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Mr. Wolf Klinz
EFRAG FRB Chair
EFRAG
Square de Meeûs 35
B-1000 Brussels
Belgium

<u>Comments on the EFRAG Questions related to the IASB Request for Information: Post-implementation Review of IFRS 16 *Leases*</u>

Dear Wolf Klinz,

On behalf of the Austrian Financial Reporting Advisory Committee (AFRAC), the privately organised standard-setting body for financial and other corporate reporting in Austria, we appreciate the opportunity to contribute to EFRAG's draft comment letter on the Post-implementation Review of IFRS 16 *Leases* by providing in advance our feedback vis-à-vis the IASB.

Principal authors of this comment letter were Erich Kandler (chair), Helmut Kerschbaumer and Verena Nitschinger. In order to ensure a balanced Austrian view on the consultation, these authors have different professional backgrounds.

Best regards,
Romuald Bertl
Chairman

Responses to the questions posed by EFRAG

Question (Paragraph 17 in EFRAG Comment Letter)

Do you consider that the IASB should give priority to address any of the application issues outlined in Appendix 2? If so, please explain why the IASB should give such priority and your suggestion on how to address the issue.

AFRAC's response:

AFRAC does not see such a requirement or that there is a need to emphasize any of the matters listed in Appendix 2 over and above those that have already been addressed in our separate comment letter such as identification of a lease.

Question (Paragraph 50 in EFRAG Comment Letter)

Taking into account the high-priority issues identified by EFRAG (see cover letter), do you consider that the IASB should give priority to address any of the application issues outlined in paragraphs 32 to 45 to improve the usefulness of the information received by users? If so, do you have any suggestion to address the issue?

AFRAC's response:

AFRAC broadly agrees with the issues identified by EFRAG in its comment letter, which are mostly also highlighted in the AFRAC draft comment letter to the IASB. We do not see a need to address any of the specific listed matters with a higher priority and would like to point out that all of the individual matters have some level of interaction which suggests that they should be addressed at the same time and with similar priority.

Question (Paragraph 64 and 65 in EFRAG Comment Letter)

Are the ongoing costs listed above manageable? If not, what would be additional improvements to IFRS 16 that would help mitigate the ongoing costs? 65 Are you aware of additional significant ongoing costs of applying the measurement requirements? If so, please describe and explain how you propose the IASB reduce these costs.

AFRAC's response:

AFRAC has already expressed that it considers the ongoing costs to be manageable and that there is no immediate need to mitigate the ongoing costs of complying with IFRS 16. AFRAC is not aware of any additional significant ongoing costs to fulfilling the measurement requirements.

Question (Paragraph 161 (Appendix 2) in EFRAG Comment Letter)

Do you have comments on issues outlined in Appendix 2? Are the issues properly described and are the potential solutions mentioned reasonable?

AFRAC's response:

AFRAC does not have any additional matters to raise.