

Meeting: International Public Sector Accounting Standards Board

Meeting Location: Virtual Meeting

Meeting Date: June 4, 2020

Agenda Item 4

For:

- Approval
 Discussion
 Information

LEASES

Project summary	Develop revised requirements for lease accounting covering both lessors and lessees in order to maintain alignment with IFRS 16, <i>Leases</i> , to the extent appropriate. The project will result in a new IPSAS that will replace IPSAS 13, <i>Leases</i> .	
Meeting objectives	Topic	Agenda Item
Project management	Leases: Project Roadmap	4.1.1
	Instructions up to Previous Meeting	4.1.2
	Decisions up to Previous Meeting	4.1.3
Decisions required at this meeting	Review of Draft Basis for Conclusions to Exposure Draft (ED) 73, <i>Leases</i>	4.2
Other supporting items	Draft Basis for Conclusions to Exposure Draft 73, <i>Leases</i>	4.3

**LEASES:
 PROJECT ROADMAP¹**

Meeting	Completed Actions or Discussions / Planned Actions or Discussions:
June 2016	1. Approval of Project Brief, <i>Leases</i>
December 2017	1. Approval of Exposure Draft (ED) 64, <i>Leases</i>
September 2018 to September 2019	1. Review of responses to ED 64, <i>Leases</i> 2. Redeliberation of issues
March 2020	1. Project strategy and public interest 2. Leases project phasing and management 3. Framework of analysis for the options to make a decision on the Leases project 4. IFRS 16 variant 5. Stop or continue with the Leases project? 6. Which option should the IPSASB develop: Option 2–IFRS 16 or Option 3–ED 64?
June 2020	1. Review of Draft Basis for Conclusions to Exposure Draft (ED) 73, <i>Leases</i> (Agenda Items 4.2 and 4.3) 2. Process for development of Exposure Draft 73, <i>Leases</i> (Agenda Item 12.1) 3. Issues related with the Request for Information on Public Sector Specific Issues (Agenda Item 12.2)
September 2020	1. Review of draft Exposure Draft 73, <i>Leases</i> 2. Review of draft Request for Information: Public Sector Specific Issues on <i>Leases</i>
December 2020	3. Approval of Exposure Draft 73, <i>Leases</i> 4. Approval of Request for Information: Public Sector Specific Issues on <i>Leases</i>

¹ This roadmap only contains the main steps, is forward-looking and therefore does not repeat all the actions taken since project commencement in March 2016.

INSTRUCTIONS UP TO PREVIOUS MEETING²

Meeting	Instruction	Actioned
March 2020	<ol style="list-style-type: none">1. Develop for June 2020 the Basis for Conclusions documenting the Board discussions and decisions, and the plan to externally communicate the IPSASB's decisions.2. Develop a draft of the Exposure Draft aligned with IFRS 16, with an associated paper(s) highlighting the key issues for consideration.3. Develop initial proposals in regards to the 'Request For Information', as well as proposals on initial content and questions (i.e. strict IFRS 16 lease definition vs. public sector issues of access rights, concessionary leases, etc.)	<ol style="list-style-type: none">1. Agenda Item 4.32. Agenda Item 12.2.13. Agenda 12.2.2

² As at the March 2020 meeting the IPSASB took a strategic decision on how to move the Leases project forward, this table only includes the decisions from March 2020 onwards.

DECISIONS UP TO PREVIOUS MEETING¹

Meeting	Decision	BC Reference (Agenda item 4.3, June 2020 meeting)
March 2020	<p>The IPSASB decided to:</p> <ol style="list-style-type: none"> 1. Agree with the Staff recommendation in Issues Paper 11.2.4, to not pursue the IFRS variants, including the specific proposal from the December 2019 meeting. 2. Undertake a process of informal voting which considered the strategic options to move the project forward. Members voted to eliminate Option 1 (Retain IPSAS 13). Members then considered the remaining options and voted to continue the project by pursuing option 2 to develop an IFRS 16 aligned ED for lessees and lessors. 3. Take a phased approach to the Leases project through: <ul style="list-style-type: none"> • Phase One—addressing the lease accounting model for both lessors and lessees • Phase Two—addressing the public sector specific issues, including concessionary leases, access rights, modifications to the definition of a lease to include other types of arrangements in the public sector. 4. Continue with the Leases project by developing an ED (Phase One) aligned with IFRS 16 for both lessors and lessees; and 5. Publish a Request for Information on public sector specific issues alongside the Phase One ED. 	<ol style="list-style-type: none"> 1. BC.17—BC18 2. BC19—BC31 3. BC16 4. BC30 5. BC16(b)

¹ As at the March 2020 meeting the IPSASB took a strategic decision on how to move the Leases project forward, this table only includes the relevant decisions consistent with that strategic decision.

