

Paris, le 10 mars 2017

Le Délégué Général

Monsieur Jean-Paul GAUZES
Président
EFRAG
35 Square de Meeûs
1000 BRUXELLES

IFRS 16 – Contrats de location
Processus d'homologation européen de la norme IFRS 16 sur les contrats de location
Projet d'avis définitif de l'EFRAG à la Commission européenne

Monsieur le Président,

Nous vous prions de bien vouloir trouver ci-joint la réponse de l'ASF à la consultation de l'EFRAG sur son projet d'avis définitif concernant l'homologation de la norme IFRS 16 sur les contrats de location.

Je vous remercie de l'attention et des suites que vous donnerez à ce courrier et vous prie d'agréer, Monsieur le Président, l'expression de ma considération distinguée.



Françoise PALLE-GUILLABERT

P.J.

ASF response to the EFRAG consultation

IFRS 16 LEASES Draft endorsement advice

EFRAG is now seeking comments on its draft endorsement advice. EFRAG welcomes comments on any part of the draft endorsement advice, but notes that the Preliminary Consultation Document included a complete draft of Appendices 1 and 2 which is largely unchanged in this document. Accordingly, EFRAG is primarily interested in comments on specific components of Appendix 3 of the draft endorsement advice, along with supporting evidence, if applicable.

Comments should be submitted by [date] by using the 'Express your views' page on EFRAG website or by clicking [here]

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:

ASF – Association française des sociétés financières

(b) Are you a: Preparer User Other (please specify)

ASF is the French Association of Specialised Finance Companies

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

As a unique representative body of all the French specialised credit institutions and financial institutions which represents 280 entities, ASF contributes to an appropriate recognition of the specialised financial activities like equipment and real estate leasing, factoring, consumer credit and auto loans and leases, mutual guarantee societies, investment firms and securitization arrangers, which – with an outstanding of more than €220 billion in 2015 – accounts for about 20% of total amount of credits to the real economy in France.

(d) Country where you are located:

France

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

ASF - 24 avenue de la Grande Armée - 75854 Paris Cedex 17 - France
• Tél. : 33(0)1 53 81 51 51 • Fax : 33 (0)1 53 81 51 50 • asfcontact@asf-france.com
Bruxelles : Rue du Luxembourg 19-21 B-1000 Tél. : 32 2 506 88 20 - Fax 32 2 506 88 25 • europa@asf-france.com
www.asf-france.com

Appendix 3 of the draft endorsement advice

Potential effects on stakeholders' behaviours

2 EFRAG has assessed the potential effects on stakeholders' behaviours, including lessees, users of financial statements, lessors and other lenders (see Appendix 3, paragraphs 48-78). To support the assessment, EFRAG commissioned a study from an economic consultancy to provide input into EFRAG's analysis of potential changes in the behaviour of preparers, investors and lenders.

3 Overall EFRAG does not anticipate that IFRS 16 will have any material effect on entities' access to and the pricing of leasing as a source of finance. EFRAG however notes that some lessees may seek changes to their contract terms and conditions and that lessors may be requested to provide lessees with more information than in the past.

4 Do you agree with this assessment?

Yes No

No

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

The ASF notes that the research study ordered by EFRAG underestimates the economic realities on the ground, notably as regard **pricing**. The standard has yet to take effect and leasing companies are already engaged in intense commercial negotiations with certain large publicly traded multinational corporations that have consolidated financial statements.

The finance departments of these large corporations have latched onto IFRS 16 without waiting for the standard to take effect, and some are already streamlining the management of their lease agreements, with arbitrages in favour of credit (since interest rates are currently very attractive) or of a direct acquisition of assets (using their own cash).

Effective immediately, financial institutions are measuring the impact of IFRS, including IFRS 16, and they are already worried about the results in terms of lost business.¹

In §77, the research study submitted to EFRAG mentions that situation where "**a small but non-negligible portion** of lessees could be inclined to switch to **short-term leases (12 months) or leases with (completely) variable lease payments** despite the higher cost inherent in these types of contracts".

