Invitation to Comment:

Endorsement Criteria Assessment: Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)

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| **Deadline for completion of this Invitation to Comment:****Close of business Wednesday 5 May 2021****Please submit to:** **UKEndorsementBoard@endorsement-board.uk**  |

Introduction

The objective of this Invitation to Comment is to obtain input from stakeholders on the endorsement and adoption of the IASB’s amendment *Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)* (the March 2021 Amendment) for use in the UK.

UK endorsement and adoption process

The requirements for UK endorsement and adoption are set out in the Statutory Instrument 2019/685[[1]](#footnote-1).

Until full statutory functions are delegated to the UKEB, the Secretary of Secretary of State for Business, Energy and Industrial Strategy (BEIS) will hold the powers to formally adopt international accounting standards for use in the UK. During this interim period, the UKEB secretariat develop endorsement and adoption advice for consideration by the Secretary of State. The delegation of functions to the UKEB is currently expected to occur during the first-half of 2021.

The information collected from this Invitation to Comment is intended to help with the endorsement assessment. This will form part of the work necessary for potential UK endorsement and adoption of the March 2021 Amendment.

Who should respond to this Invitation to Comment?

Stakeholders with an interest in the quality of accounts that apply IFRS.

We estimate it will take no more than 10 minutes to complete.

Privacy and other policies

The data collected through submitting this Invitation to Comment will be stored and processed by the UKEB.

By submitting this Invitation to Comment, you consent to the UKEB processing your data for the purposes of endorsing and adopting the IASB’s March 2021 Amendment for use in the UK. For further information, please see our Terms of Use (including Consultation Responses Policy) and Privacy & UKEB policy on our website at [www.endorsement-board.uk](http://www.endorsement-board.uk).

The UKEB’s policy is to publish on its website all responses to formal consultations unless the respondent explicitly requests otherwise. A standard confidentiality statement in an e-mail message will not be regarded as a request for non-disclosure. The UKEB prefer to publish responses that do not include a personal signature.

Part B: Assessment against technical criteria

Our initial assessment concludes that:

* the March 2021 Amendment meet the criteria of relevance, reliability, comparability and understandability required of the financial information needed for making economic decisions and assessing the stewardship of management, as required by SI 2019/685 (see Regulation 7(1)(c)); and
* application of the March 2021 Amendment is not contrary to the principle that an entity’s accounts/consolidated accounts must give a true and fair view as required by SI 2019/685 (see Regulation 7(1)(a)).

Our assessment is set out in the following sections:

Rationale for the Amendments paragraphs 13–16

Assessment against technical criteria paragraphs 17–25

True and fair view paragraphs 26–30

1. Do you agree with this assessment? (please select one option)

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| --- | --- |
| **Yes** |[ ]  **No** |[ ]

1. Please include any comments you may have in response to question 6:

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Part C: Assessment against UK long term public good

Our initial assessment concludes that the Amendments:

* will generally improve financial reporting in a similar way to the May 2020 Amendment, by permitting the continuation of the original practical expedient (May 2020 Amendment) for another year, to rent forgiven on or before 30 June 2022, given the on-going nature of the covid-19 pandemic. It ensures consistency in the treatment of similar covid-19-related rent concessions;
* will lead to benefits that exceed the costs; and
* is not likely to have an adverse effect on the economy of the UK, including on economic growth.

Overall, we conclude that the Amendments are likely to be conducive to the long term public good in the UK as required by SI 2019/685 (see Regulation 7(1)(b)).

UK long term public good paragraphs 31–52

1. Do you agree with this assessment? (please select one option)

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| --- | --- |
| **Yes** |[ ]  **No** |[ ]

1. Please include any comments you may have in response to question 8:

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Thank you for completing this Invitation to Comment

1. The International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019: <https://www.legislation.gov.uk/uksi/2019/685/made> [↑](#footnote-ref-1)