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Covid-19-Related Rent Concessions

Cover Note

Objective

- 1 The objective of this session is to obtain EFRAG TEG members' discussion and approval for the EFRAG Board of the draft comment letter (**paper 01-02**) and draft endorsement advice (**paper 01-03**).

Background

- 2 On 24 April 2020 the IASB issued ED/2020/2 Covid-19-Related Rent Concessions *Proposed amendment to IFRS 16* (the ED) with a comment period of 14 days. The ED proposes an amendment to IFRS 16 to permit lessees, as a practical expedient, not to assess whether particular covid-19-related rent concessions are lease modifications. Instead, lessees that apply the practical expedient would account for those rent concessions as if they were not lease modifications. The Exposure Draft proposes no change for lessors.
- 3 Due to the tight timeline, the EFRAG Secretariat prepared a draft comment letter and a draft endorsement advice for this meeting.

Questions for EFRAG TEG

- 4 Does EFRAG TEG agree with the drafting of the
 - (a) Draft comment letter; and
 - (b) Draft endorsement advice?

Agenda Papers

- 5 In addition to this cover note, agenda papers for this session are:
 - (a) Agenda paper 01-02 – Draft Comment Letter;
 - (b) Agenda paper 01-03 – Draft Endorsement Advice; and
 - (c) Agenda paper 01-04 – IASB Exposure Draft *Covid-19 Related Rent Concessions* – for background only.