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FOR IMMEDIATE RELEASE

**FASB VOTES TO ISSUE FINAL STANDARD ON LEASES**

*Final Accounting Standards Update to be published by early 2016;  
Effective dates for leases standard set for 20XX and 20XX*

**Norwalk, CT—November 11, 2015**—The Financial Accounting Standards Board (FASB) today voted to issue with a new accounting standard that would require companies and other organizations to include lease obligations on their balance sheets. The final Accounting Standards Update (ASU) is expected to be published in early 2016.

At its public meeting, the FASB concluded its deliberations on the leases ASU, which is intended to increase the transparency and comparability of financial reports by recognizing lease assets and lease liabilities on the balance sheet and disclosing other key information. The FASB decided the effective dates of the new standard will be XX for public companies, and XX for private companies.

As a next step, the FASB staff will complete a “ballot draft” of the ASU that includes all of the Board’s final decisions. The ballot draft will be shared with each of the seven Board members, who will review it to ensure that the ballot draft accurately reflects decisions made throughout their public deliberations. When the Board is satisfied that the ballot draft reflects their intentions, the draft will be submitted to production for final publication.

“We believe that this new standard is important because it will provide investors, lenders and other users of financial statements a more accurate picture of the long-term financial obligations of the companies to which they provide capital,” said FASB Chair Russell G. Golden.

The Leases project was added to the FASB's joint agenda with the International Accounting Standards Board (IASB) in response to concerns from investors, other financial statement users, and the U.S. Securities and Exchange Commission (SEC) regarding the lack of transparency relating to material lease obligations that have been reported off-balance sheet. The SEC staff in 2005 identified leasing as a form of off-balance sheet accounting that should be addressed by the FASB.

The decision to issue the final standard followed extensive stakeholder outreach. The FASB received more than 1,740 comment letters received on a 2009 Discussion Paper and two Exposure Drafts (2010 and 2013). During this process, the FASB participated in more than 200 meetings with financial statement preparers and users, hosted 15 public roundtables, 15 preparer workshops, and 14 meetings with practitioners, standard setters, and other interested parties. In addition, the FASB and the IASB met with more than 500 users of financial statements.

It is expected that the final standard will be published in early January 2016, giving preparers enough time to review and prepare for the changes by the 20xx/20xx implementation deadlines.

### **About the Financial Accounting Standards Board**

Established in 1973, the FASB is the independent, private-sector organization, based in Norwalk, Connecticut, that establishes financial accounting and reporting standards for public and private companies and not-for-profit organizations that follow Generally Accepted Accounting Principles (GAAP). The FASB is recognized by the Securities and Exchange Commission as the designated accounting standard setter for public companies. FASB standards are recognized as authoritative by many other organizations, including state Boards of Accountancy and the American Institute of CPAs (AICPA). The FASB develops and issues financial accounting standards through a transparent and inclusive process intended to promote financial reporting that provides useful information to investors and others who use financial reports. The Financial Accounting Foundation (FAF) supports and oversees the FASB. For more information, visit [www.fasb.org](http://www.fasb.org).

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