In practice, it has become apparent from discussions within industry working groups or those sponsored by national regulatory authorities that **listed companies were all actively trying to find de-consolidating solutions based on the interpretation of the standard and that the solutions are not limited to the two exceptions mentioned in the study**. This search is motivated not just by the de-consolidating effect but also by the matter of retaining the financial cost advantages of leasing thanks to its versatility and flexibility, which makes it easier to adapt investments to business trends.

To resolve this conundrum, instead of working on ill-conceived exceptions or alternative solutions that might result in situations contrary to the goal of financial statement comparability or impede the dynamic nature of European investment, it would clearly be advisable to relax the rules surrounding the right of substitution, assuming that a distinction between "lease agreement" and a "services contract" is unattainable.

¹ Based on sales meetings with the listed companies: arbitrage toward borrowing (interest) or acquisitions (available cash) or services (cost), more challenging commercial negotiations, sensitive renegotiations of contracts.

The United States have retained the distinction between "finance" and "operating" leases, which creates a distortion of competition situation that appears irreversible. In this environment, the leasing industry believes that when it comes to the European economic interest, **EFRAG should recommend a significant relaxation of the rules governing the substantive right of substitution. Such a recommendation would be consistent with current trends in the real European economy moving "from ownership to usage" as well as the goal of financial statement comparability.**

Potential impact of IFRS 16 on the leasing industry

5 EFRAG has assessed the potential impact of IFRS 16 on the leasing industry in Europe. The assessment was informed by the economic study commissioned by EFRAG which considered the extent to which IFRS 16 is expected to lead to changes in behaviours of lessees and, specifically, changes in the demand for leases (Appendix 3, paragraphs 79-88).

6 To summarise, EFRAG has assessed that IFRS 16 is likely to have some negative effect on the leasing industry but that this effect should be modest in scale and would not represent a threat to the overall viability of the industry.

Do you agree with this assessment? Yes No

No

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

Leasing currently represents an essential means of financing and investment for all companies and the European economy. In 2015, the European leasing market was the second-largest worldwide (€315 billion in new leasing volume, +9%) ahead of the United States (€244 billion, +4%)². Demand is growing, and the supply is recognised for its flexibility.

Currently, however, the upcoming introduction of IFRS 16 has led listed companies to arbitrage between leasing and purchasing for two major reasons: (i) the loss of the de-consolidating effect; (ii) the disruption by IFRS 16 of the favourable cost-benefit ratio between the financial cost of leasing on the one hand and the flexibility of use that leasing provides in terms of financing, development and investment on the other.

By introducing in particular (i) an inappropriate distinction between the leasing agreement and services contract³ and (ii) an overly restrictive substantive right of substitution,⁴ IFRS 16 runs contrary to the European lease financing trend increasingly oriented toward operating leases, thereby affecting the business model and behaviour of leasing company clients.

For many years, these institutions⁵ have structured their products and services and developed partnerships⁶ to satisfy the needs of their clients (which are not simply listed companies with

² Source: Leaseurope.

³ Incentive for large corporations to shy away from leasing in favour of purchases and services (desire to recognise a similar economic reality in a purchase and/or service contract instead of a lease agreement).

⁴ The terms for applying the substantive right of substitution are so rigid that they will prevent efficient asset management, to the detriment of the lessee and lessor and, more generally, to economic activity.

⁵ It should be noted that these institutions are currently the only ones that can combine financial aspects, physical assets and services in one package and thereby offer access to financing and investment in such a versatile and flexible manner.

⁶ With producers / manufacturers of all types of equipment, and with suppliers of all types of services.

consolidated financial statements), which are increasingly seeking full-service solutions and less and less interested in ownership; this trend is evident today and can best be summarised in the notion "from ownership to usage".