Agenda Item 4.1.3

Meeting	Decision	BC Reference (Agenda item 4.3, June 2020 meeting)
December 2018	<ol style="list-style-type: none"> 1. To confirm the provisional decision made in September to adopt the lessee accounting requirements in ED 64, subject to decisions on the approach to be taken to lessor accounting, and where relevant, concessionary leases; 2. Not to publish lessee accounting requirements based on ED 64 ahead of the decisions on lessor accounting, and where relevant, concessionary leases; 3. To create a Task Force to consider all the issues raised by respondents; 4. Not to adopt the "bundle of rights" approach to lessee accounting; 5. Not to adopt exemption for leases between public sector entities; 6. Not to provide additional guidance on transfer of assets; 7. To create a Task Force for the Leases project to be established at March 2019 meeting; 8. Review all IPSASB's decisions in light of respondents' views; 9. Only take a final decision on lessee accounting, lessor accounting and concessionary leases after all issues have been discussed; 	<ol style="list-style-type: none"> 1. BC24-BC30 2. BC19 3. BC14(a) 4. BC13(ii) and BC22 5. BC13(iii) and BC22 6. BC13(iv) and BC22 7. BC19-BC30 8. BC14-BC30 9. BC14-BC30
September 2018	<ol style="list-style-type: none"> 1. To provisionally adopt the proposals in ED 64, Leases, on lessee accounting in the draft IPSAS on Leases, subject to a more detailed analysis of the responses; 2. To extend the timeline of the Leases project in order to carry out a detailed analysis of all the issues raised by respondents; 	<ol style="list-style-type: none"> 1. BC14-BC30 2. BC14-BC17

Review of Draft Basis for Conclusions to Exposure Draft (ED) 73, *Leases*

Question

1. Whether the IPSASB agrees that the attached draft Basis for Conclusions to ED 73 appropriately summarizes the key reasons for the Board's March 2020 strategic decision on the future direction of the Leases project, as well as the project's past history.

Recommendation

2. Staff, the Task Force Chair and IPSASB Chair recommend the Board approves the draft Basis for Conclusions for inclusion in draft ED 73, *Leases* (see [Agenda Item 4.3](#)).

Background

3. This paper has been developed in response to the March 2020 IPSASB instruction to draft the Basis for Conclusions documenting key strategic decisions taken by the Board thus far, including to:
 - (a) Move this to an IFRS 16 alignment project in Phase One of the Leases project;
 - (b) Address public sector specific issues, including concessionary leases, access rights, modifications to the definition of a lease to address other types of arrangements in the public sector in Phase Two;
 - (c) Publish a Request for Information on the public sector specific issues referred to in 3(b) alongside the Phase One ED.

Analysis

4. The proposed Basis for Conclusions were drafted by staff and reviewed by the IPSASB Chair and Task Force Chair.
5. Staff seeks the IPSASB's views that the attached draft Basis for Conclusions to ED 73 appropriately summarizes the key reasons for the Board's March 2020 strategic decision on the future direction of the Leases project, as well as the project's past history.
6. Staff requests IPSASB members raise only substantive points during the session to maximize the effectiveness of the limited meeting time available. Editorial comments should be shared with staff directly offline.

Decision required

7. Does the IPSASB agree with the recommendation in paragraph 2?

Draft Basis for Conclusions to Exposure Draft 73, Leases

Basis for Conclusions

This Basis for Conclusions accompanies, but is not part of, [draft] IPSAS [XX] (ED 73).

