



EFFAS THE EUROPEAN FEDERATION OF FINANCIAL ANALYSTS SOCIETIES

Mr. Gauzès, EFRAG Chairman

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Comments: EFRAG's Letter to the European Commission Regarding Endorsement to *Covid-19-Related Rent Amendment to IFRS-16*

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Dear Sir/Madam:

EFFAS' Commission on Financial Reporting ("CFR", "Commission", "we") has reviewed EFRAG's Letter to the European Commission related to the Amendment of IFRS-16 (the "Endorsement") and we are pleased to fully support EFRAG's conclusion.

As we noted in our letter to EFRAG regarding this Amendment:

a). – We support the changes made in IFRS-16 paragraph 46B, (a) and (b) and, since applying the practical expedient is optional, we think that the added paragraph regarding disclosures in BC1 should be maintained. We endorse EFRAG's comments stating the usefulness for decision-making and assessing the stewardship of management, paragraph 5 of EFRAG's letter.

Extending the application of the Amendment to June 30-2022, as noted in EFRAG's recommendation, we think that is practical as a timeline. We would like to note, as we expressed in our letter to the IASB, that the Commission will also support extending the Amendment to December 31-2022.

b). - We agree with the effective date and transition paragraph related to the Amendments. We support EFRAG's comments in paragraphs 9 and 10.

If you would like to further discuss the views expressed in this letter, please do not hesitate to contact us.

Javier de Frutos, Chairman

On behalf of EFFAS Commission on Financial Reporting

EFFAS was established in 1962 as an association for nationally based investment professionals in Europe. Headquartered in Frankfurt am Main, EFFAS comprises 20-member organizations representing more than 16,000 investment professionals. The Commission on Financial Reporting is a standing commission of EFFAS aiming at proposing and commenting on financial issues from an analyst standpoint. CFR members are Javier de Frutos (Chairman, IFAF-Spain), Jacques de Greling (Vice-Chairman- SFAF, France), Friedrich Spandl (ÖVFA, Austria), Henning Strom (NFF, Norway), Serge Pattyn (BVFA/ABAF, Belgium) Luca D'Onofrio (AIAF, Italy), Dr. Carsten Zielke (DVFA, Germany) and Andreas Schenone (SFFA-Switzerland).

EFFAS Comments on EFRAG's Endorsement Letter to the European Commission – IFRS-16- *Rent Related Amendment*