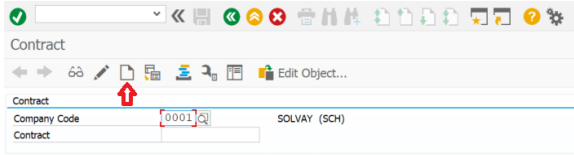


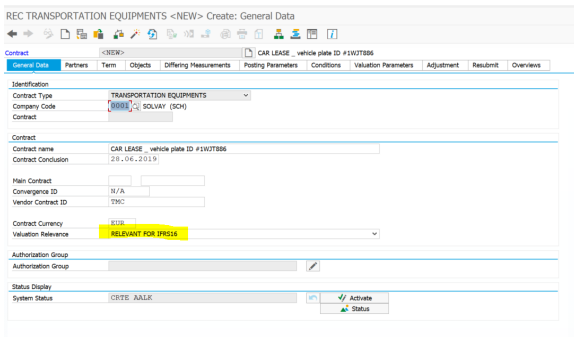
WW IFRS 16 - RE-FX Contracts

CONTRACT CREATION

To create a RE-FX Lease Contract you have to access to transaction /RECN/ and insert the company code for which the contract needs to be created and then click on the blank page (contract creation – red arrow)



This will open a new window where you can choose which kind of contract you are going to create (ex: a car contract will be categorized as "Transportation equipment")
Fill in all the necessary information page by page (General data, Partners, Terms...)



- In *Partner* part always choose Lessor and put the Business Partner number
- In the *Term* part you can choose if the contract has a renewal option
- In *Objects* part always choose *Contract Object* options and fill *Contract Item* with the short description of the contract, the *Object Type* and the *Account Assignment* with the correct Cost Center or WBS
- *Differing Measurement* part is optional; it can be used when you have to apply the condition to more than one item and the nr. of these items changes during the time (ex: Containers contracts – see contract ZFR3/400007 as example below)

Object	Mess	Differing Amount	Unit	MessTp/name	MessFrom	MessValid To	Total
34 0010	NBEQ	8	PC	Nb equipments		13.04.2019	
34 0010		5	PC	Nb equipments	14.04.2019	05.05.2019	
34 0010		3	PC	Nb equipments	06.05.2019	31.07.2019	
34 0010		1	PC	Nb equipments	01.08.2019		

- In *Posting Parameters* part, can be set the frequency of postings (if it's in advance, in arrears, if the amount is daily, monthly, annually etc)
- In *Conditions* part always choose the appropriate one, starting by "R" (ex: car contract = R160 Lease for cars). Here you have to fill the start date, the rent amount and the 1st posting date. ATTENTION: if the start date of the contract is before 01.01.2019, the first posting date will be ALWAYS 01.01.2019, as shown below.

Scope



ERP

PF2 WP2

Frequency

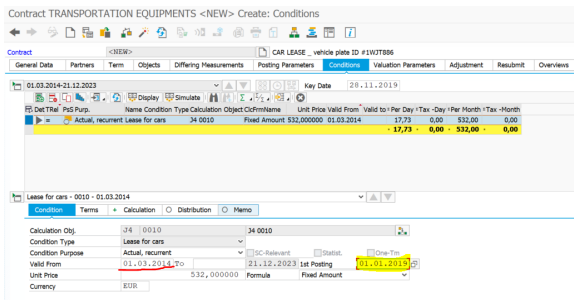


Attachments

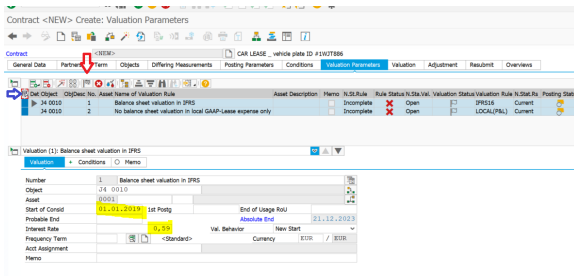
[IFRS16 Contract Creation](#)

[Errors in REC N - PPT](#)

[Rule contract type.xlsx](#)



- In *Valuation Parameters* part, always choose the Valuation for both IFRS 16 and Local GAAP (the last one may vary based on the country for which the contract is created, according to IFRS16 rule). The correct Valuation to be chosen is the J4 one. ATTENTION: the system by default assumes that the start date of the valuation is the same of the start date of the contract, but as in *Conditions*, if the start date of the contract is before 01.01.2019, the *Start of Consideration* of the valuation date should be 01.01.2019 (both for IFRS16 and Local GAAP). Fill in both valuation with the correct interest rate (in case of some countries like France, China, etc. where IFRS16 is not applicable at Local GAAP level, choose as *Distribution Form* "Divide equally"). In order to create the valuation, it's necessary to "apply the rule", by selecting both lines (blue arrow) and clicking on the flag (red arrow). Once the Valuation is completed an asset number will be created and in the Rule Status 2 flags will appear and it will say *Complete*.



The contract is now fully filled, but it's necessary to save it, in order to create the RE-FX number and,

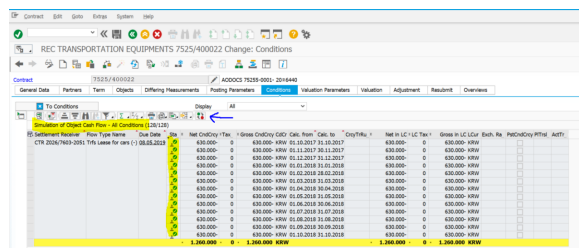


most important, it's necessary to activate the contract by clicking on the following icon. Once the contract is active it will automatically generate a *Valuation* and in *General Data* part the *System Status* will appear as *ACTV REL*.

