

Leases — IASB Completes Redeliberations

October 23, 2015 — At its meeting on Tuesday, the IASB discussed the effective date of its upcoming leases standard, IFRS 16, and whether to permit early adoption. The IASB tentatively decided that (1) the new leases standard, once issued, would be effective for annual periods beginning after January 1, 2019, and (2) early adoption would be permitted provided that an entity does not adopt the leases standard before adopting the revenue guidance in IFRS 15.¹

The Board also discussed the feedback received on its confidential external review (i.e., “fatal flaw”) draft of the final leases standard. Specifically, the IASB staff discussed feedback related to (1) lease modifications, (2) reassessment of the discount rate for floating interest rate leases, (3) accounting for costs associated with returning an asset at the end of the lease, and (4) accounting for short-term leases and low-value assets in a business combination. Further, the IASB discussed disclosure requirements for leases within the scope of IFRS 5.²

For additional information about the topics discussed at the meeting, see Deloitte’s [IAS Plus Web site](#).

Next Steps

The IASB staff is in the final stages of drafting IFRS 16, which is expected to be issued before the end of 2015.

¹ IFRS 15, *Revenue From Contracts With Customers*.

² IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*.

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