Introduction

- BC1. IPSAS 13, *Leases*, was drawn primarily from International Accounting Standard (IAS) 17, *Leases*, issued by the International Accounting Standards Board (IASB). In January 2016, the IASB issued International Financial Reporting Standard (IFRS) 16, *Leases*. IFRS 16 replaced IAS 17 and a number of related interpretations¹.
- BC2. In June 2016, the IPSASB approved a project brief to develop revised requirements for accounting for leases. This brief acknowledged, and reconfirmed, the IPSASB's conclusion in IPSAS 13 that the economics of a lease transaction are the same in both the public and private sectors resulting in the decision that this project align with IFRS 16.
- BC3. The IPSASB's policy document, *Process for Reviewing and Modifying IASB Documents*, sets out the process the IPSASB follows when developing an aligned Standard. The first step of the process is to consider whether there are any public sector issues that warrant departure from the IFRS Standard.
- BC4. In determining whether public sector issues warrant a departure from an IASB document, the IPSASB considers the following:
- (a) Whether applying the requirements of the IASB document would mean that the objectives of public sector financial reporting would not be adequately met;
 - (b) Whether applying the requirements of the IASB document would mean that the qualitative characteristics of public sector financial reporting would not be adequately met; and
 - (c) Whether applying the requirements of the IASB document would require undue cost or effort.
- BC5. The process requires the IPSASB to take its decisions in the context of the following:
- (a) Consistency with the IPSASB's *Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities* (the *Conceptual Framework*);
 - (b) Internal consistency with existing IPSAS; and
 - (c) Consistency with the statistical basis of accounting.

¹ International Financial Reporting Interpretations Committee Interpretation IFRIC-4, *Determining whether an Arrangement contains a Lease* and Standing Interpretations Committee Interpretations SIC-15, *Operating Leases—Incentives* and SIC-27, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

Background

Development of Exposure Draft 64, Leases

Lessee accounting

- BC6. IFRS 16, *Leases* introduced a new lease accounting model for lessees—the right-of-use model. The right-of-use model is based on the foundational principle that leases are financings of the right to use an underlying asset, and results in the following accounting² where the lessee:
- (a) Recognizes a ‘right-of-use asset’; and
 - (b) Recognizes a lease liability related to the future lease payments.
- BC7. When developing Exposure Draft (ED) 64, *Leases*, the IPSASB had considered whether there were any public sector issues that warranted a departure from the right-of-use model for lessee accounting in IFRS 16. In so doing, the IPSASB came to the following conclusions:
- (a) The right-of-use asset satisfies the definition of, and recognition criteria for, an asset in the IPSASB’s *Conceptual Framework*.
 - (b) The right-of-use asset is recognized when the lessee controls the asset, which is consistent with the *Conceptual Framework*.
 - (c) The information reported under the single right-of-use lessee accounting model specified in IFRS 16 would provide the most useful information to the broadest range of users of financial statements.
 - (d) The right-of-use model prevents accounting arbitrage and information asymmetry. It improves comparability between public sector entities that lease assets and public sector entities that purchase assets.
 - (e) The IPSASB acknowledged that there would be costs for lessees associated with implementing the right-of-use model in the public sector. However, the IPSASB considered that the benefits outweigh the costs, particularly if the IPSASB also adopted the exemptions in IFRS 16.
- BC8. Consequently, the IPSASB had agreed that there were no public sector issues that warranted a departure from the right-of-use model for lessee accounting in IFRS 16. The IPSASB therefore had decided to develop ED 64, *Leases* with lessee accounting requirements that were aligned with the requirements in IFRS 16.

Lessor accounting

- BC9. IFRS 16 retained the ‘risks and rewards incidental to ownership’ model applied in IAS 17 (and IPSAS 13). The IPSASB had considered whether there were any public sector issues that warranted a departure from IFRS 16 for lessor accounting. In developing ED 64, the IPSASB had come to the view that the ‘risks and rewards incidental to ownership’ model:
- (a) Is not based on control and would not be consistent with the *Conceptual Framework*.

² Except for short-term leases and leases for which the underlying asset is of low value, as described in IFRS 16.5–8.

- (b) Does not distinguish between the right-of-use asset and the underlying asset. The IPSASB considered these to be different economic phenomena which should both be accounted for.
- (c) Continuing to be applied for lessor accounting, while a control-based model was applied for lessee accounting, would:
 - (i) Be inconsistent with IPSAS 17, *Property, Plant, and Equipment* and IPSAS 32, *Service Concession Arrangements: Grantor*, which are based on control; and
 - (ii) Raise consolidation issues, impair understandability and the decision usefulness of information where the lessor and the lessee are part of the same economic entity. For example, if the lessor classifies the lease as a finance lease, the underlying asset is not recognized by either party, and separate records will need to be maintained to report the underlying asset in consolidated financial statements. In this context, the IPSASB had formed the view that a lessor would not be expected to derecognize a leased asset because the lessor has only transferred the right to use an underlying asset, not the underlying asset itself.

