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23 February 2021

James Grapsas
Senior Lawyer
Investment Managers Team
Australian Securities and Investments Commission

Dear James

SUBMISSION – CP 336 FINANCIAL REQUIREMENTS: TREATMENT OF LEASE ASSETS

We appreciate the opportunity to provide comment to the Australian Securities and Investments Commission (ASIC) on Consultation Paper 336 *Financial requirements: Treatment of lease assets* (the Consultation Paper or CP 336).

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We support the proposal to amend the 'excluded assets' definition in the ASIC Instruments, related pro forma documents and ASIC Regulatory Guides, to provide that a right-of-use asset (arising under the application of AASB 16 *Leases*) is not an excluded asset. In our opinion, this is an effective and pragmatic approach to addressing the concerns raised about the impact of changes to the accounting treatment of leases on the ability of some Australian financial service (AFS) licensees to satisfy certain financial requirements.

Please contact either myself or Darryn Rundell, Director - Audit & Accounting Technical (03 8610 5574 or darryn.rundell@pitcher.com.au), in relation to any of the matters outlined in this submission.

Yours sincerely



K L Byrne
Partner



D J Rundell
Director, Audit & Accounting Technical

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