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## **New accounting standards under spotlight at international leasing conference**

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**BRUSSELS, 25 May 2009** – Over 100 members of the asset finance industry and businesses from across Europe met in London last Friday, 22 May, to debate the preliminary views on lease accounting that were published recently by the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB). They were joined by representatives of the IASB and European standard setters, together with leaders of the U.S. Equipment Leasing and Finance Association and the Australian Equipment Lessors Association.

The European Forum, “Putting Leasing on the Line”, considered the standard setters’ long-awaited discussion paper that focuses on putting all types of leases on firms’ balance sheets. This would involve the several million businesses across Europe who lease or rent making significant changes to the way they account for leases of all types of assets, including cars, commercial vehicles, machinery, PCs and photocopiers.

The European leasing industry is concerned that the standard setters are considering an excessively burdensome approach for accounting for leases. Leasing provides vital economic benefits for many businesses, and the Forum heard that there is a risk that these benefits could be undermined by unnecessary complexity.

Chairman of the Forum, Mark Venus, said: “The focus for lease accounting should be on improvement and simplification. A balance between the needs of users of accounts and the costs for preparers must be achieved. However, the complex new methods proposed may make this vital form of business finance more difficult to use and more opaque for users of accounts. It is essential now that the wider business community makes its views clear to the IASB and FASB, so that the standard setters understand the damage that they could cause to European businesses already struggling to find finance in today’s difficult economic environment.”

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### **Media Contact**

Anne Valette  
Head of Communications  
+32 2 778 05 65  
[a.valette@leaseurope.org](mailto:a.valette@leaseurope.org)

### **About Leaseurope**

As a Federation, Leaseurope brings together associations throughout Europe representing either the leasing, long term and/or short term automotive rental industries. The scope of products covered by Leaseurope members ranges from hire purchase and finance leases to operating leases of all asset types (automotive, equipment and real estate) and also includes the rental of cars, vans and trucks. It is estimated that Leaseurope represents approximately 93% of the European leasing market. In 2007, new leasing volumes worth €340 billion were granted by the firms represented through Leaseurope members, a 13% increase compared to 2006. Together, these firms finance around 20% of all European investment (excluding investment in private dwellings). Moreover, they are responsible for the leasing and rental of some 17 million vehicles throughout Europe.