in capital expenditure for the US GAAP reporters is consistent with the findings for the German IFRS reporters (see paragraph 36). We observe that Qiu and Ronen's evidence reflects *anticipatory* effects under US GAAP rather than outcomes *after the implementation* of IFRS 16.

Other evidence

38. An academic comment letter provided a review of Chinese-based studies and preliminary results of research examining the effects of Chinese Accounting Standard 21.[5] Their findings were broadly consistent with the results presented so far—that the implementation of the new lease requirements:

   (a) had an effect on entities' financial statements and improved entities' information environment; these effects varied by sector.

   (b) influenced some entities' business decisions and had mixed capital market effects (for example, effects on cost of capital, share returns and comparability across entities).

[5] China's national standards are substantially converged with IFRS Standards. See IFRS - View Jurisdiction for more details.

Question for the IASB

Question for the IASB
Do IASB members have any questions or comments on the updated review of academic literature summarised in this agenda paper?

Appendix A—List of academic references

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