



Madrid, September 3th, 2013

Mr. Hans Hoogervorst  
IFRS FOUNDATION/IASB  
30 Cannon Street  
LONDON, EC4M 6XH

**Ref.: Accounting project – Project for ED/2013/6 Standard on Leases**

Dear Sir,

Before starting the purpose of this letter, I would like to summarise what the Spanish Association for Financial and Operating Leases (AELR) is, (which I have the pleasure of representing), and who are its members, so that you can have a better understanding of our request.

The Association represents the interests of the financial and operating lease sector and of the companies that operate in it in Spain, where nearly all the leading Spanish credit institutions under the auspices and supervision of the Bank of Spain are present, as well as the companies specialising in other products.

The purpose of this letter is as follows.

This Association, together with Leaseurope, the European confederation that represents financial leasing in Europe and the automotive rental industry, has actively participated, with the other European associations, in the project to revise the IASB's and FASB's lease accounting since its start in 2006. During the years, we have tried to provide a constructive contribution to this process and, although we are glad that some of our concerns have been addressed, we are disappointed with the final result of the Boards' proposals, establishing the proposed ED/2013/6 Standard on Leasing. Unfortunately, we cannot see the reasons to sufficiently justify the approach of the new ED and, therefore, our recommendation is to maintain the existing standard on leasing (IAS 17), with additional information. Among the main reasons, with which we fully agree with Leaseurope, are that the conceptual base for the right to use the model is not sufficiently clear, the IASB's justification to modify lease accounting and its interpretation of the use of leasing is deceitful, and the introduction of type B leasing indicates that the right to use the model does not work in practice; on the other hand, the new proposals do not provide better information to users and the cost and complex nature seem inherent in the model used. There are significant concerns about the costs and complex nature of the proposals.

In view of this, our Association understands that the right-of-use model is not feasible, does not have clear or sufficiently mature concepts, is too complex, does not provide high financial quality and will be too costly to implement and apply.

As a result of the above, our suggestions are as follows:

The Association believes that, now more than ever, it is necessary to maintain the arguments stated until now during the Project's different phases (maintain IAS 17; too complex, especially for smaller companies; the comments stated in the preceding paragraphs).

In Spain, and in the majority of the countries, SMEs need the most support since, in social terms, they are the ones that can boost a country's growth (in this case, Spain) and employment, so they need standardisation and easy registration; therefore, if a change is to be imposed, the "accounting of all lease operations in small companies should be similar to the accounting of contracts of up to 12 months", i.e. as if they were an expense. As a second option, our suggestion is to make them similar to "B"-type contracts.

We would also like to take the opportunity to request, for the approval of this Project, the amendment of some standards during the "transitional" period so that the operating leases, which have less than 12 months until maturity as determined when entering into force, maintain their situation and accounting until that maturity.

Additionally, and focusing particularly on the Regulators, we must insist that the standards be applied to all the market lessors, whether or not they are "international" companies or "listed in any market" being credit institutions or not, in order to avoid distortions that may affect the market and its transparency. Otherwise, the activity is likely to flow towards "less" controlled sectors.

Trusting in the consideration of our request.

Yours faithfully,



Manuel García Fernández  
General Secretary

