

INVITATION TO COMMENT ON EFRAG'S ASSESSMENTS ON COVID-19-RELATED RENT CONCESSIONS (AMENDMENTS TO IFRS 16)

Once filled in, this form should be submitted by 20 May 2020 using the 'Comment publication link' available at the bottom of the respective news item. All open consultations can be found on EFRAG's web site: [Open consultations: express your views](#).

EFRAG expects to be asked by the European Commission to provide it with advice and supporting material on Covid-19-Related Rent Concessions - Amendment to IFRS 16. In order to do so, EFRAG has been carrying out an assessment of the Amendment against the technical criteria for endorsement set out in Regulation (EC) No 1606/2002 and has also been assessing the costs and benefits that would arise from its implementation in the European Union (the EU) and European Economic Area.

Before finalising its assessment, EFRAG would welcome your views on the issues set out below. Please note that all responses received will be placed on the public record unless the respondent requests confidentiality. In the interests of transparency, EFRAG will wish to discuss the responses it receives in a public meeting, so it is preferable that all responses can be published.

EFRAG's initial assessments, summarised in this questionnaire, will be updated for comments received from constituents when EFRAG is in the process of finalising its *Letter to the European Commission* regarding endorsement of the Document.

Your details

1 Please provide the following details:

- (a) Your name or, if you are responding on behalf of an organisation or company, its name:

Accountancy Europe

- (b) Are you a:

Preparer User **Other** (please specify)

Professional organization, audit and accountancy

- (c) Please provide a short description of your activity:

Accountancy Europe unites 51 professional organisations from 35 countries that represent 1 million qualified accountants, auditors and advisors. Qualified accountants make numbers work for people. As Accountancy Europe, we translate their daily experience from across Europe to inform the European policy debate. We do this in the areas in which our profession can contribute most, namely: Sustainable Finance, SMEs, Tax, Reporting and Audit.

- (d) Country where you are located:

Belgium

- (e) Contact details, including e-mail address:

ben@accountancyeurope.eu

EFRAG’s initial assessment with respect to the technical criteria for endorsement

2 EFRAG’s initial assessment of the Amendment is that it meets the technical criteria for endorsement. In other words, the Amendment is not contrary to the principle of true and fair view and meets the criteria of understandability, relevance, reliability, comparability and lead to prudent accounting. EFRAG’s reasoning is set out in Appendix 3 below.

(a) Do you agree with this assessment?

Yes No

If you do not agree, please provide your arguments and what you believe the implications of this could be for EFRAG’s endorsement advice.

N/A

(b) Are there any issues that are not mentioned in Appendix 3 below regarding endorsement of the Document that you believe EFRAG should take into account in its technical evaluation of the Amendment? If there are, what are those issues and why do you believe they are relevant to the evaluation?

No

The European public good

3 In its assessment of the impact of the Amendment on the European public good, EFRAG has considered a number of issues that are addressed in Appendix 3 below.

Improvement in financial reporting

4 EFRAG has identified that in assessing whether the endorsement of the Amendment is conducive to the European public good it should consider whether the Amendment is an improvement over current requirements across the areas which have been subject to changes (see Appendix 3 below). To summarise, EFRAG’s initial assessment is that the Amendment does not compromise the overall quality of financial reporting.

Do you agree with the assessment?

Yes No

If you do not agree, please provide your arguments and indicate how this could affect EFRAG’s endorsement advice.

N/A

Costs and benefits

5 EFRAG is also assessing the costs that are likely to arise for preparers and for users on implementation of the Amendment in the EU, both in year one and in subsequent years. Some initial work has been carried out, and the responses to this invitation to comment will be used to complete the assessment.

The results of the initial assessment of costs are set out in Appendix 3 below. To summarise, EFRAG’s initial assessment is that the Amendment is reducing the costs and complexity for preparers and EFRAG’s assessment is that this is not likely to affect costs for users.

*IASB ED Covid-19-Related Rent Concessions
Amendment to IFRS 16 – Preparatory draft endorsement advice*

Do you agree with this assessment?

Yes No

If you do not, please explain why you do not and (if possible) explain broadly what you believe the costs involved will be?

N/A

- 6 In addition, EFRAG is assessing the benefits that are likely to be derived from the Amendment. The results of the initial assessment of benefits are set out in Appendix 3. To summarise, EFRAG's initial assessment is that preparers are likely to benefit from the Amendment as it is a practical expedient that on balance will reduce complexity and costs without compromising the quality of information and imposing additional costs for users.

Do you agree with this assessment?

Yes No

If you do not agree with this assessment, please provide your arguments and indicate how this could affect EFRAG's endorsement advice.

N/A

Overall assessment with respect to the European public good

- 7 EFRAG has initially concluded that endorsement of the Document would be conducive to the European public good as set out in Appendix 3 below.

Do you agree with this conclusion?

Yes No

If you do not agree, please explain your reasons.

N/A