SPECIAL FLOW

Once a contract has been modified several times, it may create a SPECIAL FLOW, which is a posting that falls into the P&L account and it's not supposed to. If this happens the accounts are not balanced. In order to solve this problem you have to revert the previous postings to have the same amount in both local and IFRS16 valuation.

Once you have done that, you have to change the status of the postings of the previous years that are "marked manually" as shown below:



Activate the rule and save the contract, the amount will be the same.

Object	Rule	Status	Valuation Status	High	Step	Status	Valuation Reason	Val. Behavior	Amount	
1	LOCALP	NA	Balance sheet valuation in local GAAP-Lease expense only	JA	010	IF	IF	2	No Valuation Required Transfer Posting	38.222.446
2	IFRS16	Balance sheet valuation in IFRS	JA	010	IF	IF	IF	3	No Valuation Required New Start	38.222.446

Be aware that, before posting again, you have to change the status of the posting the conditions .

Contract update

Contract update scenarios:

- 1 – Contract term extension
- 2 – Amount increase/decrease
- 3 – Number of Equipment increase/decrease

1.Contract term Extension

Example: contract ended on 31.01.2021 and extended until 31.12.2021

It often happens that leasing contracts are renewed or extended. In order to proceed with the contract extension, you need to have an amendment or an official document stating the new end date. To proceed with this update, go to "terms" and insert the new end date (in case in the amendment it is stated that the contract will have a specific type of renewal, instead of changing the end date, add a "renewal").

Contract: 6291/400000 Lease of 2 containers (Miete 2x Klimagerät)

General Data Partners Term Objects Differing Measurements Posting Parameters Conditions Valuation F

Renewal
Notice on Objects: 31.01.2021
of Notice>

Term: 14.03.2019 - 31.01.2021

Contract start date: 14.03.2019
1st Contract End: 31.12.2021
Term in months: 23
End of Term: 31.01.2021

Cash Flow From: 14.03.2019
First Posting From:

Term Information
Current Status: Concluded

The number of terms in months will update automatically after inserting the new end date.

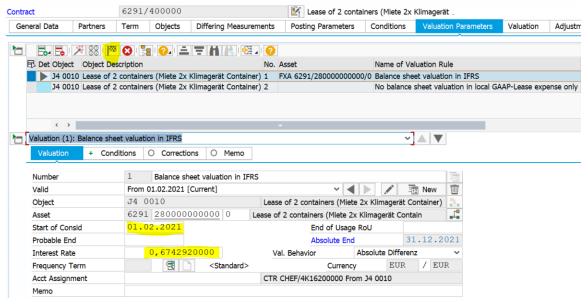
Then go to condition and in order to avoid special flow, end the condition of the previous year on the last day of the previous year and duplicate it starting on the first day of the current year.

Det/Tr	PS	Purp.	Name	Condition Type	Calculation Object	Clf/Prm/Name	Unit Price	Valid From	Valid to	Per Day	Tax-Day	Per Month	Tax-Month
			Actual, recurrent Lease for cars	34	0010	Fixed Amount	406,890000	30.10.2017	30.06.2019	0,00	0,00	0,00	0,00
			Actual, recurrent Lease for cars	34	0010	Fixed Amount	342,850000	01.07.2019	31.12.2020	11,43	0,00	342,85	0,00

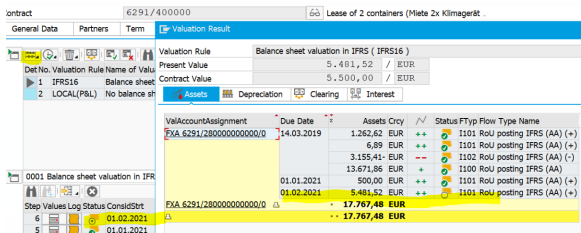
New Condition Starting From:
Valid From: 31.01.2021
Unit Price: 342,850000

Lease for cars - 0010 - 01.07.2019 To: 31.12.2020
Unit Price: 342,850000 Formula: Fixed Amount

In valuation parameters, create new valuations (both for IFRS16 and Local BS or Local GAAP) starting the day of the extension (in this case 01.02.2021 as the end date of the contract was 31.01.2021) and insert the correct discount rate (in this case the contract has been extended for 11 months, but we will always take in consideration 12 months as it's the minimum period). Then validate the rule with the flag.



In Valuation, simulate the new valuations and if no special flows or errors appears, save the contract and post both valuation part and contract part.



2. Amount increase/decrease

If the amount of the contract has increased or decreased in a previous time respect today, first you need to reverse the valuation and the contract part. (The reversal can ONLY be done for the current year, not previous years and it should be done only for the necessary period. For example the amount will change starting 01.02.2021, I will reverse the contract until 01.02.2021 not until 01.01.2021).

After the reversal, go to conditions and create a new line, inserting the new amount. If the update occurs in the future no reversal are needed.

Det/Tr	PS/Purp.	Name	Condition Type	Calculation Object	Calculation Formula	Unit	Price Valid From	Valid to	Per Day	Tax	Day	Per Month	Tax	Month
		Actual, recurrent Lease Container & tr		34 0010	Fixed Amount	500,000000	01.02.2021		0,00	0,00	0,00	0,00		
		Actual, recurrent Lease Container & tr		34 0010	Differing Measurement	362,350000	14.03.2019	13.01.2020	0,00	0,00	0,00	0,00		
		Actual, recurrent Lease Container & tr		34 0010	Differing Measurement	215,200000	14.03.2020	13.04.2020	0,00	0,00	0,00	0,00		
		Actual, recurrent Lease Container & tr		34 0010	Differing Measurement	250,000000	14.04.2020	30.11.2020	0,00	0,00	0,00	0,00		
		Actual, recurrent Lease Container & tr		34 0010	Fixed Amount	500,000000	01.01.2021	31.01.2021	16,67	0,00	500,00	0,00		
									16,67	0,00	500,00	0,00		

