Invitation to Comment:

Draft Comment Letter–IASB’s ED/2020/4 *Lease Liability in a Sale and Leaseback (Proposed Amendment to IFRS 16)*

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| Deadline for completion of this Invitation to Comment:  Close of business 1 March 2021  Please submit to: [Contact@endorsement-board.uk](mailto:Contact@endorsement-board.uk) |

Introduction

The objective of this Invitation to Comment is to obtain input from stakeholders on the draft comment letter on the IASB’s ED/2020/4 *Lease Liability in a Sale and Leaseback (Proposed Amendment to IFRS 16).*

Who should respond to this Invitation to Comment?

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

How to respond to this Invitation to Comment

Please download this document, answer any questions on which you would like to provide views, and return to [Contact@endorsement-board.uk](mailto:Contact@endorsement-board.uk) by close of business on 1 March 2021.

Brief responses providing views on individual questions are welcome, as well as comprehensive responses to all questions.

The UK Endorsement Board

Following the UK’s exit from the European Union, the Department for Business, Energy and Industrial Strategy (BEIS) is setting up the UK Endorsement Board (UKEB) to fulfil statutory functions of influencing the development and subsequent adoption of International Accounting Standards for use in the UK. The UKEB secretariat has begun influencing activities in preparation for the delegation of those statutory functions to the UKEB. This Invitation to Comment forms part of those influencing activities and is intended to contribute to the International Accounting Standards Board’s (IASB) due process. The views expressed by the UKEB secretariat in this document are separate from, and will not necessarily affect the conclusions in, any endorsement and adoption assessment on new or amended International Accounting Standards to be provided to the Secretary of State or the UKEB, once powers have been delegated.

Privacy and other policies

The data collected through submitting this document will be stored and processed by the UKEB. By submitting this document, you consent to the UKEB processing your data for the purposes of influencing the development of and endorsing IFRS for use in the UK. For further information, please see our Privacy Statements and Notices and other Policies (e.g. Consultation Responses Policy and Data Protection Policy)[[1]](#footnote-2).

The UKEB’s policy is to publish on its website all responses to formal consultations issued by the UKEB 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. If you do not wish your signature to be published please provide UKEB with an unsigned version of your submission. The UKEB prefer to publish responses that do not include a personal signature. Other than the name of the organisation/individual responding, information contained in the “Your Details” document will not be published. The UKEB does not edit personal information (such as telephone numbers, postal or e-mail addresses) from any other document submitted; therefore, only information that you wish to be published should be submitted in such responses.

Questions

1. Do you support our view that the information necessary for the estimation of fair values and future lease payments is likely to be readily available, either from the information used to price and approve the sale and leaseback transaction or from other sources? (Draft comment letter, appendix 1, paragraph A4). Please explain why or why not.

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1. Do you agree the definition of variable Lease Payment should be aligned for both the main standard IFRS 16 and for sale and leaseback purposes (p100A of the ED)? (Draft comment letter, appendix 1, paragraph A7). Please explain why or why not.

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1. In Draft Comment Letter, appendix 1, paragraphs A10-A11 we describe two methods to align the definition and their consequences. We prefer that the definition in the ED be aligned to the existing definition in IFRS 16 as described in paragraph A10. Do you agree? Please explain why or why not.

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1. Do you agree that retrospective application is appropriate for this ED. (Draft comment letter, appendix 1, paragraph A9). Please explain why or why not.

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1. Do you have any other comments?

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**Thank you for completing this Invitation to Comment**

1. These policies can be accessed from the footer in the UKEB website here: <https://www.endorsement-board.uk> [↑](#footnote-ref-2)