

Course 1322: IFRS and US GAAP Accounting for Leases (2 days)

Course level:	Overview	Start date:	2 Dec 2019
Location:	Zurich	Finish date:	3 Dec 2019
CPE / CPD:	16 hours	Start time:	09:00
		Finish time:	18:00
		Price:	EUR 2,300
			Subject to No Tax (Read more)

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Course introduction

This program provides in-depth coverage of the new IFRS and US GAAP lease accounting standards. In January 2016 the International Accounting Standards Board (IASB) published IFRS 16, which supersedes IAS 17 (and related Interpretations) for annual periods beginning on or after 1 January 2019. The US Financial Accounting Standards Board (FASB) published Topic 842, its own new leasing standard, in February 2016: public business entities must apply the new provisions for fiscal years beginning after December 15, 2018.

Leasing has proved an important and flexible source of financing. Existing accounting rules produce different results, depending on whether a lease is classified as a finance (US GAAP uses the term 'capital') or an operating lease. Lessees currently account for operating leases off balance sheet and merely disclose the commitment to pay future rentals as a note to the financial statements. Listed companies using IFRS or US GAAP are estimated to have around \$3.3 trillion of lease commitments, 85% of which do not appear on the balance sheet. Under the respective IFRS and US GAAP Conceptual Frameworks, all leases produce assets and liabilities that meet the criteria for balance sheet recognition but accounting by lessees for operating leases has been exempted from this treatment. Users often try to estimate the impact of the off balance sheet lease obligations, with limited accuracy.

The IASB and the FASB have jointly developed their new standards over a number of years and have reached the same conclusions in many areas:

- ◆ Definition of a lease
- ◆ Recognition by lessees of leases on the balance sheet
- ◆ Measurement of lease liabilities

- ◆ Lessor accounting unchanged, i.e. the finance and operating lease distinction remains for lessors
- ◆ Enhanced disclosure requirements

However the Boards have not been able to agree on all matters, notably the pattern of recognizing expenses by lessees in the income statement and an exemption for low value assets.

This two-day course provides an in-depth review of the new standards.

Using case studies, examples and exercises, our specialist instructors explain and illustrate all the important issues.

This program answers questions such as:

- ◆ How must arrangements be analyzed to determine whether they contain leases?
- ◆ How are contracts separated into lease and service components?
- ◆ How are leases accounted for in the financial statements of lessees?
- ◆ How does IFRS and US GAAP differ?
- ◆ What are the enhanced disclosure requirements?
- ◆ What are the transitional provisions?
- ◆ What are the practical implications for lessees, lessors and users of the new standards?

Topics

- ◆ Leases
 - ◆ Defining a lease
 - ◆ Separating a contract into lease and service components
 - ◆ Recognition exemptions for short-term leases and leases of low value assets
 - ◆ Determining the lease term
- ◆ Lessee Accounting
 - ◆ Recognition
 - ◆ Measurement - initial and subsequent
 - ◆ Presentation
 - ◆ Disclosure
- ◆ Lessor Accounting
 - ◆ Classification as operating or finance/capital leases
 - ◆ Finance leases - recognition and measurement
 - ◆ Operating leases - recognition and measurement

- ◆ Presentation
- ◆ Disclosure
- ◆ Sale and Leaseback Transactions
 - ◆ Assessing whether a transfer is a sale
- ◆ Differences between IFRS and US GAAP
- ◆ Transitional Rules - options
- ◆ Practical Implications
 - ◆ Effects on different sectors - financial statements and performance measures
 - ◆ Financial covenants

Teaching method

- ◆ Group live instruction by specialist instructors
- ◆ Description and explanation of IFRS technical requirements in clear and simple language
- ◆ Use of case studies and real-world examples to illustrate practical application of the standards
- ◆ Interactive participation is encouraged
- ◆ All participants receive a comprehensive binder containing copies of the presentation slides, handouts and other course materials

Prerequisites

Understanding of basic accounting principles based on any national standards. No advance preparation is required for this course.

