



VINOD KOTHARI CONSULTANTS

Kolkata | Delhi | Mumbai

Lease Structuring and Accounting

A Full day workshop on Lease structuring in the domain of new lease standard Ind AS 116–Leases

Why this workshop?

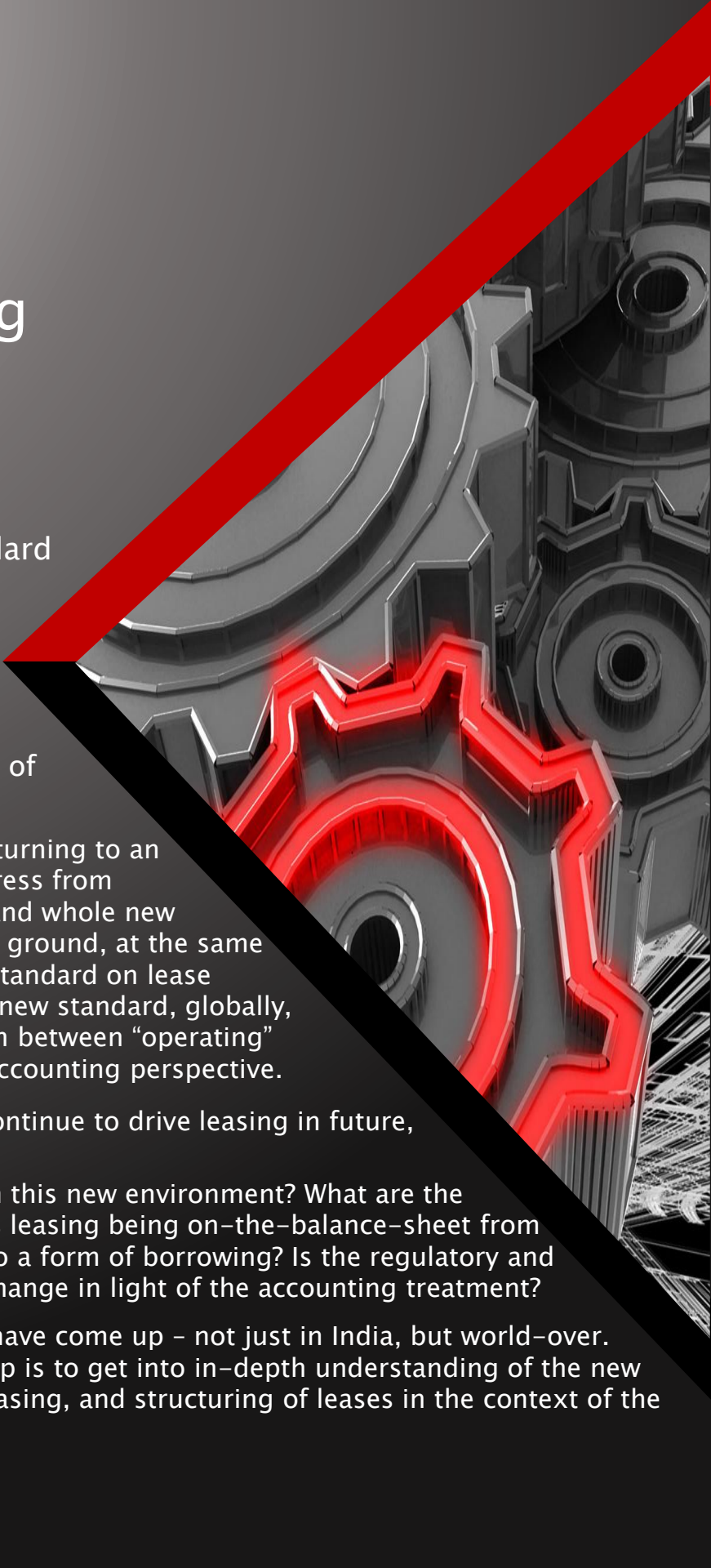
Leasing has been attracting a lot of attention lately.

While, on one side, businesses are turning to an asset-light mode by shifting the stress from ownership to use and experience, and whole new concept of “servitisation” is gaining ground, at the same time, the decades-old accounting standard on lease accounting has been replaced by a new standard, globally, which has eliminated the distinction between “operating” and “financial leases” from lessee accounting perspective.

Thus, the rules of economics will continue to drive leasing in future, rather any accounting treatment.

How does leasing business stand in this new environment? What are the challenges and opportunities? Does leasing being on-the-balance-sheet from lessee perspective mean it is akin to a form of borrowing? Is the regulatory and tax treatment of leasing going to change in light of the accounting treatment?

There are a myriad questions that have come up – not just in India, but world-over. The intent of this Full-day workshop is to get into in-depth understanding of the new challenges and opportunities for leasing, and structuring of leases in the context of the new accounting standard.





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Who should attend the workshop?

- “C” Level Executives
- Company Secretary & Head of Legal / Regulatory Affairs
- Compliance team
- Credit team
- Strategy & Planning team
- Product & Business management team
- Asset & Fund Management team
- Operations team
- Any other employee(s) at the discretion of the company

Course Outline

Session 1: Leasing concepts and overview of legal fundamentals:

- Asset based financing – basic principles
- Financial and operating leases and rental contracts
- Is the business environment for leasing improving?
 - Experience and data over the recent period

Session 2: Essentials of Lease Structuring and Pricing of Leasing:

- Lessor & Lessee analysis
- Concept of a true lease
- Basic approaches to pricing
- Relevance of NPV analysis, residual value and other cash flows



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Session 3: Accounting for lease transactions

- Key features of Ind AS 116 (IFRS 16)
- What assets/transactions are not covered by Ind AS 116 (IFRS 16)
- Meaning of lease under accounting standards
- Asset risk and the extent of off balance sheet asset
- Illustrations

Session 4: Challenges and opportunities under the new accounting dispensation:

- Does the accounting treatment affect tax treatment?
- Does the accounting treatment affect bankruptcy remoteness?

