COVID-19-Related Rent Concessions beyond June 30, 2021 (Proposed Amendment to IFRS 16)

February 2021

COMMENTS TO THE IASB AND THE AcSB MUST BE RECEIVED BY February 25, 2021
We value your input and look forward to your feedback on this Exposure Draft.

The response deadlines to these IASB and AcSB Exposure Drafts are the same, but should you desire the AcSB to consider your comments prior to finalizing its comment letter, please feel free to submit your comment letter earlier. Following the deadline, your feedback to the AcSB is considered as part of our IFRS® Standards endorsement process. We also share Canadian feedback with the IASB through our involvement in international activities.

We therefore encourage you to respond directly to the IASB and copy the AcSB on your response.

Responses to our Canadian-specific question in this Exposure Draft should be sent directly to the AcSB by uploading your response letter via this online form.

Please address your response to:
Kelly Khalilieh, CPA, CA
Director, Accounting Standards Board
277 Wellington Street West
Toronto, Ontario M5V 3H2
kkhalilieh@acsbcanada.ca

This Exposure Draft reflects a proposal made by the International Accounting Standards Board (IASB) that the Accounting Standards Board (AcSB) intends to adopt, subject to deliberating comments received, as Canadian generally accepted accounting principles.

Individuals and organizations are invited to send written comments on the Exposure Draft proposals. Comments are requested from those who agree with the Exposure Draft as well as from those who do not.

Comments are most helpful if they relate to a specific paragraph or group of paragraphs. Any comments that express disagreement with the proposals in the Exposure Draft should clearly explain the problem and include a suggested alternative, supported by specific reasoning. All comments received by the AcSB will be available on the website shortly after the comment deadline unless confidentiality is requested. The request for confidentiality must be stated explicitly within the response.
HIGHLIGHTS

The Accounting Standards Board (AcSB) proposes, subject to comments received following exposure, to incorporate into Part I of the CPA Canada Handbook – Accounting, an amendment to IFRS 16 Leases.

IASB® EXPOSURE DRAFT

The International Accounting Standards Board (IASB) recently issued the Exposure Draft, “Covid-19-Related Rent Concessions beyond June 30, 2021 (Proposed Amendment to IFRS 16),” which is available on the IASB website at www.ifrs.org. The IASB’s Exposure Draft proposes to amend IFRS 16 to extend the availability of the exemption for COVID-19-related rent concessions by one year to June 30, 2022. This means that the exemption applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2022, provided the other conditions in IFRS 16 for applying the practical expedient are met.

The IASB developed the proposal in its Exposure Draft in response to the continuing challenges facing lessees due to the ongoing significant effects of the COVID-19 pandemic. The objective of the proposed amendment is to continue providing lessees with practical relief during the height of the pandemic while enabling them to continue providing useful information about their leases to financial statement users.

The IASB’s Exposure Draft includes a Basis for Conclusions that is not part of this Exposure Draft. This material may provide useful information to stakeholders.

Comments requested

The AcSB encourages Canadian stakeholders to respond to the IASB on its Exposure Draft. Specific questions on which the IASB would like input are provided in the Invitation to Comment in its Exposure Draft. The AcSB requests that comment letters be sent directly to the IASB, with a copy to the AcSB.

The AcSB would like input from Canadian respondents on the following additional question regarding the proposed amendment:

The IASB has developed the proposed amendment in accordance with its due process for application around the world. Assuming the Exposure Draft proposal is finalized and approved by the IASB in accordance with its due process, do you think that the proposal is appropriate for application in Canada? If not, please specify which aspects of the proposal, and what circumstances, make the accounting requirement proposed in the Exposure Draft inappropriate.

Send responses to this additional question directly to the AcSB.

Comment on this document by uploading your response letter via this online form.

The deadline for responding to the IASB on its Exposure Draft is February 25, 2021. Responses to the AcSB on the additional question set out above are due on the same date.