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# 19 August 2020

## Inside AIM

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### Coronavirus – IFRS 16 Amendment

This Inside AIM sets out temporary relief for AIM companies who choose to use the Accounting for Lease Modifications (Amendment to IFRS 16 – Covid-19-Related Rent Concessions) before adoption by the EU (“IFRS 16 Amendment”).

London Stock Exchange (the “Exchange”) refers AIM companies and nominated advisers to the FRC statement providing background as to the reasons for the IFRS 16 Amendment and notes the FRC’s confirmation that it will not pursue regulatory action where issuers take advantage of the IFRS 16 Amendment, prior to it being adopted by the EU (“FRC Statement”). See [link](#).

We welcome the FRC’s statement and appreciate the practical difficulties AIM companies may face in applying the existing IFRS 16 lease modifications requirements to Covid-19-related rent concessions. For the purpose of the financial reporting requirements under the AIM Rules for Companies (AIM Rules 18 and 19), the Exchange will deem compliance with the AIM Rules should an AIM company, that prepares their accounts in accordance with EU adopted IFRS, take advantage of the IFRS 16 Amendment as set out in the FRC Statement.

Date: 19 August 2020