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(FASB) and International Accounting Standards Board's (IASB) respective new lease accounting standards and a year and a half before compliance begins for U.S.-based ...

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A year and a half after the issuance of the Financial Accounting Standards Board's (FASB) and International Accounting Standards Board's (IASB) respective new [lease accounting](#) standards and a year and a half before compliance begins for U.S.-based public companies, 47.1 percent of C-suite and other corporate executives are concerned about their organizations' ability to implement on time, according to a [recent Deloitte poll](#).

From a sector perspective, corporate leader concerns about implementing lease accounting standards on time were highest in: oil and gas (56.2 percent); consumer products (55.9 percent); retail, wholesale and distribution (54.3 percent); health care providers (53.6 percent); and media and entertainment (52.6 percent).

"The large number of executive leaders still expressing concern regarding lease accounting implementation halfway into the three-year preparation window is indicative of the complexity of the issue," said [Sean Torr](#), [Deloitte Risk and Financial Advisory](#) managing director, Deloitte & Touche LLP. "Lease accounting implementation has several long lead-time activities, including process and system enhancements, data collection and validation, and effective stakeholder engagement. These activities require a broader scale and scope than many companies initially contemplated."

Executives showed modest improvement on the preparation front. In Deloitte's latest poll, 31.4 percent of executives said their organizations were unprepared to comply with the new lease accounting standard, trending lower than in [October 2016](#) (34.9

percent) and [March 2016](#) (43.6 percent) shortly after the FASB and IASB standards

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adoption date. These concerns largely relate to perceived systems needs and limited resources to implement systems.”

Just 7.8 percent of corporate leaders expect their organizations to early adopt the new lease accounting standards, a drop from [March 2016](#) (10.8 percent). Similarly the number of executives who said lease accounting implementation would be easy lowered to 11.4 percent from [March 2016](#) (17 percent).

For more information on how the controllership can support lease accounting implementation efforts, visit the [Deloitte Center for Controllership](#).

On May 8, 2017, a Deloitte Dbriefs webcast titled “[FAQs about the new FASB leases standard: You're not alone](#)” polled more than 2,150 C-suite executives and other executives about lease accounting implementation. Respondents largely work in the consumer and industrial products (33.6 percent), financial services (32.8 percent) and technology, media and telecommunications (12.2 percent) industries. Similar online polls were conducted in [March 2016](#) and [October 2016](#). Answer rates differed by question.

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