



LeaseMARC™: A new approach to lease accounting

New rules, new operating model

New lease standard and its impact

Lease accounting is undergoing significant changes that affect all industries as a result of the new Lease Accounting Standards (ASC 842 and IFRS 16) issued by the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB). The new leasing standard requires lessees to report all operating leases on balance sheet for the first time and establishes a new set of requirements for quantitative and qualitative disclosures.

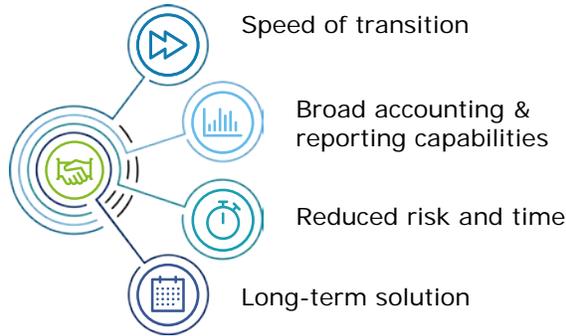
The challenges companies are faced with under the new standard are typically substantial and will likely impact systems and processes around lease accounting and financial reporting.

The journey ahead

This is not only a significant change in accounting treatment and disclosure, but it also increases the importance of an organization's approach to data collection, processes, and technology to accurately account for and report on their lease transactions.

Companies may consider rethinking their accounting and reporting operating model by shifting from a manual-based approach to a systems-based process leveraging both technology and people for accurate data extraction, as well as ongoing lease accounting and reporting.