Course benefits

- ◆ Comply with the new accounting and disclosure requirements for leases
- ◆ Analyze contracts to determine whether they contain leases
- ◆ Apply the rules for initial and subsequent measurement by lessors and lessees
- ◆ Know the differences between IFRS and US GAAP
- ◆ Plan for the implications of the new accounting standards for leases – what it means for you

Testimonials

See what past participants said about this course:

// Extremely good, relevant. The instructor knows his onions. Has mastery of the subject matter. //

Yemi Ogunfeyimi, Head Internal Audit & Investigation, Bank of Industry Limited Nigeria

// The training on IFRS 16 by IASeminars has greatly enhanced my knowledge on reporting lease related transactions. //

Abiodun Sosanya, Senior Manager, Bank of Industry Limited Nigeria

// Small class size, excellent knowledge of instructor and comfortable facility all made for a very enjoyable and learning experience. Keep doing what you're doing. //

Adeel Dosani

// Instructor was very knowledgeable on the topic and provided many real world examples to help with furthering understanding. //

Matthew Fellin

// Professional, organised well, more real examples in this course [than other provider]. //

// Excellent and informative course with strong examples. //

// Instructor by far the best. He took the time to answer individual questions. //

// Chris [Boland, instructor] is very professional, has great presentation skills and has lots of examples to share in the class which is helpful for better understanding. //

// [Compared to a previous training provider] This is more extensive as to content and materials. //

// Overall the training is well informative and delivered very well. //

// Satisfied with the experience. //

// It was very good! (and the food was excellent!). At the start when I saw the material, I thought there would be too many examples but the walkthrough of all of them, reviewing the journal entries, certainly helped to get a solid understanding of the nuances of the new standard. I will certainly recommend IASeminars courses for those who have the opportunity. //

**Brad Kopas,
Enbridge Inc., Canada**

// Good training materials, lots of examples. Venue is good and food is good. //

**Dinah Ortega, Supervisor Tax & Financial Reporting,
FortisAlberta Inc., Canada**

// Excellent course and the presenter is very knowledgeable. The course content was very well thought out and explained. Easy to follow and straightforward examples provided. //

Who should attend?

This course is primarily designed for those who are engaged in leasing activities in their company or are considering doing so in the future. The course is applicable to treasury staff, industry controllers, accountants, analysts, internal and external auditors and other finance professionals who are interested in learning the impending changes to lease accounting.

CPE / CPD Accreditation

NASBA

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Field of study: Accounting

ICAEW Partner in Learning

IASeminars is proud to have been named as an ICAEW Partner in Learning, working together to offer the ICAEW IFRS Certificate to our clients worldwide. ICAEW (The Institute of Chartered Accountants in England and Wales) is a world leading professional membership organisation that promotes, develops and supports over 145,000 chartered accountants worldwide. CPE certificates obtained from attending IASeminars courses are an ideal way for ICAEW members and others to demonstrate their continuing professional development, provided that the topic is relevant to their learning and development needs.

Texas State Board of Public Accountancy

IASeminars is registered with the Texas State Board of Public Accountancy as a CPE sponsor. Our CPE Sponsor ID is: 009689. This registration does not constitute an endorsement by the Board as to the quality of our CPE Program.

Venue

Our Zurich seminars take place in 4 star professional conference facilities, generally in city-centre hotels like the Marriott, Sheraton or Hilton brands. Detailed Joining Instructions are sent to all registered delegates by email approximately one month before the event. The Joining Instructions will confirm exact venue details and nearby (or onsite) hotel recommendations with bedroom rates where available. Coffee and lunch will be provided.

Instructor(s)

Robert Phelps BA FCA

Bob Phelps BA, FCA (United Kingdom) is a trainer of long standing in the business and financial community. He specialises in International Financial Reporting Standards (IFRS), UK GAAP and US GAAP. This has involved him partnering in learning projects with a wide variety of different clients in both the private and public sectors. Working around the world, he has designed and delivered training within varying corporate and national cultures and has gained valuable experience of learners' needs in what can be very different and challenging contexts.

Recently he has delivered training courses to range of sectors including banking, insurance, legal, retail, real estate, oil and gas, waste disposal and engineering.

Bob is a UK Chartered Accountant and was educated at private schools in Trinidad and the UK and at the University of Wales. An experienced accountancy exam tutor, he was formerly involved in the start-up and management of a regional training centre of a national financial training company. Bob's work also includes training and consulting on financial statement analysis, business valuation and bank prudential regulation.

In House

To bring this course in-house please [contact us](#) and we will be pleased to assist