EFRAG's advice to the European Commission should call attention to the risk of endorsing the standard insofar as it would significantly weaken the market for lease financing of investment by European companies, which in turn would weigh on the products and services of leasing companies. It would also have significant impacts on the nature of information provided to lessees, thereby creating major IT and commercial challenges. These impacts would eventually spill over and affect all companies that have relationships with European leasing companies. Ultimately, the financing, investment, flexibility and responsiveness of the real European economy would be affected.

The question that can be asked is to what extent does it make sense for Europe to accept that international financial reporting standards determine such a change to the business models of European market participants at the potential expense of the European public good.

Potential impact of IFRS 16 on SMEs

7 EFRAG has assessed how IFRS 16 could affect small and medium-sized entities (SMEs) (Appendix 3, paragraphs 89-127). EFRAG has determined that only a very small proportion of SMEs in Europe are required or choose to apply IFRS.

8 Based on the evidence available to EFRAG and the analysis undertaken, EFRAG's initial assessment is that IFRS 16 is not expected to have any material adverse or disproportionate impact on the SME sector in Europe. EFRAG however acknowledge that these SMEs generally experience greater challenges than larger entities in implementing any significant accounting change.

Do you agree with this assessment? Yes No

No

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

The initial goal of the reform was to improve financial statement comparability for large listed corporations. This goal of achieving a closer alignment with US GAAP had to be abandoned. But the adoption of the standard in the European Union entails a major risk of "contagion" of the new standard outside of this scope of application.

In France, SMEs represent nearly 75% of the leasing company customer base. The ASF has emphasized since the beginning the importance of sheltering SMEs from the new standard, given its conceptual complexity and the practical implementation difficulties. IFRS 16 is ill-suited to SMEs. The eventual application to SMEs by certain national standards organisations for harmonisation purposes would therefore be inappropriate.

In contrast to the IASB, which does not make a decision and instead leaves it up to the national authorities as to whether to introduce the standard into national regulations, we believe it is essential that EFRAG take a stance at the European level to explicitly exclude SMEs from the scope of the standard.

In our view, it is essential that EFRAG expressly advise the European Commission to recommend that member States not apply IFRS 16 directly to SMEs and that this standard not be extended indirectly to the financial statements of SMEs (through knock-on effects).

Costs and benefits

9 EFRAG is assessing the costs that are likely to arise for preparers and for users in the EU, both on initial implementation of IFRS 16 and in subsequent years (Appendix 3, paragraphs 161-233)?

10 To summarise, EFRAG's initial assessment is that lessees will incur implementation costs (both one-off and ongoing). The amounts will vary considerably, depending on a range of factors including the size of an entity's lease portfolio, the terms and conditions of those leases and the systems already in place to account for leases applying IAS 17. Costs may be mitigated by the use of the various options and exemptions available in IFRS 16. Part of the cost may also be 'shifted' to lessors if lessees rely on lessors to provide some of the information needed to implement the requirements.

11 EFRAG has received some broad and indicative estimates of the expected costs of implementation of IFRS 16 and expected ongoing costs (Appendix 3, paragraphs 217-222). EFRAG acknowledges that any such estimates are necessarily subject to a high degree of uncertainty.

Are you able to provide any additional cost estimates? If so, please provide these estimates along with any relevant explanation (e.g. the source of and basis for the amounts):

12 In addition, EFRAG has assessed the benefits that are likely to be derived from IFRS 16 (Appendix 3, paragraphs 234-241).

13 To summarise, EFRAG's initial assessment is that users are likely to benefit from IFRS 16 including greater transparency about an entity's financial leverage and capital employed, enhanced information about leasing activity, improved comparability between entities that lease assets and entities that borrow to buy assets. Benefits to users may be reduced by some of the options available in IFRS 16, and on the basis that a significant proportion of users do not anticipate that IFRS 16 will lead to a reduction in the effort they currently expend in understanding and/or adjusting for the effects of operating leases in their analysis of lessees' financial statements. EFRAG assesses that preparers may also derive some benefits, although to a lesser extent than users, as a result of improvements in the quality and/or availability of internal management information about the effects of leases and enhanced investor sentiment.

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.