BC10. As a consequence, the IPSASB had decided to develop a right-of-use model for lessor accounting specifically designed for public sector financial reporting.

Exposure Draft 64, *Leases*

BC11. In January 2018, the IPSASB published ED 64, *Leases* proposing a single right-of-use model for lease accounting for lessors and lessees where:

- (a) The lessee would recognize a 'right-of-use asset' and a lease liability related to the future lease payments at the commencement of a lease; and
- (b) The lessor would recognize a lease receivable and a lease liability (unearned revenue) at the commencement of a lease, while continuing to recognize and measure the underlying asset according to the applicable Standards.

BC12. ED 64 also proposed specific public sector accounting requirements on leases at below market terms, also known as concessionary leases. The proposal was that such leases be measured at fair value leading to recognition of the implicit subsidy (the difference between the market value and the lease contract value) in both lessees' and lessors' financial statements.

Feedback from constituents on ED 64, Leases

BC13. The IPSASB received 39 comment letters in response to ED 64. This feedback indicated that:

- (a) The vast majority of respondents agreed with the right-of-use model for lessee accounting. Many respondents who agreed with the proposals noted that their thinking was generally consistent with IPSASB's reasoning set out in the Basis for Conclusions to ED 64.
- (b) Respondents that disagreed or partially agreed with the right-of-use model for lessees were of the view that:
 - (i) The proposed model was too complicated, costly and focused on the statement of financial position; and

- (ii) The right-of-use model for lessee accounting by itself was inadequate for public sector reporting because the IPSASB did not consider sufficiently the allocations of rights, which pertain to physical and intangible assets, which are prevalent in the public sector.
 - (iii) An exemption should be provided for leases between public sector entities; and
 - (iv) Guidance should be provided on the recognition and measurement of the transferred asset at the end of the lease term.³
- (c) Respondents were almost equally divided over whether a departure from IFRS 16 lessor accounting was justified, with a small majority supporting departure. Generally, those in support of IFRS 16 lessor accounting, were of the view that the IPSASB had not made a strong enough case to depart from IFRS 16. On the other hand, those supporting departure from IFRS 16 lessor accounting agreed with the IPSASB's reasoning set out in the Basis for Conclusions.
- (d) Respondents that did not agree with ED 64 proposals for lessors did not have a unified view on the approach that should be adopted for lessor accounting and proposed a number of alternatives. The lack of consensus among respondents on the economics of, and accounting for, leases by lessors highlighted significant differences across jurisdictions.
- (e) Respondents were of the view that the IPSASB needed to address public sector specific issues related to leases (for example, concessionary leases, access rights, and other types of arrangements in the public sector, etc.). However, respondents provided diverse views on how to address these public sector specific issues. For example, some respondents favored a fair value measurement basis, while other respondents favored a historical cost measurement basis.

IPSASB's response to constituents' feedback on Exposure Draft 64, Leases

BC14. After considering constituents' feedback on ED 64, the IPSASB decided to:

- (a) Create a Task Force in December 2018, with members from several jurisdictions, including preparers, users, auditors and standard-setters, to undertake an in-depth review of all constituent comments; and
- (b) Invite guest speakers to the June and September 2019 IPSASB meetings to provide their views on lease accounting and implementation challenges of applying IFRS 16 in both the private and public sectors. Speakers included national standard-setters, auditors, preparers and the statistical accounting community.

BC15. The guest speakers highlighted that the new lessee accounting model in IFRS 16 was raising significant implementation issues in both private and public sectors. The IPSASB considered that leases are a very common transaction in the public sector, and that any changes on how to account for leases would have similar or greater implementation challenges/costs for the public sector. IFRS 16 also presents significant conceptual and practical challenges for the statistical community.

BC16. In the light of these presentations and the responses to ED 64, in March 2020 the IPSASB decided to revisit its overall approach to the leases project, and to adopt a phased approach as follows:

³ See paragraph BC22 for how the IPSASB addressed these concerns.