Check in Simulate if the update is correct for the following months:

31.01.2021	500,00	0,00	500,00	EUR	01.01.2021	31.01.2021
28.02.2021	550,00	0,00	550,00	EUR	01.02.2021	28.02.2021
31.03.2021	550,00	0,00	550,00	EUR	01.03.2021	31.03.2021
30.04.2021	550,00	0,00	550,00	EUR	01.04.2021	30.04.2021
31.05.2021	550,00	0,00	550,00	EUR	01.05.2021	31.05.2021
30.06.2021	550,00	0,00	550,00	EUR	01.06.2021	30.06.2021
31.07.2021	550,00	0,00	550,00	EUR	01.07.2021	31.07.2021
31.08.2021	550,00	0,00	550,00	EUR	01.08.2021	31.08.2021
30.09.2021	550,00	0,00	550,00	EUR	01.09.2021	30.09.2021
31.10.2021	550,00	0,00	550,00	EUR	01.10.2021	31.10.2021
30.11.2021	550,00	0,00	550,00	EUR	01.11.2021	30.11.2021
31.12.2021	550,00	0,00	550,00	EUR	01.12.2021	31.12.2021

In valuation Parameters, if no valuation has been created for the current year, create a new valuation for the current year. In this case the Discount rate will remain the same as the duration of the contract hasn't been impacted.

Validate the rule and simulate the new valuation in Valuations. If everything is correct, save the contract and post it.

3. Number of Equipment increase/decrease

The number of equipment in a RE-FX contract can be found on "Differing Measurements" part.
 (Example: 10 containers have been off-hired starting 01.04.2021)
 I will have to reverse both contract and valuation until 31.03.2021 as this change will impact the monthly amount.
 In differing measurement create a new condition starting 01.04.2021 with the correct number of equipment needed.

Contract 0237/400047 AODOCS 00:

General Data Partners Term Objects Differing Measurements Posting Parameters

Object	Meas	Differing Amount	Unit	MeasTpName	MeasFrom	MeasValid To	Total
J4 0010	NBEQ	470	PC	Nb equipments	07.10.2014	31.12.2018	
J4 0010	NBEQ	362	PC	Nb equipments	01.01.2019	31.12.2019	
J4 0010	NBEQ	323	PC	Nb equipments	01.01.2020	30.06.2020	
J4 0010	NBEQ	322	PC	Nb equipments	01.07.2020	31.07.2020	
J4 0010	NBEQ	361	PC	Nb equipments	01.08.2020	31.03.2021	
J4 0010	NBEQ	351	PC	Nb equipments	01.04.2021		

The update will automatically reflect on the conditions.
 In this case as no condition was created for the current year, I ended the current condition on the last day of the previous year and duplicate it with start date the first day of the current year in order not to impact the previous years.

Contract 0237/400047 AODOCS 00237-0006 - Container LC-0805

General Data Partners Term Objects Differing Measurements Posting Parameters Conditions Valuation Parameters

[Display All Periods] Key Date 01.08.2020

Det TRel	PaS Purp.	Name	Condition Type	Calculation Object	Formula	Unit Price	Valid From	Valid to
=	Actual, recurrent Lease Container & tr	J4 0010	Differing Measurement			5,100000	01.01.2021	
<	Actual, recurrent Lease Container & tr	J4 0010	Differing Measurement			177,937500	01.06.2002	31.12.2018
<	Actual, recurrent Lease Container & tr	J4 0010	Differing Measurement			5,850000	01.01.2019	31.12.2019
<	Actual, recurrent Lease Container & tr	J4 0010	Differing Measurement			5,850000	01.01.2020	31.01.2020
<	Actual, recurrent Lease Container & tr	J4 0010	Differing Measurement			5,100000	01.02.2020	31.05.2020
<	Actual, recurrent Lease Container & tr	J4 0010	Differing Measurement			5,100000	01.06.2020	31.07.2020
<	Actual, recurrent Lease Container & tr	J4 0010	Differing Measurement			5,100000	01.08.2020	31.12.2020

Condition Terms Calculation Valuation Memo

Lock Reason Partially locked due to posting from 07.10.2014 to 31.03.202

Calculation Obj. J4 0010 Containers 10Yrs

Condition Type Container and trailers Lease

Condition Purpose Actual, recurrent SC- Relevant Statist One-Tm

Valid From 01.01.2021 Valid to 31.12.2025 1st Posting

Unit Price 5,100000 Formula Differing Measurement

Currency EUR

The update will happen automatically if the condition will have Differing measurement in the calculation part

Lease Container & tr - 0010 - 01.01.2021

Condition Terms Calculation Valuation Memo

Calculation Obj. J4 0010

Formula Differing Measurement

Unit Price 5,100000 EUR/ST

MeasType NBEQ Number of equipments

Measurement Unit ST piece(s)

No.	Valid From	Valid to	Condition Amount	Sales Tax Amount	Calcul. Factor	Per Month	Per Year
1	01.01.2021	31.03.2021	1.841,10	0,00	361,000000	55.233,00	662.796,00
2	01.04.2021	31.12.2025	1.790,10	0,00	351,000000	53.703,00	644.436,00

Check in simulate if everything is correct. The monthly amount decreased as (in this case) we decreased the number of containers. In this specific example the monthly amount changes also according to the number of days of the month.

