

# iLeAS

## Seamless Lease Management & IFRS16 Compliance

Achieve an effective lease agreement tracking and ensure IFRS 16 compliancy by integrating to your ERP System. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases.

### LEASE DEFINITION

The new on/off-balance sheet test for lessees - a key judgement area

	LEASE CLASSIFICATION TEST	ON	OFF
New Standard	✗	LEASE	SERVICE
Old Standard	✓	FINANCE LEASE	OPERATING LEASE

IFRS 16 requires all major leases included in the balance sheet

<b>Right-of-use Asset</b> Right to use the underlying leased asset	<b>Lease Liability</b> Obligation to make lease payments
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### LEASE EXEMPTIONS

Two major optional exemptions make the standard easier to apply

 <b>SHORT TERM LEASES</b> $\leq 12$ MONTHS	 <b>LEASES OF LOW VALUE ITEMS</b> $\leq$ USD 5000
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### LEASE LIABILITY

#### ✓ INCLUDES

- Present value of lease rentals
- Present value of expected payments at end of lease
- Variable lease payments based on an index or rate







#### ✗ DOESN'T INCLUDE

- Variable lease payments based on turnover or usage

### ADVANTAGES

 <p>Deploy as an <b>extension to Oracle EBS Solution</b> or as a <b>stand-alone Cloud solution</b> to connect to other ERP Applications</p>	 <p>enables <b>synchronization with General Ledger</b> for accounting entries and Accounts Payable for lease rental invoices</p>	 <p><b>Leverage dashboards</b> and the <b>reporting features</b> for all lease reporting requirements</p>
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### FUNCTIONALITY

 <p>Records all types of leases (Property, Equipment, etc.)</p>	 <p>Define the rental schedule with clauses for revision, payment frequency</p>	 <p>Integrate with Accounts Payable for Invoice creation as per payment schedule</p>
 <p>Calculate the Right of Usage (RoU) Valuation based on the IRR or borrowing rate and also the Lease Liability in line with the IFRS 16 recommendations</p>	 <p>Integrate with GL to create the accounting entries for the RoU and Lease Liability values</p>	 <p>Generate the Amortization calculation and the accounting entries to GL</p>