14 EFRAG's initial assessment is that IFRS 16 would reach a cost-benefit trade-off that is acceptable.

15 EFRAG acknowledges that the distribution of costs and benefits may be uneven among stakeholders insofar as costs are largely expected to be incurred by entities preparing IFRS financial statements whereas benefits are shared by them, users of financial statements (including investors) and the wider economy.

Do you agree with this assessment? Yes No

No

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

Not if the standard is extended to SMEs.

Other comments

16 Do you have any other comments in relation to this draft endorsement advice that should be considered by EFRAG? Yes No

Acting on the opinion of the EBA,⁷ EFRAG believes that the "impact of IFRS 16 on own funds and leverage ratios of banks" will be of "limited significance" even though the Basel Committee has not yet indicated the prudential treatment of the "right of use". Consequently, EFRAG is not in a position to comment on the impact of the prudential treatment of the "right of use" for banking institutions, which are major users of lease agreements.

And yet the stakes are very high for the French banking sector. The expected impact is comparable to that of IFRS 9. This cost for the banking sector would affect the financing of the real European economy and therefore the European public good.

In light of these circumstances, **it appears essential to recommend to the European Commission, before it considers finalising its endorsement of IFRS 16, of petitioning the Basel Committee to know, at last, the prudential treatment of "right of use".**

ASF – 10/03/2017

⁷ European Banking Authority.

ASF response to the EFRAG consultation

IFRS 16 LEASES Draft endorsement advice

EFRAG is now seeking comments on its draft endorsement advice. EFRAG welcomes comments on any part of the draft endorsement advice, but notes that the Preliminary Consultation Document included a complete draft of Appendices 1 and 2 which is largely unchanged in this document. Accordingly, EFRAG is primarily interested in comments on specific components of Appendix 3 of the draft endorsement advice, along with supporting evidence, if applicable.

Comments should be submitted by [date] by using the 'Express your views' page on EFRAG website or by clicking [here]

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:

ASF – Association française des sociétés financières

(b) Are you a: Preparer User Other (please specify)

ASF is the French Association of Specialised Finance Companies

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

As a unique representative body of all the French specialised credit institutions and financial institutions which represents 280 entities, ASF contributes to an appropriate recognition of the specialised financial activities like equipment and real estate leasing, factoring, consumer credit and auto loans and leases, mutual guarantee societies, investment firms and securitization arrangers, which – with an outstanding of more than €220 billion in 2015 – accounts for about 20% of total amount of credits to the real economy in France.

(d) Country where you are located:

France

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

ASF - 24 avenue de la Grande Armée - 75854 Paris Cedex 17 - France
• Tél. : 33(0)1 53 81 51 51 • Fax : 33 (0)1 53 81 51 50 • asfcontact@asf-france.com
Bruxelles : Rue du Luxembourg 19-21 B-1000 Tél. : 32 2 506 88 20 - Fax 32 2 506 88 25 • europe@asf-france.com
www.asf-france.com

Appendix 3 of the draft endorsement advice

Potential effects on stakeholders' behaviours

2 EFRAG has assessed the potential effects on stakeholders' behaviours, including lessees, users of financial statements, lessors and other lenders (see Appendix 3, paragraphs 48-78). To support the assessment, EFRAG commissioned a study from an economic consultancy to provide input into EFRAG's analysis of potential changes in the behaviour of preparers, investors and lenders.

3 Overall EFRAG does not anticipate that IFRS 16 will have any material effect on entities' access to and the pricing of leasing as a source of finance. EFRAG however notes that some lessees may seek changes to their contract terms and conditions and that lessors may be requested to provide lessees with more information than in the past.

4 Do you agree with this assessment?

Yes No

No

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

L'ASF constate que l'étude commandée par l'EFRAG sous-estime les réalités économiques de terrain, notamment en matière de **tarification**. En effet, alors que la norme n'est toujours pas effective, les établissements de leasing sont d'ores-et-déjà engagés dans des négociations commerciales intenses avec certains groupes multinationaux cotés ayant des comptes consolidés.

