



Mr Roger Marshall
Acting President
European Financial Reporting Advisory
Group (EFRAG)
35 Square de Meeûs
B-1000 Bruxelles
BELGIUM

12 May 2015

Dear Mr Marshall,

Re: Forthcoming new IASB standard on Leases

The IASB has now decided that it has respected all the necessary steps of its Due Process and has therefore directed its staff to begin the process of drafting the final Leases standard for publication in the second half of the year. The standard will be the fruit of some 9 years' work by the IASB and FASB and will represent a significant change from the current accounting for leases.

As preparers, we require the future standard to be clear and straightforward to interpret and apply, with no areas of ambiguity, vagueness or impracticality which could lead to wasteful use of time and resources in debate about interpretation, and ultimately divergent application. We note that the new Revenue standard has been the object of many questions relating to real or perceived areas of uncertainty of interpretation, and we are keen that this should be avoided in the case of the Leases standard. We therefore would like to request that the IASB makes the staff draft widely available for consultation by the whole body of constituents, once the draft is sufficiently mature.

We would support EFRAG making this request to the IASB. Alternatively, BUSINESSEUROPE is willing to sign a letter together with EFRAG and other constituents.

We are aware of the objection that making the draft available creates the risk that it is seen to be a third Exposure Draft and that time might be wasted in having to deal (yet again) with the issues raised by those who fundamentally disagree with the principles of the future standard. We think that this was one of the reasons for which the Revenue draft was not made available widely, and wonder whether the workload currently faced by the TRG might not have been avoided or at least substantially reduced if the staff draft had been published widely.

The risk of renewed contestation of principles could be avoided by the Board's setting clear guidelines about the kind of responses it requires to the draft, and in particular by making it clear that the fundamental principles and decisions taken are not to be re-discussed. The purpose of the review should be to accompany the fatal flaw review by



ensuring that the text is clear and understandable, and that there are no areas of doubt.

We respectfully request the EFRAG Board to consider making the request to the IASB to make the staff draft widely available as we think that this will be a useful step in the process of the development of the standard.

We remain at your disposal should you wish to discuss this subject further.

Yours sincerely,

Jérôme P. Chauvin
Deputy Director General