- (a) Phase One, dealing with lease accounting model(s) for both lessors and lessees based on the same definition of leases as in IFRS 16; and
 - (b) Phase Two, dealing with public sector specific issues, including concessionary leases, access rights, and other types of arrangements in the public sector. The IPSASB also decided to issue a 'Request for Information' to better inform this phase two work.
- BC17. In determining how to approach the first phase of the project, the IPSASB discussed whether it should consider a variant to IFRS 16 lessor accounting that would require all lessors to account for leases as operating leases only. The aim of this variant would be to deal with the concern raised by respondents that the non-recognition of the underlying asset by both the lessor and the lessee if the lessor classifies the lease as a finance lease.
- BC18. The IPSASB decided not to proceed with this IFRS 16 variant for lessors because:
- (a) Requiring operating lease accounting for all lessor transactions would remove the judgement by preparers that it is inherent to the risks and rewards model and would transform it into a rules-based model without sufficient economic rationale.
 - (b) It would create consolidation issues where both lessor and lessee are part of the same controlling entity applying IPSAS; and
 - (c) It would create mixed group⁴ issues where some commercial public sector entities apply IFRS but are controlled by public sector entities that apply IPSAS.
- BC19. After making this decision, the IPSASB discussed three strategic options:
- (a) Option 1 – Retain IPSAS 13, *Leases*, which would pause the project;
 - (b) Option 2 – Proceed with the right-of-use model for lessees only and develop a Standard aligned with IFRS 16; or
 - (c) Option 3 – Proceed with the right-of-use model for both lessees and lessors and develop a Standard based on ED 64.
- BC20. In order to make this strategic decision on the overall future direction of the project, the IPSASB considered the following six factors:
- (a) Public Financial Management (PFM) benefits⁵;
 - (b) Implementation costs / challenges—training, information technology changes, change of processes, accounting changes (first-time implementation of new Standard), and on-going accounting (maintenance);

⁴ Mixed groups are groups that encompass public sector entities that apply IPSAS and commercial public sector entities that apply IFRS.

⁵ According to the Chartered Institute of Public Finance and Accountancy "Public Financial Management is the system by which financial resources are planned, directed and controlled to enable and influence the efficient and effective achievement of public service outcomes." (see <https://www.cipfa.org/policy-and-guidance/consultations/cipfa-whole-systems-approach>). This definition is aligned with the IFAC/CIPFA International Framework: Good Governance in the Public Sector (see <https://www.ifac.org/knowledge-gateway/contributing-global-economy/publications/international-framework-good-governance-public-sector>)

- (c) Government Finance Statistics (GFS) alignment—at the conceptual level, when comparing IPSAS and GFS accounting frameworks, and at the practical level, when compiling GFS accounts using information from accrual based IPSAS accounts;
 - (d) IPSASB Conceptual Framework—public sector financial reporting objectives of accountability and decision-making, and whether transactions and events meet the definition of elements⁶;
 - (e) IFRS Alignment—alignment with IFRS 16, *Leases*; and
 - (f) Feasibility of the Leases project—timeliness, and impact on project management, IPSASB’s resource allocation, and IPSASB’s Work Program.
- BC21. The IPSASB first considered whether to pause or continue with the leases project (Option 1). The IPSASB was of the view that retaining IPSAS 13 was the least favorable option in terms of PFM benefits, consistency with the Conceptual Framework and IFRS Alignment because it would:
- (a) Continue to allow off-balance sheet financing of operating leases for lessees;
 - (b) Create mixed group issues where some controlled entities are required to apply IFRS;
 - (c) Result in the underlying asset not being recognized by either lessee or lessor, or being recognized by both;
 - (d) Be inconsistent with the control-based approach to asset recognition/derecognition in the Conceptual Framework; and
 - (e) Retain an accounting model that differs from that in IFRS 16 for both lessees and, to a lesser extent, lessors⁷.
- BC22. During its discussion of Option 1, the IPSASB also considered the comments made by respondents that disagreed with the right-of-use model for lessees (see paragraphs BC13(b)(i)–BC13(b)(ii)). The IPSASB concluded that the respondents’ concerns were not public sector specific and, therefore, did not warrant a departure from IFRS 16. The IPSASB also concluded that the benefits of the right-of-use model for lessees outweigh the costs of the accounting changes as there would be a number of simplifications, such as:
- (a) Providing a single accounting model for lessees which would remove the different lease classifications in IPSAS 13;
 - (b) Permitting a lessee not to recognize assets and liabilities, for short-term leases and leases of low-value assets;
 - (c) Permitting application of the Standard by entities on a portfolio basis for leases with similar characteristics;

⁶ The main difference between the three options is related to recognition of elements and how this impacts accountability and decision-making.

