

March 2021

IFRS® Standards

Covid-19-Related Rent Concessions beyond 30 June 2021

Amendment to IFRS 16

IASB®

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

Amendment to IFRS 16

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COVID-19-RELATED RENT CONCESSIONS BEYOND 30 JUNE 2021

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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

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Measurement

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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.

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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

