

March 2021

IFRS® Standards

Covid-19-Related Rent Concessions beyond 30 June 2021

Amendment to IFRS 16

IASB®

 IFRS®

**Covid-19-Related Rent Concessions
beyond 30 June 2021**

Amendment to IFRS 16

Covid-19-Related Rent Concessions beyond 30 June 2021 is issued by the International Accounting Standards Board (Board).

Disclaimer: To the extent permitted by applicable law, the Board and the IFRS Foundation (Foundation) expressly disclaim all liability howsoever arising from this publication or any translation thereof whether in contract, tort or otherwise to any person in respect of any claims or losses of any nature including direct, indirect, incidental or consequential loss, punitive damages, penalties or costs.

Information contained in this publication does not constitute advice and should not be substituted for the services of an appropriately qualified professional.

ISBN: 978-1-914113-18-5

© 2021 IFRS Foundation

All rights reserved. Reproduction and use rights are strictly limited. Please contact the Foundation for further details at permissions@ifrs.org.

Copies of Board publications may be ordered from the Foundation by emailing customerservices@ifrs.org or visiting our shop at <https://shop.ifrs.org>.



The Foundation has trade marks registered around the world including 'IAS®', 'IASB®', the IASB® logo, 'IFRIC®', 'IFRS®', the IFRS® logo, 'IFRS for SMEs®', the IFRS for SMEs® logo, the 'Hexagon Device', 'International Accounting Standards®', 'International Financial Reporting Standards®', 'NIIF®' and 'SIC®'. Further details of the Foundation's trade marks are available from the Foundation on request.

The Foundation is a not-for-profit corporation under the General Corporation Law of the State of Delaware, USA and operates in England and Wales as an overseas company (Company number: FC023235) with its principal office in the Columbus Building, 7 Westferry Circus, Canary Wharf, London, E14 4HD.

COVID-19-RELATED RENT CONCESSIONS BEYOND 30 JUNE 2021

CONTENTS

	<i>from page</i>
AMENDMENT TO IFRS 16 LEASES	4
APPROVAL BY THE BOARD OF COVID-19-RELATED RENT CONCESSIONS BEYOND 30 JUNE 2021 ISSUED IN MARCH 2021	6
AMENDMENT TO THE BASIS FOR CONCLUSIONS ON IFRS 16 LEASES	7
DISSENTING OPINION	10

Amendment to IFRS 16 *Leases*

Paragraph 46B is amended. Paragraphs C1C and C20BA–C20BC are added. New text is underlined and deleted text is struck through.

Lessee

...

Measurement

...

Subsequent measurement

...

Lease modifications

...

46B The practical expedient in paragraph 46A applies only to rent concessions occurring as a direct consequence of the covid-19 pandemic and only if all of the following conditions are met:

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) any reduction in lease payments affects only payments originally due on or before 30 June ~~2022~~2021 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before 30 June ~~2022~~2021 and increased lease payments that extend beyond 30 June ~~2022~~2021); and
- (c) there is no substantive change to other terms and conditions of the lease.

...

Appendix C Effective date and transition

Effective date

...

C1C *Covid-19-Related Rent Concessions beyond 30 June 2021, issued in March 2021, amended paragraph 46B and added paragraphs C20BA–C20BC. A lessee shall apply that amendment for annual reporting periods beginning on or after 1 April 2021. Earlier application is permitted, including in financial statements not authorised for issue at 31 March 2021.*

Transition

...

Covid-19-related rent concessions for lessees

...

C20BA *A lessee shall apply Covid-19-Related Rent Concessions beyond 30 June 2021 (see paragraph C1C) retrospectively, recognising the cumulative effect of initially applying that amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment.*

C20BB *In the reporting period in which a lessee first applies Covid-19-Related Rent Concessions beyond 30 June 2021, a lessee is not required to disclose the information required by paragraph 28(f) of IAS 8.*

C20BC *Applying paragraph 2 of this Standard, a lessee shall apply the practical expedient in paragraph 46A consistently to eligible contracts with similar characteristics and in similar circumstances, irrespective of whether the contract became eligible for the practical expedient as a result of the lessee applying Covid-19-Related Rent Concessions (see paragraph C1A) or Covid-19-Related Rent Concessions beyond 30 June 2021 (see paragraph C1C).*

Approval by the Board of *Covid-19-Related Rent Concessions beyond 30 June 2021* issued in March 2021

Covid-19-Related Rent Concessions beyond 30 June 2021, which amended IFRS 16, was approved for issue by 11 of 13 members of the International Accounting Standards Board. Messrs Anderson and Gast dissented. Their dissenting opinion is set out after the Basis for Conclusions.

Hans Hoogervorst

Chairman

Suzanne Lloyd

Vice-Chair

Nick Anderson

Tadeu Cendon

Martin Edelmann

Françoise Flores

Zachary Gast

Jianqiao Lu

Bruce Mackenzie

Thomas Scott

Rika Suzuki

Ann Tarca

Mary Tokar



International Financial Reporting Standards®

IFRS Foundation®

IFRS®

IAS®

IFRIC®

SIC®

IASB®

Contact the IFRS Foundation for details of countries where its trade marks are in use or have been registered.

The International Accounting Standards Board is the independent standard-setting body of the IFRS Foundation

Columbus Building | 7 Westferry Circus | Canary Wharf

London E14 4HD | United Kingdom

Telephone: +44 (0)20 7246 6410

Email: info@ifrs.org | Web: www.ifrs.org

Publications Department

Telephone: +44 (0)20 7332 2730

Email: publications@ifrs.org

