



Ms Françoise Flores  
TEG Chair  
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cc: [Robert.Stojek@efrag.org](mailto:Robert.Stojek@efrag.org)

2 September 2014

Ref.: ACC/AKI/HBL/PPA/SRO

Dear Ms Flores,

**Re: FEE comments on EFRAG's Additional public consultation on IASB ED Leases**

FEE (the Federation of European Accountants, [www.fee.be](http://www.fee.be)) is pleased to provide you below with its comments on the EFRAG's Additional public consultation on IASB ED Leases.

With respect to examples of contracts that would be within the scope of Leases even though they are in substance a provision of services, FEE notes that such contracts are in fact likely to meet either the criterion for short-term leases or for leases of 'small' assets and therefore be exempted from the lease accounting model. These examples include a lease of serviced offices or the lease of standard office equipment.

FEE has also discussed the second issue of the consultation paper. FEE is in favour of the IASB's model.

In line with the position expressed in our response dated 9 September 2013 on the IASB Exposure Draft Leases, FEE believes that the accounting proposed by the FASB with respect to leases that would qualify as operating leases under IAS 17 suffers from a lack of conceptual basis. This is evidenced by the fact that the statement of financial position treatment for these leases is not consistent with their treatment in P&L and in the statement of cash flows (it results in a financing liability for which the expense is not a financing charge and for which the cash outflows are classified as operating). This model also introduces an amortisation method for the right-of-use asset that is inconsistent with methods generally applied to assets.

Further FEE believes that two exceptions proposed by the IASB (small assets and short-term leases) are appropriate from a practical perspective.



For further information on this letter, please contact Pantelis Pavlou, Manager, from the FEE Team on +32 2 285 40 74 or via e-mail at [pantelis.pavlou@fee.be](mailto:pantelis.pavlou@fee.be).

Yours sincerely,

A blue ink signature of André Killesse, featuring a large, stylized 'A' and 'K'.

André Killesse  
President

A blue ink signature of Olivier Boutellis-Taft, featuring a large, stylized 'B' and 'T'.

Olivier Boutellis-Taft  
Chief Executive

cc: Robert Stojek - Project Manager - EFRAG