Lease Contain	Start Date	End Date	Condition Amount	Sales Tax Amount	Calcul. Factor	Per Month	Per Year
	31.01.2021		57.074,10	0,00	57.074,10	EUR	01.01.2021 31.01.2021
	28.02.2021		51.550,80	0,00	51.550,80	EUR	01.02.2021 28.02.2021
	31.03.2021		57.074,10	0,00	57.074,10	EUR	01.03.2021 31.03.2021
	30.04.2021		53.703,00	0,00	53.703,00	EUR	01.04.2021 30.04.2021
	31.05.2021		55.493,10	0,00	55.493,10	EUR	01.05.2021 31.05.2021
	30.06.2021		53.703,00	0,00	53.703,00	EUR	01.06.2021 30.06.2021
	31.07.2021		55.493,10	0,00	55.493,10	EUR	01.07.2021 31.07.2021
	31.08.2021		55.493,10	0,00	55.493,10	EUR	01.08.2021 31.08.2021
	30.09.2021		53.703,00	0,00	53.703,00	EUR	01.09.2021 30.09.2021
	31.10.2021		55.493,10	0,00	55.493,10	EUR	01.10.2021 31.10.2021
	30.11.2021		53.703,00	0,00	53.703,00	EUR	01.11.2021 30.11.2021
	31.12.2021		55.493,10	0,00	55.493,10	EUR	01.12.2021 31.12.2021
	31.01.2022		55.493,10	0,00	55.493,10	EUR	01.01.2022 31.01.2022
	28.02.2022		50.122,80	0,00	50.122,80	EUR	01.02.2022 28.02.2022
	31.03.2022		55.493,10	0,00	55.493,10	EUR	01.03.2022 31.03.2022

In valuation Parameters, if no valuation has been created for the current year, create a new valuation for the current year. In this case the Discount rate will remain the same as the duration of the contract hasn't been impacted.

Validate the rule and simulate the new valuation in Valuations. If everything is correct, save the contract and post it.

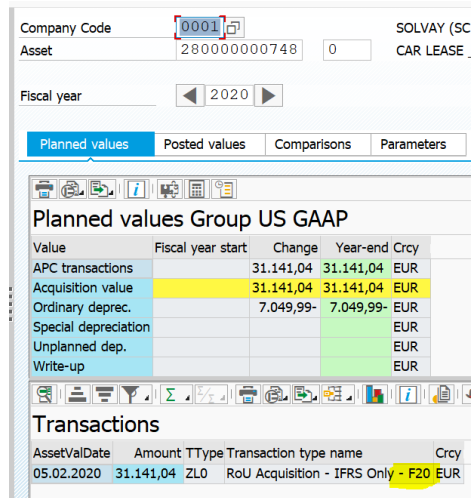
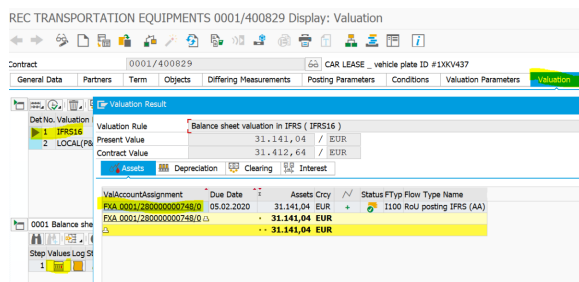
Cancel contract

How to cancel / terminate a RE-FX contract in transaction RECN. There are various case scenario:

1. Contract created in current year with flow F20 that:
 2. It should have never been created (for example it's a duplication)
 3. It should terminate earlier than expected
-
1. Contract created in previous years that:
 2. It should have never been created (for example it's a duplication)
 3. It should terminate earlier than expected in the current year
 4. It should terminate earlier than expected in the past year

Case 1.A - Contract created in current year with flow F20 that should have never been created:

First of all, check that the contract has been created with the flow F20, by going in IFRS16 valuation and opening the asset.



Going back to the contract, go to "Extras" "Post" and then reverse first all the valuation part and then all the contract part.

Reverse Valuation for a Contract

Last Log
 Overview

Doc. Selection

Company Code: 0001

Contract: 400829

Process ID: to

Fiscal Year: to

Posting Period: to

Posting Date: to

Doc. Reference Key: to

Accounting Principle: to

Valuation Rule: to

Reverse Last Run Only

Posting Data

Mode: Update Run

Reason for Reversal: Reversal in closed period

Posting Date: 01.12.2020

Posting Period:

Output

Only Display Error Log

Use Grid Control

Once done, in Edit mode inside the contract, select both valuations and cancel them.

General Data Partners Term Objects Differing Measurements Posting Parameters Conditions Valuation Parameters **Valuation**

Det.No.	Val.Rule	Name of Valuation Rule	Object	Rule Status	Valuation Status	High Step	Status	Valuation Reason	Val.Beh.	Auto/Val
1	IFRS16	Balance sheet valuation in IFRS	J4 0010				1	No Valuation Required New Start		
2	LOCAL(BS)	Balance sheet valuation in local GAAP	J4 0010				1	No Valuation Required New Start		

Delete Process Values 2 Entries

No.	Val.Rule	Name of Term
1	IFRS16	Balance sheet valuation in IFRS
2	LOCAL(BS)	Balance sheet valuation in local GAAP

Rate End Identifier: 2.2023 PT63040392

Then go to Valuation Parameters and cancel both valuations and the asset by selecting one valuation at the time and clicking on the red minus.

General Data Partners Term Objects Differing Measurements Posting Parameters Conditions **Valuation Parameters**

Obj	Det Object	Obj Desc No. Asset	Name of Valuation Rule	Asset Description	Memo	N.St.Rule	Rule Status
J4 0010	test	1 FXA 5835/280000000260/0	Balance sheet valuation in IFRS	test		Complete	
J4 0010	test	2 FXA 5835/280000000260/0	Balance sheet valuation in local GAAP	test		Complete	

Go to General Data and de-activate the contract by clicking twice on the arrow on System Status until the name CRTE AALK REL appears.

