

## New lease accounting standards and implications for GFS

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IMF Government Finance Statistics  
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# IFRS 16, Leases

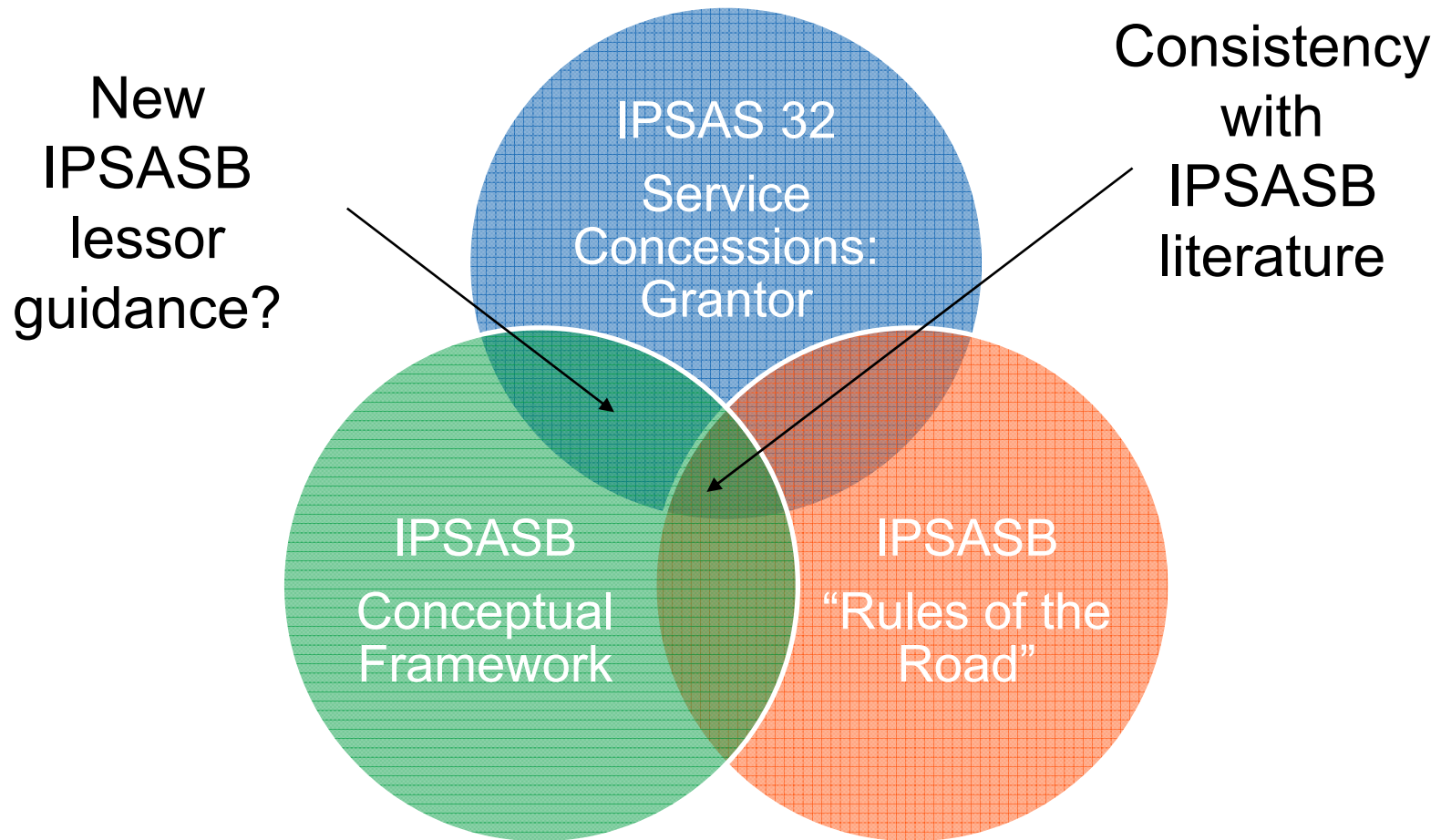
- **The need for change**
  - US\$3.3 trillion of lease commitments\*, of which 85% do not appear on the balance sheet
  - Difficult to:
    - Understand the entity's assets and liabilities; and
    - Compare entities that lease assets with those that buy assets.
- **IFRS 16: What's changed?**
  - Introduction of right-of-use model for lessee accounting
  - Retention of risks and rewards model for lessor accounting

