

*Leases Implementation Guidance Updates: Amendments to Technical Release 20*

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This proposal would amend Federal Financial Accounting Technical Release (TR) 20, *Implementation Guidance for Leases*, by:

- incorporating minor conforming amendments related to Statement of Federal Financial Accounting Standards (SFFAS) 61, *Omnibus Amendments 2023*,
- inserting additional leases implementation guidance questions and answers within the related topic areas, and
- providing clarifying amendments / technical corrections on certain existing questions and answers under TR 20.

**QFR 1** Do you generally support the proposed conforming amendment in paragraph 5? Please explain the reasons for your position. Please also explain any alternatives or additional candidates that you propose and the authoritative basis for such alternatives.

Generally support. The considerable difference in the lease terms (office vs. parking garage) implies that the rental payments for each component are 1) available and 2) likewise differ considerably as well. If distinct rentals of each component are not available, then rentals would need to be imputed to use separate discount rates; and introduce some level of imprecision. Offhand, it does not seem practical to continue use of office space without parking.

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**QFR 2** Do you generally support the proposed updates (that is, new questions and answers) in paragraphs 6-10? Please explain the reasons for your positions, the paragraph number(s), and/or topic areas of the proposals that are related to your positions. Please also explain any alternatives you propose and the authoritative basis for such alternatives.

Generally support the proposed updates. While specific examples are helpful in understanding the application of the standard, it may not provide sufficient guidance on determining SFFAS applicability to other agreements. Clarity on 'exclusivity' provision would be beneficial, particularly where the PP&E involved is land and where rights on the surface, above the surface, and below the surface are granted.

**QFR 3** Do you generally support the clarifying amendments / technical corrections in paragraph 11-13? Please explain the reasons for your positions, the paragraph number(s), and/or topic areas of the proposals that are related to your positions. Please explain any alternatives or additional clarifying amendments / technical correction candidates that you propose and the authoritative basis for such alternatives and/or candidates.

Generally support. Clarification to the components of annual lease is helpful. Specifics of the role (agent vs principal) speak to the ability to access/control economic benefits. Example of "item 12. Paragraph 25 of TR 20" does not appear to either strengthen or diminish applying the probability provisions of the standard.