Contract: 5835/400218 test

General Data Partners Term Objects Differing Measurements Posting Parameters Conditions Valuation Parameters

Contract: 400218

Contract name: test

Contract Conclusion: 01.01.2020

Main Contract:

Convergence ID:

Vendor Contract ID:

Contract Currency: EUR

Valuation Relevance: RELEVANT FOR IFRS16

Authorization Group:

Status Display

System Status: CRTE AALK REL

Activate

Status

Case 1.B - Contract created in current year with flow F20 that should terminate earlier than expected

Example: Start date on RE-FX: 01.01.2021 - End date on RE-FX: 31.12.2023 . New end date: 28.02.2021

As per Case 1.A check if the contract has been created with flow F20.

Then reverse first the valuation from 01.03.2021 (next month after new end date) to current month and do the same with the reversal of the contract part.

Reverse Valuation for a Contract

Last Log Overview

Doc. Selection

Company Code: ZFR3
 Contract: 400472
 Process ID: to
 Fiscal Year: to
 Posting Period: to
 Posting Date: 01.03.2021 to 31.05.2021
 Doc. Reference Key: to
 Accounting Principle: to
 Valuation Rule: to
 Reverse Last Run Only

Posting Data

Mode: Simulation
 Reason for Reversal: Reversal in closed period
 Posting Date: 01.05.2021
 Posting Period: to

Once reversed change the end date in Term with the new end date.

General Data Partners Term Objects Diff

DetTermCateg. No. Name of Term Memo

Term 01.01.2021 - 28.02.2021
 Notice <No Period of Notice>

Term: 01.01.2021 - 28.02.2021

Term Memo

Contract start date: 01.01.2021
 1st Contract End: 28.02.2021
 Term in months: 2
 End of Term: 28.02.2021

Make sure that in Conditions Simulate, there are no rents created after the new end date.

Contract: ZFR3/400472 test

General Data Partners Term Objects Differing Measurements Posting Parameters Conditions

To Conditions Display All

Simulation of Partner-Rel. Cash Flow - All Conditions (2/2)

Flow Type Name	Due Date	Status	NetCndCry	TaxCC	GrCndCry	CdCr	Calc. from	Calc. to	CryTrRule	Net
Lease for cars	01.01.2021		500,00	0,00	500,00	EUR	01.01.2021	31.01.2021		Si
	01.02.2021		500,00	0,00	500,00	EUR	01.02.2021	28.02.2021		Si
			- 1.000,00	0,00	- 1.000,00	EUR				- 1.00

In Valuation Parameters part, change the interest rate with the correct one based on the new end date and then validate the rule by clicking on the flag (the N.Status Rule will appear as Complete)

Contract: ZFR3/400472 test

General Data Partners Term Objects Differing Measurements Posting Parameters Conditions Valuation Parameters Valuation Adjustment

Det Object Obj Desc No. Asset Name of Valuation Rule Asset Description Memo N.St.Rule Rule Status

34 0010 test 1 FXA ZFR3/442740000497/0 Balance sheet valuation in IFRS test Complete

34 0010 test 2 No balance sheet valuation in local GAAP-Lease expense only Complete

Valuation (1): Balance sheet valuation in IFRS

Valuation + Conditions Memo

Number: 1 Balance sheet valuation in IFRS

Object: 34 0010 test

Asset: ZFR3/442740000497/0 test End of Usage Rou

Start of Consl: 01.01.2021 1st Postg End of Usage Rou

Probable End: Absolute End 28.02.2021

Interest Rate: 0,5400000000 Val. Behavior: New Start

Frequency Term: <Standard> Währung: EUR / EUR

Act Assignment: CTR Z006/ZFR3-5439 From 34 0010

Before Saving, go to valuation and simulate the new IFRS16 valuation to check that no special flow has been created by clicking on Simulate Valuation Selected Rule Continue

Contract: Simulate Valuation Valuation Result

General DM Val. Behavior

Valuation Rule: Balance sheet valuation in IFRS (IFRS16)

Present Value: 999,73 / EUR
 Contract Value: 1.000,00 / EUR

DetNo: IFRS16 Balance sheet valuation in LOCAL(P/L) No balance sheet valuation

ValAccountAssignment Due Date Assets Cry Status FTyp Flow Type Name

FXA ZFR3/442740000497/0 01.01.2021 0,24 EUR ++ 1101 Rou posting IFRS (AA) (+)

FXA ZFR3/442740000497/0 999,49 EUR + 1100 Rou posting IFRS (AA)

FXA ZFR3/442740000497/0 999,73 EUR

FXA ZFR3/442740000497/0 - 999,73 EUR

If no Special Flow has been created, Save the contract and post the new Valuation.

Case 2.A - Contract created in previous years that should have never been created

First of all, in Conditions end the current condition at the end of the previous year and create a new condition for the current year with the same amount.

Det.No.	Actual, recurrent Lease End Equip	34 0010	Fixed Amount	5,460,000.00	01.07.2020	31.12.2020	182,00	0,00	5,460,00	0,00
							- 182,00	- 0,00	- 5,460,00	- 0,00

In Valuation Parameters *Complete* the Rules and in Valuation, simulate the new IFRS 16 valuation to make sure that this change has no impact on the contract (no actual change has been performed, as the existing condition has been divided but kept the same data) and save the contract.

ValAccountAssignment	Due Date	Assets Crncy	Status	FTyp	Flow	Type	Name
FXA ZFR3/442740000480/0	01.07.2020	311,966,80 EUR	+	1100	RoU	posting	IFRS (AA)
FXA ZFR3/442740000480/0		311,966,80 EUR					
		- 311,966,80 EUR					

Then reverse first only the current year Valuation and Contract parts.