\* Listed companies using IFRS or US GAAP – Source: IASB

## Leases: IPSASB project timetable

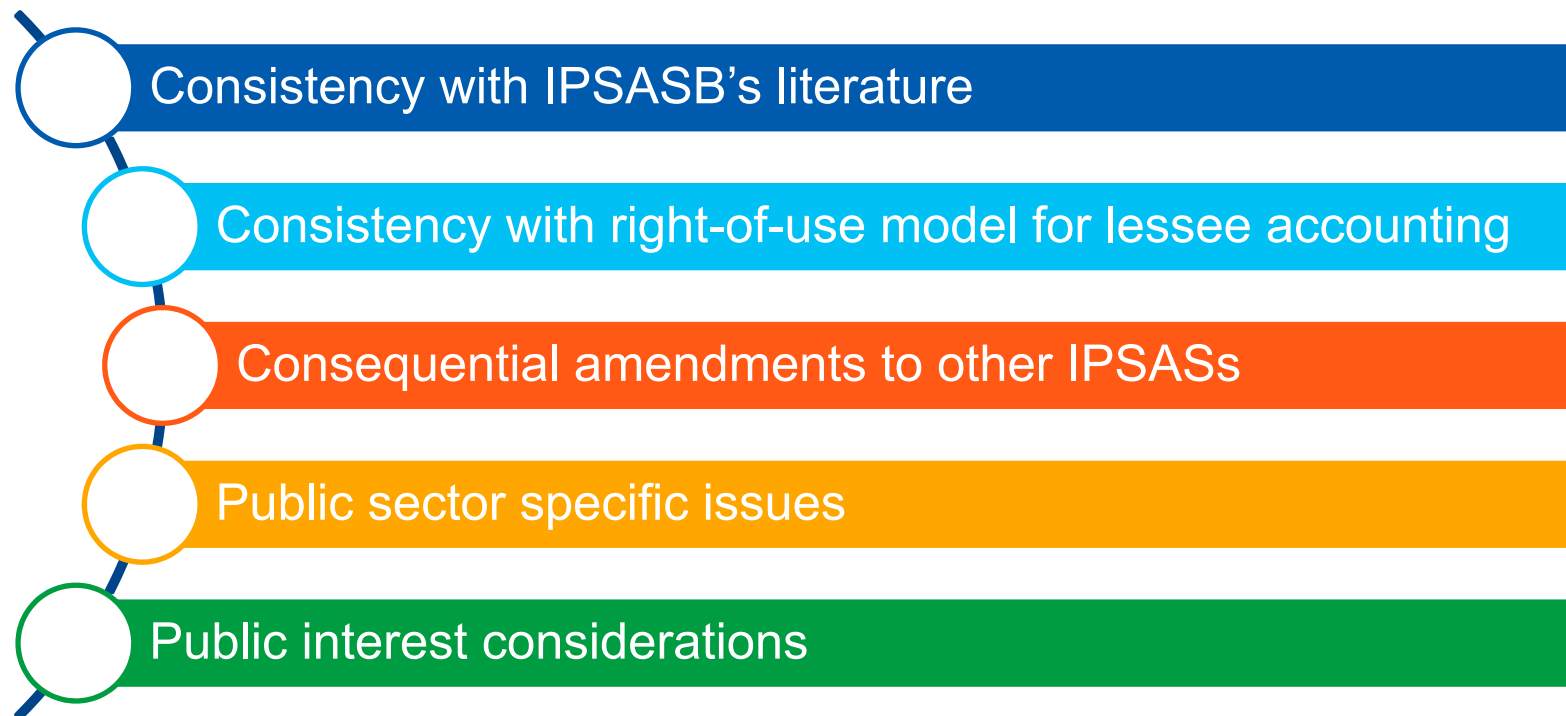
Meeting		Description
<b>2016</b>	June	Approval of Project Brief, <i>Leases</i>
<b>2017</b>	September	Approval of Exposure Draft
<b>2018</b>	December	Approval of new IPSAS

# Lessor accounting – Alternative options



# Leases: Lessor accounting

- **Criteria of analysis**



## Leases: IPSASB's decisions up to December 2016

- **Lessee accounting**
  - Adopt the right-of-use model
  - Adopt the recognition exemptions (short-term and low value leases)
- **Lessor accounting**
  - Not to adopt the lessor accounting requirements in IFRS 16, *Leases*
- **Sale and leaseback transactions**
  - Not to include guidance based on the IFRS 15, *Revenue from Contracts with Customers* performance obligation approach
- **Concessionary leases**
  - Measured at fair value
  - Subsidized component accounted in the same way as in a concessionary loan

## Leases: Implications for statistical guidelines

- **IPSASB Leases project is an IFRS convergence project**
  - IPSAS 13, Leases is primarily drawn from IAS 17, Leases
  - IAS 17 is changing not statistical guidelines
- **Lessee accounting**
  - Right-of-use model is a major deviation from statistical guidelines
  - Lessee accounts a right-of-use asset not the leased asset
- **Lessor accounting**
  - IPSASB decided to adopt a consistent approach with lessee accounting
  - Two mutually exclusive approaches to right-of-use model in discussion
- **Where will statistical data come from in future?**

## Questions, discussion & further information



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