

charges the lessee is known, the designation of the lessee's incremental borrowing rate as the only rate that can be used will create an additional administrative burden to investigate the lessee's incremental borrowing rate separately for each counterparty.

(b) Full retrospective application should not be permitted (see (a) above).

Question 17: Benefits and costs

While we appreciate that benefits outweigh the costs for all lease transactions taken as a whole, we are in agreement with the statement made in paragraph BC203. That is, cost-benefit performance is particularly low where entities hold large numbers of small-amount leases (store and office equipment and fixtures, etc.). Simplified measures should be adopted for application to such cases (see our response to Question 1).

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