Reverse Valuation for a Contract

Doc. Selection

Company Code: ZFR3
 Contract: 500045

Posting Date: 01.01.2021 to 28.02.2021

Posting Data

Mode: Simulation
 Reason for Reversal: Reversal in closed period
 Posting Date: 01.02.2021

Once done, in conditions, set 1 euro as amount for the current year condition.

Det.No.	Actual, recurrent Lease End Equip	34 0010	Fixed Amount	1,000.00	01.01.2021	31.01.2021	0,00	0,00	0,00	0,00
							- 182,00	- 0,00	- 5,460,00	- 0,00

Go to Valuation Parameters and complete the rule by clicking on the flag. Before saving the contract in Valuation, simulate the new valuation to make sure that no Special flow has been created and then save the contract.

ValAccountAssignment	Due Date	Assets Crncy	Status	FTyp	Flow	Type	Name
FXA ZFR3/442740000480/0	01.07.2020	279,290,56 EUR	-	1102	RoU	posting	IFRS (AA) (-)
FXA ZFR3/442740000480/0		311,966,80 EUR	+	1100	RoU	posting	IFRS (AA)
		- 32,676,24 EUR					
		- 32,676,24 EUR					

Now reverse only the contract part for the previous year.

Reverse Contract Postings for a Contract

Last Log
 Overview

Doc. Selection

Company Code: ZFR3
 Contract: 500045
 Process ID: _____ to _____
 Fiscal Year: _____ to _____
 Posting Period: _____ to _____
 Posting Date: _____ to _____
 Doc. Reference Key: _____ to _____
 Type of Posting Run: Periodic Posting + Transfer

Posting Data

Mode: Simulation
 Reason for Reversal: Reversal in closed period
 Posting Date: 01.02.2021
 Posting Period: _____

Now set 1 euro as amount for the old condition as well and in the new condition of the current year set as end date the last day of the current month.

Det	TReI	Pst Purp.	Name	Condition	Type	Calculation	Object	ClcFrmName	Unit	Price	Valid From	Valid to	Per Day
			Actual, recurrent Lease Ind Equip	J4 0010	Fixed Amount	1,000000	01.01.2021	28.02.2021		0,00			
			Actual, recurrent Lease Ind Equip	J4 0010	Fixed Amount	1,000000	01.07.2020	31.12.2020		0,03			

Lease Ind Equip - 0010 - 01.01.2021

Condition
 Terms
 Calculation
 Valuation
 Memo

Calculation Obj.: J4 0010 Achat de 2 compresseurs d'air
 Condition Type: Lease Industrial Equipment
 Condition Purpose: Actual, recurrent
 Valid From: 01.01.2021 To: 28.02.2021
 Unit Price: 1,000000 Formula: Fixed Amount
 Currency: EUR

And create the new valuation for the current year in valuation parameters (both for IFRS16 and P&L part) with interest as 0, as the contract should have never existed in the current year, by clicking first on the calendar and then on New in the existing valuation. Set as end date in Probable end date the last day of the current month (same date you used for the new condition, so as the depreciation will be calculated until that day). Make sure that the asset number is the same in both valuations.

Insert Time Slots

Valid From: 01.01.2021
 Consideration Start: 01.01.2021
 Interest Rate: 0

Contract

Insert Time Slot	No.	Type	Valid From	Valid To	From Valuation Rule	Consid	1st Postg	Classific	Interest Rate	FT	Dist	Par.	Dist	Par.	Prob.	End	End
1	1500		01.01.2021	28.02.2021	IFRS16	01.07.2020	A	2,0077370000									
2	1500		01.07.2020	31.12.2020	LOCAL (FR)	01.07.2020	A	0,0000000000									

Valuation (1): B

Valuation

Number: 1 Balance sheet valuation in IFRS
 Valid: (Unlimited)
 Object: J4 0010 Achat de 2 compresseurs d'air
 Asset: 2FR3 442740000480 0 Achat de 2 compresseurs d'air
 Start of Consid: 01.07.2020 1st Postg End of Usage RoU
 Probable End: Absolute End 28.02.2021
 Interest Rate: 2,0077370000 Val. Behavior: New Start
 Frequency Term: <Standard> Währung: EUR / EUR
 Act Assignment: CTR 2006/7622-2503 From J4 0010
 Memo:

Contract

Det	Obj	Object Description	No. Asset	Name of Valuation Rule	Asset Description	Memo	N/SL	Rule	Status
J4 0010	Achat de 2 compresseurs d'air 1	IFRS 16 Balance sheet valuation in IFRS	2FR3 442740000480 0	IFRS 16 Balance sheet valuation in IFRS	Achat de 2 compresseurs d'air				Complete
J4 0010	Achat de 2 compresseurs d'air 2	Local GAAP-Less expense only		No balance sheet valuation in local GAAP-Less expense only	Achat de 2 compresseurs d'air				Complete

Valuation (1): B

Valuation

Number: 1 Balance sheet valuation in IFRS
 Valid: From 01.01.2021 (Current)
 Object: J4 0010 Achat de 2 compresseurs d'air
 Asset: 2FR3 442740000480 0 Achat de 2 compresseurs d'air
 Start of Consid: 01.01.2021 End of Usage RoU
 Probable End: Absolute End 30.06.2025
 Interest Rate: Val. Behavior: Absolute Differenz
 Frequency Term: <Standard> Währung: EUR / EUR
 Act Assignment: CTR 2006/7622-2503 From J4 0010

Simulate once again the new IFRS16 valuation in Valuations to check if no special flow has been created and if the depreciation is being calculated properly until the set end date.