Session 5: The impact of GST on lease transactions

- Key features of GST law and levy
- Determination of the jurisdiction in case of lease transactions
- Various situation for GST levy – financial and operating leases, sale and leasebacks, vendor leases, import leases, leases to entities in SEZs, etc
- Introducing the concept of Post-GST IRR



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Faculty



MR. VINOD KOTHARI
Director, Vinod Kothari Consultants P. Ltd.
Director, Indian Securitisation Foundation

About Mr. Vinod Kothari

Mr. Vinod Kothari, both a Chartered Accountant and a Chartered Secretary, is an internationally recognised author, trainer and consultant on specialised financial subjects, viz., securitisation, credit derivatives, asset-backed financing, accounting for financial instruments, Basel III, etc. Mr. Kothari has been a member of the consulting team of the Asian Development Bank to advise the Govt. of India on security interest laws in India. He has his share of notable contributions to the literature of securitization and other financial and non-financial resources which are very much accepted and followed by readers.

He has extensive consulting experience in securitisation – offering comprehensive securitization related consulting services to a variety of clients including originators, investors, IT companies, etc. apart from one-off services to several companies in different countries. The locations where he has lectured on these subjects include New York, Washington, London, Milan, Frankfurt, Singapore, Hong Kong, Sydney, Colombia (South America), South Africa, Malaysia, Jordan, Dubai, Kuwait, Egypt, Sri Lanka, Bangladesh, etc.

He is renowned for offering services to a number of listed companies which not only include advisory or consultancy related services or conduct of due diligences, but also litigation related services. He, along with his team has conducted various successful summits on securitisation and various advance financial topics which has garnered appreciable response from the industry.

Mr. Kothari also is sought as faculty in various reputed colleges and institutions. He also has a vast experience in working with the various regulators like SEBI, NHB and Government of India and multilateral organisations like IFC and ADB.

Besides, Mr. Kothari has had the opportunity to serve as the Chairman of the Institute of Company Secretaries of India Eastern India Regional Council, Calcutta. In 1987, a voluntary organisation of Calcutta chose him as the Outstanding Young Person of Calcutta in the field of Finance and Taxation.



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Consulting Assignments:

- He is a part of a sub-committee created by SEBI for providing recommendations to the regulators on covered bonds in India.
- Director of Indian Securitisation Foundation, a representative body of the securitisation industry in India promoting capital market instruments in India.
- He carried out a study on covered bonds in India for the Asian Development Bank.
- He was an integral part in developing a toolkit for the IFC titled “India Toolkit for Low Income Housing Finance – A Practitioner’s Guide prepared in collaboration with Habitat for Humanity.
- He was sub-consultant to “Affordable Housing Finance Project” of IFC, awarded to IMAcS. He was retained by the National Housing Bank for assisting them in promoting Covered Bonds in India.
- He was been retained by Govt. of Jordan for suggesting and working on funding for a high-profile low-cost housing project.
- He was been retained by the Asian Development Bank, Manila for two important projects: to advise the Govt. of India on reforming secured lending law in India; and to develop securitisation-related legal framework in the Asian region.
- Claims extensive consulting experience in securitisation – offering comprehensive securitisation-related consulting services to a variety of clients including originators, investors, IT companies, etc, apart from one-off services to several companies in different countries.

Author of Books:

- Securitisation Asset Reconstruction and Enforcement of Security Interests
- Banking Law and Practice in India, 26th Edition
- Law Relating to Insolvency & Bankruptcy Code, 2016
- Guide to Structured Finance – Incorporating Securitisation, Credit-Derivatives, Leasing and REITs, 2014 Edition
- Introduction to Securitization (co-authored with Frank J. Fabozzi)
- Securitisation: The Financial Instrument of the Future, Fifth edition 2006.
- Taxation of Lease Transactions in India, co-authored by Sikha Bansal, 2013
- Lease Financing and Hire Purchase, Fourth Edition, 1996.
- Credit Derivatives and Structured Credit Trading, 2009 Edition
- Author of 3 Chapters in Handbook of Finance, (editor Frank Fabozzi), published by Wiley, USA.
- Corporate Boards, Committees and Policies under the Companies Act
- Led a team of 17 specialist editors for the latest edition of Guide to the Companies Act, A. Ramaiya, 18th Edition.
- Prepared the key highlights and reference tables for “Corporate Laws” second edition and “The Companies Act, 2013” published by Lexis Nexis Guide to Housing Finance – A comprehensive guide to mortgage lending, 2013 Edition



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Lecturing:

- He is a visiting faculty at Indian Institute of Management, Joka, Calcutta for several years, teaching a full-fledged course for the final year students on Structured Finance and Taxation. Over 125 students sign up of the course every year.
- He is a guest faculty at the National University of Juridical Sciences- the subject taught here are insolvency and credit interest enforcement laws in India and other countries. The course included a comparative study of the insolvency and creditors' rights in USA, UK and Australia.

Articles:

- Vinod Kothari's articles on asset-based finance, securitisation etc. have appeared in several national and international journals including Duke Journal of Comparative International Law (USA), US Banker (USA), Export trader (Spain), Trade and Forfeiting Review (UK), Journal of International Banking Law and Regulation (UK), Equipment Finance Journal (USA), Monitor daily (USA), Analyst (India), etc.
- Vinod Kothari also contributed to Euro money's yearbooks on leasing and securitisation

For details contact –

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