



IFRS Adviser Alert

IASB extends rent concessions related to COVID-19

April 2021

Executive summary

The International Accounting Standards Board (IASB) has issued *Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)*, an extension to the practical expedient period in the amendments to IFRS 16 *Leases* made last year. This extension is for one year, so the application period now extends until June 30, 2022.

In May 2020, the IASB published an amendment *COVID-19-Related Rent Concessions (amendment to IFRS 16)* (the 2020 amendment). The 2020 amendment added a practical expedient to IFRS 16 which provides relief for lessees in assessing whether specific COVID-19 rent concessions are considered to be lease modifications. Instead, if this practical expedient is applied, these rent concessions are treated as if they are not lease modifications.

In light of the impact the COVID-19 pandemic has had on business activity across the world, and response from feedback received from stakeholders, the IASB decided to extend this relief for one year to provide relief for recent concessions in relation to COVID-19 that reduce payments up until June 30, 2022.

The extension is effective for annual reporting periods beginning on or after April 1, 2021.



Our thoughts

We welcome this latest amendment to extend the scope and application date of the relief for another year. The COVID-19 pandemic is still very prevalent around the world and it is, therefore, reasonable that lessors would still be providing rent concessions to lessees for lease payments beyond June 30, 2021.



Follow us



rcgt.com

About Raymond Chabot Grant Thornton

Raymond Chabot Grant Thornton LLP is a leading accounting and advisory firm providing audit, tax and advisory services to private and public organizations. Together with Grant Thornton LLP in Canada, Raymond Chabot Grant Thornton LLP has more than 5,580 people in offices across Canada. Raymond Chabot Grant Thornton LLP is a member firm within Grant Thornton International Ltd (Grant Thornton International). Grant Thornton International and the member firms are not a worldwide partnership. Services are delivered independently by the member firms.

We have made every effort to ensure the information in this publication is accurate as of its issue date. Nevertheless, information or views expressed herein are neither official statements of position nor should they be considered technical advice for you or your organization without consulting a professional business adviser. For more information about this publication, please contact your Raymond Chabot Grant Thornton adviser.