Valuation Result

Valuation Rule: Balance sheet valuation in IFRS (IFRS16)

Present Value: 2,00 / EUR

Contract Value: 2,00 / EUR

Assets Depreciation Clearing Interest

ValAccountAssignment	Due Date	Assets Crcy	Status	FTyp	Flow Type Name
FXA ZFR3/442740000480/0	01.07.2020	311.909,64- EUR	-	I102	RoU posting IFRS (AA) (-)
		311.966,80 EUR	+	I100	RoU posting IFRS (AA)
	01.01.2021	49,70- EUR	-	I102	RoU posting IFRS (AA) (-)
FXA ZFR3/442740000480/0		7,46 EUR			
		7,46 EUR			

Valuation Result

Valuation Rule: Balance sheet valuation in IFRS (IFRS16)

Present Value: 2,00 / EUR

Contract Value: 2,00 / EUR

Assets Depreciation Clearing Interest

ValAccountAssignment	Due Date	Year	Depreciation	Remaining Value Crcy	Calc. from	Calc. to	Days	FTyp	Flow Type Name
FXA ZFR3/442740000480/0	31.07.2020	2020	0,95	56,21 EUR	01.07.2020	31.07.2020	30	I200	Depreciation (AA)
	31.08.2020		0,96	55,25 EUR	01.08.2020	31.08.2020	30	I200	Depreciation (AA)
	30.09.2020		0,95	54,30 EUR	01.09.2020	30.09.2020	30	I200	Depreciation (AA)
	31.10.2020		0,95	53,35 EUR	01.10.2020	31.10.2020	30	I200	Depreciation (AA)
	30.11.2020		0,96	52,39 EUR	01.11.2020	30.11.2020	30	I200	Depreciation (AA)
	31.12.2020		0,95	51,44 EUR	01.12.2020	31.12.2020	30	I200	Depreciation (AA)
	2020		5,72	EUR					
	31.01.2021	2021	0,87	0,87 EUR	01.01.2021	31.01.2021	30	I200	Depreciation (AA)
	28.02.2021		0,87	0,00 EUR	01.02.2021	28.02.2021	30	I200	Depreciation (AA)
	2021		1,74	EUR					
FXA ZFR3/442740000480/0			7,46	EUR					
			7,46	EUR					

Save the contract and post both valuation and contract part.

Case 2.B - Contract created in previous year that should terminate earlier than expected in current year

Example: Start date on RE-FX: 01.08.2020 - End date on RE-FX: 31.07.2023 . New end date: 31.01.2021

As for case 2.A start by splitting the existing condition in 2: end the existing condition on the last day of the previous year and create the new condition with the same amount starting the first day of the current year. Complete the rule in valuation parameters, simulate the new IFRS16 valuation in Valuations and save the contract.

Reverse the valuation and contract parts for the current year starting the first day after the new end date

Reverse Valuation for a Contract

Last Log Overview

Doc. Selection

Company Code: ZFR3

Contract: 500048

Process ID: to

Fiscal Year: to

Posting Period: to

Posting Date: 01.02.2021 to 28.02.2021

Doc. Reference Key: to

Accounting Principle: to

Valuation Rule: to

Reverse Last Run Only

Posting Data

Mode: Simulation

Reason for Reversal: Reversal in closed period

Posting Date: 01.02.2021

Posting Period:

Set now in the new condition of the current year the new end date

[Display All Periods] Key Date: 01.08.2020

DetTRel	PoS Purp.	Name	Condition	Type	Calculation	Object	ClcFrmName	Unit Price	Valid From	Valid to	Pe
<	Actual, recurrent	Lease Ind Equip	J4	0010	Fixed Amount	8.278,020000		01.08.2020	31.12.2020	27	
>	Actual, recurrent	Lease Ind Equip	J4	0010	Fixed Amount	8.278,020000		01.01.2021	31.01.2021	27	

Lease Ind Equip - 0010 - 01.01.2021

Condition Terms Calculation Valuation Memo

Lock Reason: Partially Locked Due to Existing Valuation Postings

Calculation Obj.: J4 0010

Condition Type: Lease Industrial Equipment

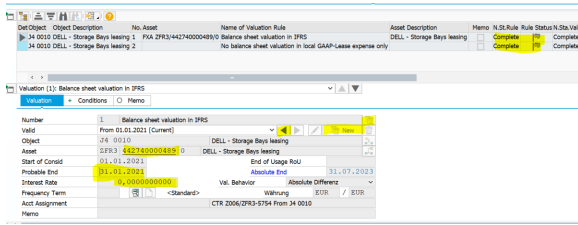
Condition Purpose: Actual, recurrent

Valid From: 01.01.2021 To: 31.01.2021

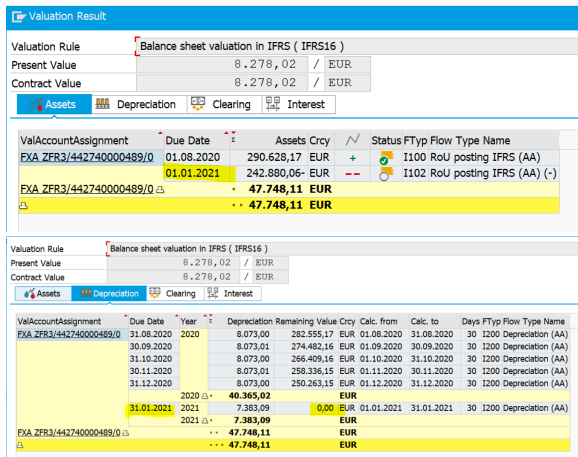
Unit Price: 8.278,020000 Formula

Currency: EUR

And in Valuation Parameters create the new valuation for the current year with 0 as interest and probable end date the new end date used also in the condition (see all the detailed steps in case 2.A), complete the rule and simulate IFRS16 valuations to check if no special flow has been created.

