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Ms Irene Tinagli  
Chair, Committee on Economic and Monetary Affairs (ECON)  
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Berlin, 25. Juni 2020

**RE: Endorsement of Amendments to IFRS 16 – Covid-19-related rent concessions**

Dear Ms Tinagli,

On behalf of the Accounting Standards Committee of Germany (ASCG), I request your and the ECON's attention as regards an urgent amendment published by the IASB concerning relief in relation to IFRS 16.

In light of the pandemic, many companies leasing property have been granted rent concessions by their lessors. Under the applicable requirements of IFRS 16 as endorsed for use in the European Union, companies would have to assess whether or not such concessions meet the definition of a modification of the lease arrangement. This assessment would have to be carried out for each and every lease contract.

The IASB reacted in a very timely fashion and provided a well-received amendment to the standard that would allow entities to deem any Covid-19-related rent concessions as if they were not modifications. This relief has been called for by stakeholders, including the European Financial Reporting Advisory Group (EFRAG). However, in order to allow companies domiciled in the European Union to benefit from this amendment when it is needed most – i.e. in their annual or interim financial statements due 30 June 2020 –, it would have to be endorsed in time.

Companies will start issuing their reports some time from mid-July. It would therefore be of utmost importance that there was certainty as to whether or not the amendment was available to them. It would be highly regrettable if solely due to procedural obstacles European companies would be placed at a disadvantage vis-à-vis their non-European counterparts. I therefore respectfully urge the ECON and the Parliament to make every effort to accelerate its consideration of this important amendment and issue an early no objection notice in order to provide preparers, auditors and regulators with the necessary comfort.

Should you have any questions or comments, please do not hesitate to contact me any time.

Sincerely yours,

(Prof Dr Andreas Barckow)  
– President –

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