LeaseMARC advantage



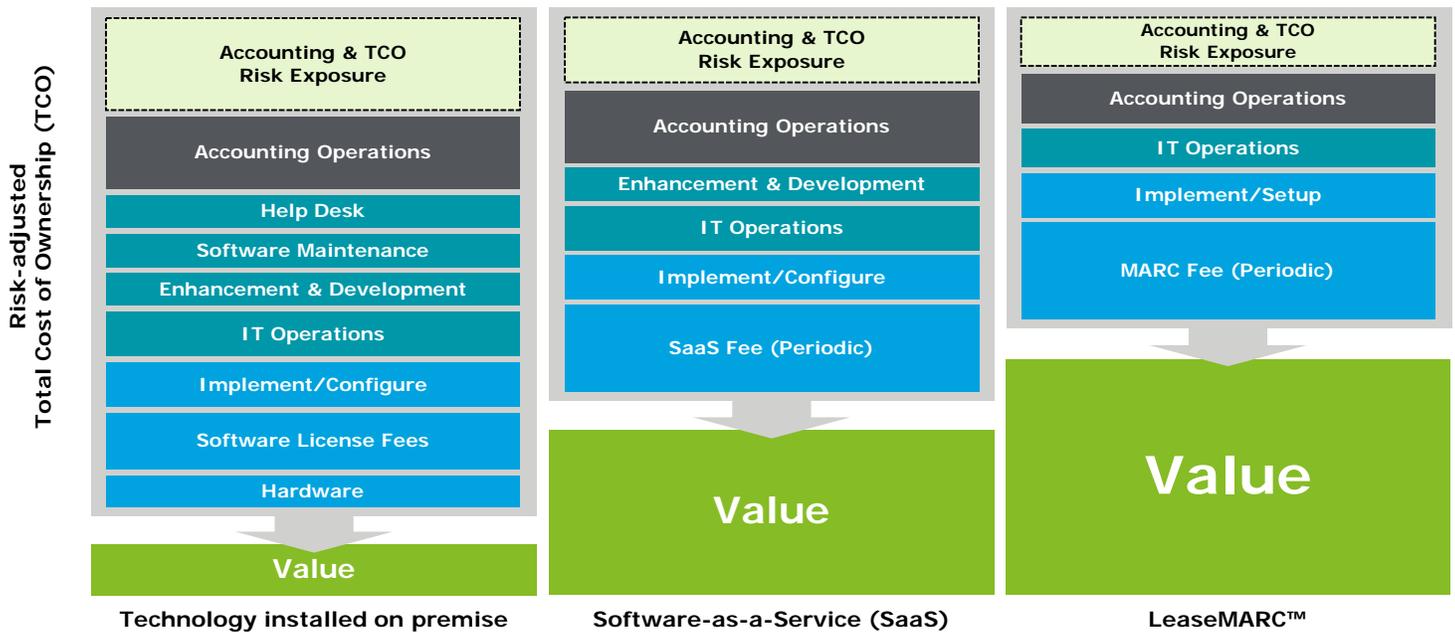
The Deloitte advantage

Deloitte is helping clients re-engineer their lease accounting and reporting operating model, from initial planning, contract abstraction and assessment, and continuing through ongoing accounting and reporting services, delivered through LeaseMARC, a new offering that's part of the Managed Accounting, Risk and Compliance (MARC) suite of services.

LeaseMARC delivers a broad lease accounting and reporting service powered by our proprietary technology that's outcome-based with a predictable pricing structure. Leveraging Deloitte's distinct delivery model, this innovative solution helps enable companies to lower total cost of ownership, strengthen compliance, reduce risk and help clients achieve audit readiness.

LeaseMARC vs. other lease accounting operating models

As compared to other accounting and reporting operating models, i.e., developing an in-house technology or purchasing software, Deloitte's end-to-end LeaseMARC solution is broad. The service is **designed to help address lease accounting and reporting requirements while providing a lower cost of ownership**: reducing risk, providing ongoing accounting and reporting services, helping to address exceptions and outliers, continuously updating for changes in rule-making, and bringing relevant insights. LeaseMARC helps organizations transition from data abstraction to reporting and standard adoption while reducing potential overhead costs and accounting risk exposure.



LeaseMARC: Value proposition

- 
Lower TCO
 - Reduced costs associated with in-house implementation
 - Helps customers address challenges to acquire, train and retain people with the right competency and experience
 - Reduces the need to implement in-house technology and establishes end-to-end processes
- 
Outcome-focused: Provide accounting interpretations and insights as well as support outcomes with ongoing updates as regulations change
- 
Speed to value: Faster time to adoption and implementation with shortened upgrade cycles to help customers meet requirements, while integrating with internal processes and technology
- 
Audit readiness: Reporting outcomes that provide transparent trail from accounting output back to transaction data, ready for management review and sign-off and auditor review
- 
Technology powered by people and process: A cloud-based solution to help customers meet the new lease standard requirements. People and process support to help manage exceptions and reduce manual errors, addressing situations that can't be handled by technology alone.
- 
Trusted advisor: The quality and confidence Deloitte provides is combined with a delivery model via Managed Risk Services throughout the entire lease accounting journey. Deloitte brings top talent and leading processes and-technology together, under one offering.

Contacts

Peter Wilm
 Managing Director
 Deloitte Risk and
 Financial Advisory
 Deloitte & Touche LLP
 +1.215.246.2446
pwilm@deloitte.com

Andy Hickey
 Partner
 Deloitte Risk and
 Financial Advisory
 Deloitte & Touche LLP
 +1.973.602.6032
ahickey@deloitte.com

Sean Torr
 Managing Director
 Deloitte Risk and
 Financial Advisory
 Deloitte & Touche LLP
 +1.615.259.1888
storr@deloitte.com

Mike Ingenito
 Partner
 Deloitte Risk and
 Financial Advisory
 Deloitte & Touche LLP
 +1.516.918.7358
mingenito@deloitte.com

Derek Phillips
 Sales Enablement
 Leader
 Deloitte Risk and
 Financial Advisory
 Deloitte & Touche LLP
 +1.602.234.5106
dphillips@deloitte.com

As used in this document, "Deloitte" means Deloitte & Touche LLP, a subsidiary of Deloitte LLP. Please see www.deloitte.com/us/about for a detailed description of the legal structure of Deloitte LLP and its subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting.

This LeaseMARC overview contains general information only and Deloitte is not, by means of this overview, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This overview is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor.

Deloitte shall not be responsible for any loss sustained by any person who relies on this publication.

Copyright © 2017 Deloitte Development LLC. All rights reserved.