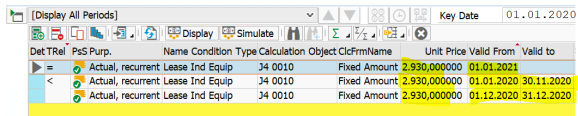


Save the valuation, check if the depreciation is being calculated correctly until the new end date and then post the valuation.

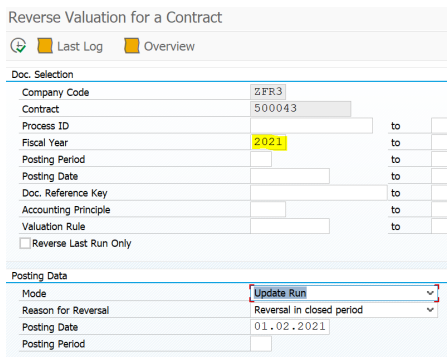


Case 2.C - Contract created in previous year that should terminate earlier than expected in current year

Example: Start date on RE-FX: 15.01.2020 - End date on RE-FX: 14.01.2026 . New end date: 30.11.2020
 Start by dividing the existing condition, but in this case end the current condition on the new end date (30.11.2020), create another condition with the same amount for the remaining months of the previous year (01.12.2020 – 31.12.2020) and create a new condition starting the first day of the current year (01.01.2021) with the same amount.



Complete the rule in Valuation Parameters and simulate the new IFRS16 valuation to check that this change has caused no impact in the contract, then save. Reverse valuation and contract only for the current year.



In conditions set 1 euro as rent amount only for the current year condition, complete the rule in valuation parameters, simulate the new valuation to check if no special flow has been created and save the contract.

Det.TRel	PoS.Purp.	Name	Condition	Type	Calculation	Object	ClcFrmName	Unit Price	Valid From	Valid to	Per D
<	Actual, recurrent	Lease Ind Equip	J4	0010	Fixed Amount	1,000000	01.01.2021	28.02.2021			0,0
<	Actual, recurrent	Lease Ind Equip	J4	0010	Fixed Amount	593,000000	15.01.2020	30.11.2020			19,7
>	Actual, recurrent	Lease Ind Equip	J4	0010	Fixed Amount	593,000000	01.12.2020	31.12.2020			19,7

Reverse only the contract part for the month that should have not existed in the previous year (for example for this case starting 01.12.2020).

Reverse Contract Postings for a Contract

Doc. Selection

Company Code: 2FR3
 Contract: 500043
 Process ID: [] to []
 Fiscal Year: [] to []
 Posting Period: [] to []
 Posting Date: 01.12.2020 to 28.02.2021
 Doc. Reference Key: [] to []
 Type of Posting Run: Periodic Posting + Transfer

Posting Data

Mode: Simulation
 Reason for Reversal: Reversal in closed period
 Posting Date: 01.02.2021
 Posting Period: []

Now in conditions set 1 euro as rent amount for the months of the previous year that should have not existed.

Det.TRel	PoS.Purp.	Name	Condition	Type	Calculation	Object	ClcFrmName	Unit Price	Valid From	Valid to	Per D
=	Actual, recurrent	Lease Ind Equip	J4	0010	Fixed Amount	1,000000	01.01.2021	28.02.2021			0,0
<	Actual, recurrent	Lease Ind Equip	J4	0010	Fixed Amount	593,000000	15.01.2020	30.11.2020			19,7
>	Actual, recurrent	Lease Ind Equip	J4	0010	Fixed Amount	1,000000	01.12.2020	31.12.2020			0,0

Lease Ind Equip - 0010 - 01.12.2020

Condition Terms Calculation Valuation Memo

Lock Reason: Partially Locked Due to Existing Valuation Postings

Calculation Obj.: J4 0010 Rental contract for forklift for the site of Clamecy

Condition Type: Lease Industrial Equipment

Condition Purpose: Actual, recurrent SC-Relevant Statist. One-Tm

Valid From: 01.12.2020 To: 31.12.2020 1st Posting

Unit Price: 1,000000 Formule Fixed Amount

Currency: EUR

Again complete the rule in Valuation Parameters, simulate the IFRS16 valuation and if no special flow appears, save the contract. Now in terms change the end date to the last day of the current month.

General Data Partners Term Objects Differing Measurements Posting Parameters Conditions Valuation Para

DetTermCateg. No. Name of Term Memo

Term: 15.01.2020 - 28.02.2021
 Notice: <No Period of Notice>

Term: 15.01.2020 - 28.02.2021

Contract start date: 15.01.2020 Cash Flow From: 15.01.2020
 1st Contract End: 28.02.2021 First Posting From: []
 Term in months: 14
 End of Term: 28.02.2021

In valuation parameters create a new valuation for the current year with 0 as interest rate, making sure that the asset number is the same as the previous one (for details check case 2.A).

Valuation (1): Balance sheet valuation in IFRS

Valuation Parameters

Number: 3 Balance sheet valuation in IFRS
 Valid: From 01.01.2021 Current
 Object: J4 0010 Rental contract for forklift for the site of Clamecy
 Asset: 12FR3 5000430000000000 Rental contract for forklift for the site of Clamecy
 Start of Const: 01.01.2021 End of Lease Rule
 Probable End: Absolute End 28.02.2021
 Interest Rate: Val. Behavior Absolute Difference
 Frequency Term: 12 -Standard- Währung EUR / EUR
 Asset Assignment: CTR 2008/7612/2008 From 26.0010

Once again, complete the rule and simulate IFRS16 valuation to make sure that no special flow has been created. Save the contract and post both valuation and contract parts.

NOTE: After performing any update in the contract always check in transaction FBL3N if the suspense account (WP2: 56030110 and PF2: 5112100020) for that specific contract is balanced.