

# SAP Real Estate Management for Property Leasing: The Need to Comply for IFRS 16



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## SAP Real Estate Management - IFRS16 Property Leasing Quick Facts

### Summary

The Financial Accounting Standards Board (FASB) and the international Accounting Standards Board (IASB) recently announced the release of new accounting standards that define how organizations must account for leases. Essentially, these accounting standards stipulate most leases must be reported on each company's balance sheet, increasing the risk of regulatory noncompliance and inaccurate statutory reporting. SAP Real Estate Management is used to optimize the portfolio of global assets and supports the regulatory compliance of these new accounting rules. This solution provides a single point of entry for collection, validation of lease contract data, performs valuation calculations and generates the financial postings derived from these calculations.

### New Objectives

- Prepare for new accounting standards and adopt the right tools for reporting compliance
- Consolidate all lease contract data into a single repository
- Obtain required legal, financial, and business validations quickly and efficiently
- Gain visibility into lease exposure for better strategic planning and decision making

### Solution

- Centralized information management for all lease contracts
- Calculations and financial postings based on abstracted lease data
- Highly flexible and extendable forms to collect industry- or business-specific attributes
- Collaboration throughout the data collection process

### Benefits

- Streamlined, more cost-effective compliance
- Greater visibility into lease data company-wide
- Improved decision making
- Reduced business and financial risks
- Improved bottom line with better control

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