

Portfolio No.: 1032-01
Subject: Year-end Closing and Preparation of Year-end Closing

Leasing Accounting in Accordance with IFRS 16

Account for leasing contracts correctly in accordance with IFRS 16 using SAP® RE-FX

The standard IFRS 16, which was published in January 2016, re-regulates accounting for leasing contracts as of 2019 and replaces IAS 17. What does that mean for your company? Until now, an option was available to lessees and lessors when it came to accounting for their leasing contracts. Thus, these could be interpreted as operating or as finance leasing. In accordance with IAS 17, there was no accounting obligation for the former. It was sufficient to show this in the notes, which made them "off-balance" items. This option has now been eliminated in IFRS 16, which means most leasing contracts will now have to be shown on the balance sheet. This new regulation applies for all accounting periods that start after 31 December 2018.

In future, it will be possible to map leasing contracts of this kind using the SAP® module RE-FX. You will be able to conveniently configure the run times and evaluation in accordance with various accounting standards individually for each contract. Integrative posting to the asset directly from contract management will also be possible.

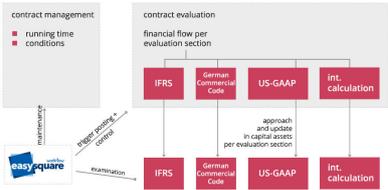
Your Benefit

Compliance with regulations: Using SAP® RE-FX and the additional PROMOS tools allows you to account for leasing contracts in accordance with the new standard IFRS 16.

Cost reduction: Efficient management of leasing contracts allows you to better recognise unused capacities and unattractive contract conditions.

Speed: The end-to-end contract management integrated into SAP® allows you to account for the contracts quickly and easily as part of annual financial statements.

Efficiency: Combination with easysquare workflow ensures an efficient workflow. The work steps are consecutively assigned to the responsible processor. This ensures prompt processing in the right order.



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Details

The introduction of the SAP® module RE-FX allows companies with leasing contracts to manage them effectively. In this module, the contract conditions can be recorded easily and conveniently when the contract is concluded and updated at any time if required. The integrated management in SAP® allows the data to also be used in the financial and controlling areas.

Accounting for the contracts in accordance with the new standard IFRS 16 is integrated and can be controlled using the contract conditions. You can store different measurement rules for different accounting standards. The posting can then automatically be made in different depreciation areas. Parallel management of the leasing contracts or the underlying assets in asset accounting is not necessary. Contract evaluation also takes special payments, interest effects, premiums and similar features into account if these are maintained accordingly.

Through combination with easysquare workflow, all the work steps can be processed in one structured workflow. Flexible processor finding determines the responsible processor for every step.

The existing RE-FX functions are not affected by this. Thus, using the RE-FX module allows easier area management of lease-outs in the sense of corporate real estate management. In this connection, PROMOS provides countless additional functions and reports that can also be tailored to your requirements and individually customised at any time on request. For example, an enhancement is available for easier recording of leasing contracts, such as those for machines or plants.

End user

- G/L accountants
- Accountants

Technical requirements

- SAP® RE-FX
- SP12

Show product online:



Our hotline for questions:

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