

IFRS 16 vs. FASB ASU Leases Topic 842



Effective Date:
1st January 2019

Effective Date:
15th December 2018



Impacts IFRS users



Impacts US GAAP users



Single Model Approach

Dual Model Approach



All leases will recognise ROU asset and liability removing the need to categorise separate lease types



FASB will adopt the current IAS 17 descriptors for capital leases vs. operating leases i.e. 75%+ of asset economic life etc.



All leases will recognise amortisation of the ROU asset and interest on the lease liability separately

Operating leases will recognise a single, total lease expense on a straight-line basis



For income statement purposes, leases will result in a front-end loaded expense



For income statement purposes, leases will be classified as operating or finance leases and expensed similar to current leases.



Fully or Modified retrospective reporting accepted

Modified Retrospective reporting only, during transitional period



Exemptions for leases on assets considered small ticket that are not tied to big ticket items



No exemption for small ticket assets



Early adoption permitted alongside implementation of IFRS 15

Early adoption permitted



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