

FOR IMMEDIATE RELEASE

New lease accounting standard will impact fewer than 1 in 100 European companies

Brussels, 10 November 2017 – Following yesterday's official endorsement of the new international lease accounting standard for use in Europe, Leaseurope is calling for European national standard setters to avoid applying similar rules in local accounting rules that are used by over 99 per cent of European firms.

The new standard, IFRS 16, will be mandatory from January 2019 for listed companies that follow international standards, and some other firms. For most firms the main impact on their accounts will come from their property leases, not equipment and vehicles.

To assist firms needing to implement IFRS 16, participating national leasing associations across Europe will shortly launch the Leaseurope IFRS 16 Specification. The Specification is a simple format by which lessors could choose to provide summary information on leases to their customers.

Changes to international accounting rules that are designed for the largest companies are often reflected in national accounting rules. However, Leaseurope has shown that IFRS 16 will place too great an administrative burden on Europe's small and medium-sized companies without any corresponding benefit to users of their accounts.

"This endorsement decision is effective only for large companies that are likely to have accounting departments that are used to coping with changes to accounting rules. It's essential now that national standard setters across Europe avoid any new accounting regulatory burdens on all other European companies that just want to keep investing and growing" said Leon Dhaene, Leaseurope's Director General.

- END -

Media Contact

For further information, please contact:

Anne Valette
Head of Communications
+32 2 778 05 65
a.valette@leaseurope.org

Julian Rose
Adviser, Lease Accounting
+ +44 7914 071620
j.rose@leaseurope.org

About Leaseurope

As a Federation, Leaseurope brings together 46 associations throughout Europe representing either the leasing, long term and/or short term automotive rental industries. The scope of products covered by Leaseurope's members ranges from hire purchase and finance leases to operating leases of all asset types (automotive, equipment and real estate) and also includes the rental of cars, vans and trucks. It is estimated that Leaseurope represents approximately 94% of the European leasing market. More information on Leaseurope at www.leaseurope.org.