Les directions financières de ces grands groupes se sont emparées d'IFRS 16 sans attendre l'entrée en vigueur de la norme et certains rationalisent déjà la gestion des contrats de location : arbitrages en faveur d'un financement à crédit (les taux étant actuellement particulièrement attractifs) ou d'une acquisition directe des actifs (en mobilisant leur trésorerie).

Dès aujourd'hui, les établissements financiers mesurent l'impact des normes IFRS, dont IFRS 16, et s'inquiètent déjà des résultats en termes de perte d'activité¹.

Au §77, l'étude remise à l'EFRAG évoque la situation où « **une petite mais non-négligeable part** de locataires pourrait être encline à changer pour des **contrats de leasing de courte durée (12 mois) où comportant des loyers (entièrement) variables** malgré le coût plus élevé inhérent à ces types de contrats ».

En pratique, il ressort des discussions au sein des groupes de travail professionnels ou organisés par les autorités régulatrices nationales que **les sociétés cotées travaillent toutes activement à la recherche de solutions déconsolidantes fondées sur l'interprétation de la norme et que les solutions ne se limitent pas aux deux exceptions évoquées par l'étude**. Cette recherche est motivée non seulement par l'effet déconsolidant mais aussi par le souci de conserver, au regard du coût financier, le bénéfice de la souplesse et de la flexibilité du leasing favorable à l'adaptation des investissements à l'évolution de l'activité.

Pour conjuguer cette double réalité, plutôt que de travailler sur des exceptions inadaptées ou des solutions alternatives qui pourraient créer des situations inverses à l'objectif de comparabilité des comptes et entraver le dynamisme de l'investissement européen, il serait sans doute profitable

¹ Sur la base des rendez-vous commerciaux avec les sociétés cotées : arbitrage versus crédit –taux– ou acquisition –trésorerie disponible– ou services –coût–, négociation commerciale exacerbée, renégociation sensible des contrats.

d'assouplir le droit de substitution, à défaut de pouvoir obtenir une distinction entre « contrat de location » et « contrat de services ».

Les Etats-Unis conservent la distinction entre « finance » et « operating lease », créant une situation de distorsion de concurrence qui semble irréversible. Dans ce contexte, l'industrie du leasing estime qu'au regard de l'intérêt économique européen, **l'EFRAG devrait recommander un assouplissement sensible de l'encadrement du droit substantiel de substitution. Une telle recommandation s'inscrirait dans le sens de l'évolution actuelle du fonctionnement de l'économie réelle européenne vers l'usage plutôt que la propriété (« from ownership to usage ») ainsi que de l'objectif de comparabilité des comptes.**

Potential impact of IFRS 16 on the leasing industry

5 EFRAG has assessed the potential impact of IFRS 16 on the leasing industry in Europe. The assessment was informed by the economic study commissioned by EFRAG which considered the extent to which IFRS 16 is expected to lead to changes in behaviours of lessees and, specifically, changes in the demand for leases (Appendix 3, paragraphs 79-88).

6 To summarise, EFRAG has assessed that IFRS 16 is likely to have some negative effect on the leasing industry but that this effect should be modest in scale and would not represent a threat to the overall viability of the industry.

Do you agree with this assessment? Yes No

No

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

Les financements locatifs représentent aujourd'hui un mode de financement et d'investissement essentiel pour l'ensemble des entreprises et pour l'économie européenne. En 2015, le marché européen du leasing est le 2^{ème} marché mondial (315 milliards d'euros de production, +9%) devant les Etats-Unis (244 milliards, +4%)². La demande est croissante et l'offre est reconnue pour sa souplesse.

Or, actuellement, dans la perspective de l'introduction d'IFRS 16, les sociétés cotées travaillent à l'arbitrage entre location et achat pour deux raisons majeures : (i) la perte de l'effet déconsolidant, (ii) le rapport, déséquilibré par IFRS 16 entre le coût financier de la location et la souplesse d'utilisation qu'elle offre en termes de financement, de développement et d'investissement.

