



Amendment to IFRS 16 Leases - Covid-19 Related Rent Concessions

In May of the current year IFRS Foundation carried out an amendment to *IFRS 16 Leases, Covid-19 Related Rent Concessions*.

Below we are providing you the details of the changes made to the aforementioned standard.

Paragraphs 46A, 46B, 60A, C1A, C20A y C20B are added; for the purposes of the subsequent measuring in the accounting, the Lessee shall consider the following modifications to the Standard:

46 A - As a practical expedient, a lessee may elect not to assess whether a rent concession that meets the conditions in paragraph **46B** is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the rent concession the same way it would account for the change applying this Standard if the change were not a lease modification.

46 B - 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 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 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and

(c) there is no substantive change to other terms and conditions of the lease.

Disclosure

60 A - If a lessee applies the practical expedient in paragraph **46A**, the lessee shall disclose:

(a) that it has applied the practical expedient to all rent concessions that meet the conditions in paragraph **46B** or, if not applied to all such rent concessions, information about the nature of the contracts to which it has applied the practical expedient (see paragraph 2); and

(b) the amount recognised in profit or loss for the reporting period to reflect changes in lease payments that arise from rent concessions to which the lessee has applied the practical expedient in paragraph **46A**.

Effective date

C1A - A lessee shall apply that amendment for annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted, including in financial statements not authorized for issue at 28 May 2020.

Transition

C20A - *Covid-19-related rent concessions for lessees*. A lessee shall apply *Covid-19-Related Rent Concessions* (see paragraph C1A) retrospectively, recognizing 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.

C20B - In the reporting period in which a lessee first applies *Covid-19-Related Rent Concessions*, a lessee is not required to disclose the information required by paragraph 28(f) of IAS 8.

If you need assistance or further information related to this matter, if you have doubts or concerns, you can write to us by email, with the greatest pleasure and satisfaction we will attend your request in a timely manner.

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