

FOR IMMEDIATE RELEASE

Leaseurope welcomes IASB/FASB's announcement that more time will be taken to complete new lease accounting standard

BRUSSELS, 18 April 2011 - Leaseurope, the trade body representing the European leasing and rental industry, welcomes the recent announcement from the International Accounting Standards Board (IASB) and the US Financial Accounting Standards Board (FASB) that the standard setters will take more time to develop the new international lease accounting standard.

The Leases standard was originally due to be completed together with the other *so-called* convergence projects of the Boards by June this year. However, following requests from many of the Boards' constituents, including the Monitoring Board of the IFRS Foundation as well as the global leasing industry, this timeline has now been pushed back to the end of 2011 to coincide with the G20's target deadline for the completion of convergence projects.

When the IASB and FASB issued a draft Leases standard for comment last year, they received around 800 comment letters, a vast majority of which expressed significant concerns on the cost/benefit balance of the proposals. "Although the Boards had begun to consider how to adapt their proposals in response to this feedback, there were concerns that they simply would not have the time to resolve the many outstanding issues identified and produce proportionate, high quality accounting requirements for leases", explains Jukka Salonen, Chairman of Leaseurope. "The Boards' acknowledgement that more time is needed is therefore a clear signal they are listening to these concerns. It is important that they focus on getting the new standard right rather than on trying to meet a June deadline at all cost."

Tanguy van de Werve, Leaseurope's Director General adds, "We have pointed out that it is necessary for the Boards to consult widely on their revised proposals to ensure that the final Leases standard is robust and withstands the test of time. With the unnecessary time pressure of June now gone, this will be possible. We are expecting the Boards to release further details on their re-deliberation and consultation plans shortly. Leaseurope will continue to play an active role in this process to make sure that the leasing industry's viewpoint is reflected in the final standard.

We are also pleased to note that the Boards have reassured their constituents that there will be ample time between the finalisation of the Leases standard and its effective date. Indeed, this is crucial for the industry and its clients to be able to understand the new requirements and prepare for implementation."

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About Leaseurope

As a Federation, Leaseurope brings together 45 associations throughout Europe representing either the leasing, long term and/or short term automotive rental industries. The scope of products covered by Leaseurope's 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. More information on Leaseurope and its members can be found at www.leaseurope.org.