



Exposure Draft ED/2020/4 *Lease Liability in Sale and Leaseback (Proposed Amendments to IFRS 16)*

Comment Letter
European Financial Reporting Advisory Group
35 Square de Meeûs
Brussels B-1000
Belgium

Dear Madam/Sir,

In the present letter ICAC gives its view on EFRAG's position presented in your draft comment letter on IASB's Exposure Draft *ED/2020/4 Lease Liability in Sale and Leaseback (Proposed Amendments to IFRS 16)*.

First of all, ICAC supports the proposals in the ED to the extent that they result in a seller lessee recognising a gain only to the proportion of the rights it has transferred to the buyer-lessor. ICAC believes that recognizing the full gain or loss on the sale, in a sale and leaseback transaction, is contrary to the principle of prudence.

ICAC supports the responses given by EFRAG in its comment letter.

Please, don't hesitate to contact us if you would like to clarify any point of this letter.

Yours sincerely,

Santiago Durán Domínguez
Chairman of ICAC
Madrid, 19th February 2021

