

anan



Founded in 1979 and chartered by Act No. 76 of 1993

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Dear Sir,

RESPONSE TO THE EXPOSURE DRAFT 64 - LEASES

The Association of National Accountants of Nigeria is pleased to comment on the Exposure Draft 64 - Leases.

Our response to Questions for respondents are set out below:

Specific Matter for Comment 1

The Association of National Accountants of Nigeria (ANAN) agrees with IPSASB on the decision to adopt IFRS 16 Right-of-Use model for Lessee Accounting because the reasons adduced in BC7 are comprehensive coupled with the fact that they equally bringing to prominence the concept of the "Right-of-Use" to override the right of control.

Specific Matter for Comment 2

ANAN agrees with IPSASB to depart from the IFRS 16 "Risks and Rewards Model" for Lessor Accounting in the Exposure Draft. The reason for the conclusion is fundamentally based on the Conceptual framework of recognizing and derecognizing criteria of assets.

Specific Matter for Comment 3

ANAN agrees with the proposed single Right-of-Use model for Lessor Accounting consistent with lessee accounting. This is based on the fact that it is in tandem with what obtained in practice within the leasing industry.

Specific Matter for Comment 4

ANAN agrees with IPSASB position to measure concessionary leases at fair value and recognize the subsidy granted to lessees as day-one expense and revenue over the lease term consistent with concessionary loans for lessors. Also, the IPSASB proposal to measure concessionary leases at fair value and recognize revenue in accordance with IPSAS 23. The reason is that BC112 - BC114 clear the doubts in the minds of those that are not familiar with the norms of accounting.

ABOUT ANAN

The Association of National Accountants of Nigeria (ANAN) is a statutorily recognized Professional Accountancy body in Nigeria. The body is charged among others, with the responsibility of advancing the science of accountancy.

The Association was founded on 1st January, 1979 and operates under the ANAN Act 76 of 1993(Cap A26 LFN 2004), working in the public interest. The Association regulates its practising and non-practising members, and is overseen by the Financial Reporting Council of Nigeria.

Active ANAN members are 20,049, who are either FCNA or CNA and are found in Business, Practice, Academic and Public Sector in all the States of Nigeria and Overseas. The members provide professional services to various users of accountancy services.

ANAN is a member of the International Federation of Accountants (IFAC), International Association for Accounting Education & Research (IAAER), The Pan African Federation of Accountants (PAFA), and Associate of Accountancy Bodies in West Africa (ABWA).

Yours faithfully,

ASSOCIATION OF NATIONAL ACCOUNTANTS OF NIGERIA

DR. Nuruddeen Abba Abdullahi, mni, FCNA
Registrar/Chief Executive