En introduisant notamment (i) une distinction inappropriée entre contrat de location et contrat de services³ et (ii) un droit substantiel de substitution trop encadré⁴, la norme IFRS 16 va à l'encontre de l'évolution de la demande de financements locatifs européens de plus en plus tournée vers la location opérationnelle, impactant ainsi le business modèle et le comportement des clients des établissements de leasing.

² Source : Leaseurope.

³ Encouragement des grands groupes à se détourner de la location au profit de l'achat et des services (volonté de comptabiliser une même réalité économique en contrat d'achat et/ ou de service et non en contrat de location).

⁴ Les conditions d'application du droit substantiel de substitution sont si rigides qu'elles empêcheront une gestion efficiente des actifs, au détriment du locataire et du bailleur et plus largement de l'activité économique.

Depuis de nombreuses années, ces établissements⁵ structurent leur offre et développent des partenariats⁶ pour répondre aux attentes de leurs clients (qui ne sont pas seulement les sociétés cotées ayant des comptes consolidés) de plus en plus demandeurs d'un service tout compris et de moins en moins attachés à la propriété ; cette tendance est aujourd'hui avérée, et peut se résumer dans la formule : « de la propriété à l'usage » (« from ownership to usage »).

L'EFRAG devrait attirer l'attention de la Commission européenne sur le risque de fragilisation du marché du financement locatif des investissements des entreprises européennes qu'entraînerait l'homologation de la norme, qui pèserait sur l'offre des établissements de leasing. Elle aurait en outre de profonds impacts sur la nature de l'information transmise aux locataires, soulevant ainsi de lourds enjeux informatiques et commerciaux. Par capillarité, ces impacts concerneront à terme toutes les entreprises en relation avec les établissements de leasing européens. Aussi, c'est bien le financement, l'investissement, la flexibilité et la réactivité de l'économie réelle européenne qui seraient finalement impactés.

La question est posée de savoir jusqu'à quel point il est légitime que l'Europe accepte que des normes comptables internationales déterminent un tel changement des modèles économiques des acteurs européens, au détriment potentiel de l'intérêt général européen.

Potential impact of IFRS 16 on SMEs

⁷ EFRAG has assessed how IFRS 16 could affect small and medium-sized entities (SMEs) (Appendix 3, paragraphs 89-127). EFRAG has determined that only a very small proportion of SMEs in Europe are required or choose to apply IFRS.

⁸ Based on the evidence available to EFRAG and the analysis undertaken, EFRAG's initial assessment is that IFRS 16 is not expected to have any material adverse or disproportionate impact on the SME sector in Europe. EFRAG however acknowledge that these SMEs generally experience greater challenges than larger entities in implementing any significant accounting change.

Do you agree with this assessment? Yes No

No

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

L'objectif initial de la réforme est d'améliorer la comparabilité des comptes des grandes entreprises cotées. Cet objectif de rapprochement avec les US GAAP a dû être abandonné. Mais l'adoption de la norme au sein de l'Union européenne porte un risque fort de « contagion » du nouveau standard en dehors de ce champ.

Les PME représentent en France près de 75% des clients des établissements de leasing (crédit-bail et location financière). L'ASF souligne depuis l'origine l'importance d'isoler les PME de la nouvelle norme, en raison de sa complexité conceptuelle et des difficultés de mise en œuvre pratique. La norme IFRS

⁵ Il faut rappeler que ces établissements sont aujourd'hui les seuls capables de réunir dans une seule offre des éléments financiers, des actifs physiques et des services et ainsi d'offrir un accès au financement et à l'investissement d'une manière aussi souple et flexible.

⁶ Avec les fabricants / industriels de tout type de matériels, avec les fournisseurs de tout type de services.

16 est inadaptée aux PME. L'application à terme aux PME par certains normalisateurs nationaux soucieux d'harmonisation serait donc inappropriée.

A la différence de l'IASB qui ne se prononce pas et renvoie aux autorités nationales la décision d'introduire, ou non, la norme dans les règles nationales, il nous semble essentiel qu'au niveau européen l'EFRAG prenne position, pour exclure explicitement les PME du champ de la norme.

