

The Swedish Financial Reporting Board

RFR-rs 2019:04

International Accounting Standards Board
Columbus Building, 7 Westferry Circus
Canary Wharf
London E14 4HD
United Kingdom

Dear Board members,

Re: Exposure Draft ED/2019/2 Annual Improvements to IFRS Standards 2018-2020

The Swedish Financial Reporting Board is responding to your invitation to comment on the Exposure Draft ED/2019/2 Annual Improvements to IFRS Standards 2018-2020 (the 'ED').

We generally agree with the proposals in the ED and consider that these minor changes will improve the consistency and understandability of the IFRS standards concerned. However, we do not support the proposal to remove the part in Illustrative example 13 (IE13) in IFRS 16 regarding reimbursement from the lessor to the lessee for the lessee's leasehold improvements.

It is common with different kind of incentives when leases are signed. Incentives may be directly linked to a lease contract but in other cases the link is more indirect. In the ED the Board states that the reason for removing the "reimbursement-incentive" discussion from the example is to avoid confusion. However, in our opinion, a removal would increase confusion since preparers have no guidance in this area and different incentive situations are common.

Therefore, we believe it is important that IASB instead elaborate upon:

- why the reimbursement in the example is not an incentive under IFRS 16, and
- what facts and circumstances to consider when making that assessment.

We would prefer to include the elaboration in IE13, alternatively in the Basis for Conclusions.

If you have any questions concerning our comments, please address our Executive member Mikael Scheja by e-mail to: mikael.scheja@radetforfinansiellrapportering.se.

Stockholm, August 15, 2019

Yours sincerely



Anders Ullberg
Chairman