



สภาวิชาชีพบัญชี ในพระบรมราชูปถัมภ์

FEDERATION OF ACCOUNTING PROFESSIONS
UNDER THE ROYAL PATRONAGE OF HIS MAJESTY THE KING

February 19, 2021

Mr. Hans Hoogervorst
Chairman
International Accounting Standards Board (IASB)
Columbus Building
7 Westferry Circus, Canary Wharf,
London E14 4HD, United Kingdom

Dear Mr. Hoogervorst,

Response on IFRS Standards Exposure Draft ED/2021/2 - Covid-19-Related Rent Concessions beyond 30 June 2021

The Thailand Federation of Accounting Professions of Thailand would like to show our appreciation on the opportunity to respond on *IFRS Standards Exposure Draft ED/2021/2 - Covid-19-Related Rent Concessions beyond 30 June 2021*. Overall, we support with the proposals on the extended scope of the practical expedient for rent concessions, as well as, we agree with the effective date and transition described in the proposal. However, we have some comments on the lessee who would be allowed to elect the practical expedient.

Please find our responses to the specific survey raised in *IFRS Standards Exposure Draft ED/2021/2 - Covid-19-Related Rent Concessions beyond 30 June 2021* in an attachment. We believe that these responses will help the practitioners in the future and that our response will contribute positively to the IASB's due process. Should you need more information, please kindly contact the Thailand Federation of Accounting Professions of Thailand.

The Thailand Federation of Accounting Professions avails itself of this opportunity to the International Accounting Standards Board the assurances of its highest consideration.

Yours sincerely,

Associate Professor Dr. Vorasak Toommanon
Chairman of Thai Accounting Standards Board
Thailand Federation of Accounting Professions
Bangkok, Thailand



IFRS Standards Exposure Draft ED/2021/2 - Covid-19-Related Rent Concessions beyond 30 June 2021

Question 1—Extended scope of the practical expedient (paragraph 46B(b) of the [Draft] amendment to IFRS 16)

The Board proposes to amend paragraph 46B(b) of IFRS 16 to extend the availability of the practical expedient in paragraph 46A so that it applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions in paragraph 46B are met. Do you agree with this proposal? Why or why not?

TFAC: We agree with the extended scope of the practical expedient proposed in the Exposure Draft because the covid-19 pandemic has still been ongoing and significant in many countries.



Question 2—Effective date and transition (paragraphs C1C, C20BA and C20BB of the [Draft] amendment to IFRS 16)

Paragraphs C1C, C20BA and C20BB of the draft amendment to IFRS 16 propose that a lessee applying the practical expedient in paragraph 46A would:

- (a) apply the amendment for annual reporting periods beginning on or after 1 April 2021. Earlier application is permitted, including in financial statements not yet authorised for issue at the date the amendment is issued;
- (b) apply the amendment retrospectively, recognising the cumulative effect of initially applying the 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; and
- (c) not be required to disclose the information required by paragraph 28(f) of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in the reporting period in which the lessee first applies the amendment.

Do you agree with this proposal? Why or why not?

TFAC: We agree with the effective date and transition as described in this proposal because the transition is same as ‘*Covid-19-Related Rent Concessions*’ issued in May 2020 and it is not costly and time consuming as much as a full restatement. However, in relation to that the application of the such extended scope is not available for any entity who has decided not to adopt the *Covid-19-Related Rent Concessions*’ issued in May 2020 in the first place as described in BC8 of this Exposure Draft, from our point of view since the Covid-19 pandemic has still been ongoing and significant however the stage of such pandemic are indeed different from country to country. In certain countries, the lease concessions may not have been widely granted earlier (prior to June 2021) as the Covid-19 impacts has been relatively low or negotiation among counterparties has been on going and were not concluded until later so there is a high possibility that these entities who might have not adopt such practical expedient because the concession had not been granted before or even for those rent concessions were immaterial may find themselves would in need of adoption of such practical expedient much more than before. In addition, in order to maintain the comparability among different entities who adopt IFRS, we suggest that the amendment proposed by the Exposure Draft should allow any lessee to elect to apply the practical expedient extended beyond 30 June 2021, although the lessee has not previously applied the practical expedient described in paragraph 46A.