⁷ For lessees, IPSAS 13 includes the risks and rewards incidental to ownership model and IFRS 16 includes the right-of-use model. For lessors, IFRS 16 changed the risks and rewards incidental to ownership model compared to IAS 17 (Standard that is aligned with IPSAS 13) because it made modifications to subleases, lease modifications, initial direct costs, variable lease payments, and disclosures.

- (d) Simplifying the measurement requirements for lease liabilities, in particular the requirements for variable lease payments, payments during optional periods and the reassessment of lease liabilities;
 - (e) Establishing requirements for separating lease and non-lease components included in the same contract;
 - (f) Establishing lessee disclosure requirements focused on the most significant features of their lease portfolios; and
 - (g) Simplifying lessee transition requirements.
- BC23. Consequently, the IPSASB decided not to proceed with Option 1, and so to replace IPSAS 13 with a new standard.
- BC24. The IPSASB then considered whether to proceed with Option 2 (an IFRS 16-aligned standard) or to proceed with Option 3 (ED 64) by applying the six factors outlined in BC20. Since the main difference between these two options was the lessor accounting model, this was the focus for Board's discussions, and therefore for the paragraphs below focus on lessor accounting, except where otherwise stated.
- BC25. With regard to PFM benefits, it was not clear from the responses to ED 64 which option provides the greater overall benefits. Therefore, this factor did not provide a clear indication of which option was preferable.
- BC26. Option 3 would entail greater implementation costs/challenges than Option 2 because IFRS 16 substantially carried forward the lessor accounting model in IAS 17, *Leases* (with which IPSAS 13 is aligned), making only relatively minor changes.
- BC27. With respect to GFS Alignment, the Option 2 accounting model would be aligned for lessors, but not for lessees. While the Option 3 lessor accounting model would not be aligned for either lessors or lessees, from a GFS perspective Option 2 would still require the use of surveys to obtain data on the underlying asset in a lease (when the lessor has a finance lease). However, Option 2 is currently being applied in the private sector and any additional statistical information or data processes should be available if the IPSASB chose this option.
- BC28. While aligned with IFRS, Option 2 would be less consistent with the IPSASB Conceptual Framework. However, from a project management perspective, it would have the advantage of being more straightforward and therefore more feasible than Option 3.
- BC29. Option 3 would be more consistent with the IPSASB Conceptual Framework, but it would not be not aligned with IFRS. The IPSASB noted however that the Conceptual Framework does not establish authoritative requirements for financial reporting by public sector entities that adopt IPSAS, nor does it override the requirements of IPSAS⁸.
- BC30. Option 3 would be more challenging from a project delivery perspective because of the probable variations in views on the ED 64 lessor accounting proposals, which could therefore extend the project timeline.

⁸ Where a Standard is developed that departs from the Framework, the IPSASB explains the reasons.

- BC31. After careful consideration of the respective arguments for and against the Options for each of the six factors, the IPSASB decided that, on balance, the public interest would be better served by proceeding with Option 2 (an IFRS 16–aligned standard) because it would:
- (a) Be less costly/challenging to implement, and the public sector could benefit from the private sector experience in implementing IFRS 16;
 - (b) Align with the IPSASB’s Strategy & Work Plan strategic theme of Maintaining IFRS Alignment, which was an original objective of the Leases project;
 - (c) Address the important off-balance sheet financing of operating leases by lessees that IPSAS 13 permits more speedily, without being held for a new accounting model for lessors; and
 - (d) Facilitate Phase One delivery, thus permitting the IPSASB to focus on Phase Two of the project, and so to address the important public sector specific issues described in paragraph BC16(b) in a more timely manner.

Exposure Draft 73, Leases

- BC32. This ED is based on IFRS 16, *Leases* issued by the IASB. In accordance with existing practice, this Basis for Conclusions outlines only those areas where ED 73 departs from the main requirements of IFRS 16, or where the IPSASB considered such departures.
- BC33. [to be completed after the June 2020 meeting based on the Issues Paper to be brought to the June 2020 meeting on the “Rules of the Road” process and IPSASB’s decisions]

Request for Information on public sector specific issues

- BC34. [to be completed after the June 2020 meeting based on the Issues Paper to be brought to the June 2020 meeting and IPSASB’s decisions]