

EFRAG SECRETARIAT PAPER FOR PUBLIC MEETING

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Preliminary consultation document on the endorsement of IFRS 16 Leases

Cover Note

Objective

- 1 The objective of this session is to approve a Preliminary Consultation Document regarding the endorsement of IFRS 16 *Leases*.

Background

- 2 At its September 2016 meeting, the EFRAG Board considered an early version of the forthcoming draft endorsement advice to IFRS 16. The EFRAG Board made a number of amendments to the draft with a view to discussing the document further at its October meeting and issue a Preliminary Consultation Document that same month to seek the views of constituents.
- 3 EFRAG's Preliminary Consultation Document regarding the endorsement of IFRS 16 is presented in Agenda Paper 08.02. The paper is presented as a marked-up document to facilitate the identification of major changes (minor editorial amendments have been accepted). The major areas that are not marked-up are:
 - (a) The cover note requested by the EFRAG Board at the September meeting;
 - (b) The questions to constituents throughout the document; and
 - (c) Many of the changes in Appendix 3. In particular, where a whole section has been added or re-written, we have not shown this as a mark-up.
- 4 In addition to the Preliminary Consultation Document, EFRAG Secretariat has prepared papers providing additional background to some of the issues addressed in the Preliminary Consultation Document; namely:
 - (a) the field work conducted by EFRAG Secretariat with a number of preparers, on the complexity of determining whether a contract is a lease (included in Agenda paper 08-03); and
 - (b) the quantitative assessment of the accounting impacts of IFRS 16 on a sample of listed and non-listed entities (included in Agenda paper 08-04).
- 5 The EFRAG Board will not be asked to approve these EFRAG Secretariat documents. As agreed at the September meeting of the EFRAG Board, EFRAG Secretariat will publish these as background papers at the same time as the Preliminary Consultation Document.

Questions for the EFRAG Board

- 6 Do EFRAG Board members approve the Preliminary Consultation Document contained in Agenda paper 08-02 for publication for a 2-month comment period?
- 7 Do EFRAG Board members have comments on the EFRAG Secretariat background documents contained in Agenda papers 08-03 and 08-04?

Agenda Papers

- 8 In addition to this cover note, agenda papers for this session are:
 - (a) Agenda paper 08-02 – EFRAG’s Consultation Document regarding the endorsement of IFRS 16;
 - (b) Agenda paper 08-03 – EFRAG Secretariat Paper: fieldwork on the definition of a lease; and
 - (c) Agenda paper 08-04 – EFRAG Secretariat Paper: quantitative assessment of accounting impact.