Il nous semble essentiel que l'EFRAG, dans son avis, conseille expressément à la Commission européenne de recommander aux Etats membres de veiller à ne pas appliquer directement la norme IFRS 16 aux PME, ou à ce qu'elle ne s'étende pas indirectement (par capillarité) aux comptes sociaux des PME.

Costs and benefits

9 EFRAG is assessing the costs that are likely to arise for preparers and for users in the EU, both on initial implementation of IFRS 16 and in subsequent years (Appendix 3, paragraphs 161-233)?

10 To summarise, EFRAG's initial assessment is that lessees will incur implementation costs (both one-off and ongoing). The amounts will vary considerably, depending on a range of factors including the size of an entity's lease portfolio, the terms and conditions of those leases and the systems already in place to account for leases applying IAS 17. Costs may be mitigated by the use of the various options and exemptions available in IFRS 16. Part of the cost may also be 'shifted' to lessors if lessees rely on lessors to provide some of the information needed to implement the requirements.

11 EFRAG has received some broad and indicative estimates of the expected costs of implementation of IFRS 16 and expected ongoing costs (Appendix 3, paragraphs 217-222. EFRAG acknowledges that any such estimates are necessarily subject to a high degree of uncertainty.

Are you able to provide any additional cost estimates? If so, please provide these estimates along with any relevant explanation (e.g. the source of and basis for the amounts):

12 In addition, EFRAG has assessed the benefits that are likely to be derived from IFRS 16 (Appendix 3, paragraphs 234-241).

13 To summarise, EFRAG's initial assessment is that users are likely to benefit from IFRS 16 including greater transparency about an entity's financial leverage and capital employed, enhanced information about leasing activity, improved comparability between entities that lease assets and entities that borrow to buy assets. Benefits to users may be reduced by some of the options available in IFRS 16, and on the basis that a significant proportion of users do not anticipate that IFRS 16 will lead to a reduction in the effort they currently expend in understanding and/or adjusting for the effects of operating leases in their analysis of lessees' financial statements. EFRAG assesses that preparers may also derive some benefits, although to a lesser extent than users, as a result of improvements in the quality and/or availability of internal management information about the effects of leases and enhanced investor sentiment.

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.

14 EFRAG's initial assessment is that IFRS 16 would reach a cost-benefit trade-off that is acceptable.

15 EFRAG acknowledges that the distribution of costs and benefits may be uneven among stakeholders insofar as costs are largely expected to be incurred by entities preparing IFRS financial statements whereas benefits are shared by them, users of financial statements (including investors) and the wider economy.

Do you agree with this assessment? Yes No

No

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

Pas si la norme est étendue aux PME.

Other comments

16 Do you have any other comments in relation to this draft endorsement advice that should be considered by EFRAG? Yes No

L'EFRAG, suivant l'avis de l'EBA⁷, estime que « l'impact d'IFRS 16 en termes de fonds propres et de ratio de levier des banques » sera d'une « importance limitée » alors même que le Comité de Bâle n'a toujours pas indiqué le traitement prudentiel du 'droit d'usage'. Dès lors, il n'est pas possible pour l'EFRAG de se prononcer sur l'impact du traitement prudentiel du 'droit d'usage' pour les établissements bancaires, importants utilisateurs de contrats de location.

Or, l'enjeu pour le secteur bancaire français est sensible. L'impact attendu est d'un niveau comparable à celui d'IFRS 9. Ce coût pour le secteur bancaire n'est pas sans incidence sur le financement de l'économie européenne et donc l'intérêt général européen.

Dès lors, **il semble essentiel de recommander à la Commission européenne, avant d'envisager l'opportunité d'entériner l'homologation d'IFRS 16, de saisir le Comité de Bâle pour connaître, enfin, le traitement prudentiel du 'droit d'usage'.**

ASF – 10/03/2017

⁷ European Banking Authority.