

Deloitte's unique proposition for property occupiers

Property leases are likely to be one of the most significant areas of impact. This applies also to the common lease/rental agreements in Switzerland. Understanding the impact of IFRS 16 requires a joined-up approach looking at both financial and leasing strategy.

Our IFRS 16 implementation team brings together every Deloitte service line, including our Corporate Real Estate team. They will address every aspect of corporate real estate, including understanding the financial effects of IFRS 16 and shaping your property strategy in the new environment. Whilst our phased implementation plan includes consideration of lease strategy within 'Mitigate and Strategise', it is important to be aware of the implications for real estate strategy from the beginning.

Some of the many questions our Real Estate teams can help businesses answer include:

- Should assets be bought rather than leased?
- Should services be procured in a way that does not meet the definition of a lease?
- How should the business manage its property portfolio and negotiate its property leases (including lease terms, incentives and structures)?
- Is your estates strategy up to date, and aligned to the needs of the business? Do you have metrics in place to demonstrate efficient use of accommodation?
- How will you educate those responsible for leasing strategy in the implications of lease structures for corporate performance reporting?
- What are the implications for international businesses?

Our Estates Strategy Review offering also enables us to provide you with:

- Critical insight into the company's estates strategy and benchmarking with industry practice.
- Identification of strategy gaps.
- Review of alignment of own vs. lease strategy with core business objectives.
- Assessment of efficiency and effectiveness of use of leased assets.

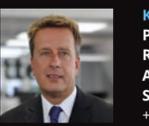
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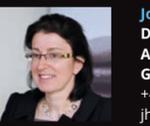
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Time to take action
IFRS 16 Leases

Audit & Assurance ●

IFRS 16 Leases – Three steps to success

IFRS 16 *Leases* was issued by the IASB in January 2016. It will replace IAS 17 *Leases* for reporting periods beginning on or after 1 January 2019. **The time to take action is now.**

Our first high level review indicates that IFRS 16 will leave its marks in the financial statements of many Swiss companies.

There are three key phases to a successful implementation:

IFRS 16 will have broad implications:

- It could fundamentally alter the balance sheet and income statement of many companies.
- Extensive data requirements, beyond what many companies currently have available.
- Significant resource and systems implications, particularly for large property occupiers.
- Important choices and exemptions will need to be modelled and considered at an early stage.
- The impact is likely to affect a number of stakeholders, including finance departments, property teams, banking covenants, remuneration schemes, and – where relevant – regulatory compliance.
- Opportunities to revisit leasing strategy and consider smarter contracting options.

 Assess and Prepare	<ul style="list-style-type: none"> • Readiness assessment • Accounting policy • Data assurance • Technology strategy
 Implement and Embed	<ul style="list-style-type: none"> • Data manipulation • Technology implementation • Controls and governance
 Mitigate and Strategise	<ul style="list-style-type: none"> • Managing the impacts • Lease strategy • Contract strategy

IFRS 16 will have broad implications; the time to take action is now.

The timeline for adoption: steps to success

