

# IFRS 16 Implementation: It's harder than it seems



#### **KPMG** has

significant experience in implementing accounting change projects, and is ideally positioned to support your transition to IFRS 16.

We propose a flexible approach to support each stage of your implementation journey.

Our broad range of specialists will help ensure a tailored solution is developed for your organisation's needs.

#### Accounting advice

#### Impact assessment

We can model the impact of IFRS 16 using our KPMG Transition Impact Accelerator. This will help you understand the impact on balance sheet, P&L and KPIs under each transition option.

#### **Technical support**

We can support you with understanding the requirements of IFRS 16 and applying them to your business.



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#### **Accounting policies**

We can prepare/ review your IFRS 16 accounting policies

We will use insight from our many projects to support your judgements.

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#### **Discount rate**

We can support you in determining appropriate discount

We can build a discount rate tool to assist with your calculation of discount rates at transition and in the future.



#### **Embedded leases**

We can advise on the identification of potential embedded leases in your business.

We can review complex contracts to identify embedded leases.



#### **Training**

We can provide classroom, webex and online training for your commercial and finance teams.

KPMG has developed a series of interactive digital learning modules, covering the core components of IFRS 16 for a range of stakeholders.

#### **Project management**

We can advise on your IFRS 16 programme governance or run your PMO.

We can drive program execution, performance, integration and visibility through the introduction of program management standards, processes and resources.

We can provide programme assurance.

We can support you in developing a data extraction plan to ensure the complete identification of your lease population.

**Data collection and validation** 



#### **Gather**

We can support you in extracting the required information from your leasing contracts.



#### Validate

We can provide assurance on the quality of the information extracted.



#### Tax advice

#### Impact assessment

We can review your lease portfolio and assess the tax impact of transition to IFRS 16.

#### Ongoing tax advice

We can provide ongoing advice including identification of specific data elements required for tax reporting purposes.

### **Time to Comply** IFRS 16

Accounting



Processes and controls



#### Software selection and implementation



We can help you identify the technology which is the best fit for your organisation (spec and select).



We understand the tools in the market and can work with you to define the needs of your organisation (RFP).



Once selected we can support with implementation or integration of the new leasing system.

#### **Operations**

Tax

We can identify processes affected by the new standard.

We can design the revised processes, internal control and reporting governance requirements to ensure compliance.

We can review the current path of a lease through your business and define new process requirements.

#### **Model build**

We can provide you with a sophisticated model to account for leases in accordance with the requirements of IFRS 16.

Our model is cheaper than software and more flexible. It can be used for budgets/forecasts, scenario testing and is customisable to your input and output requirements.



## Contacts

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