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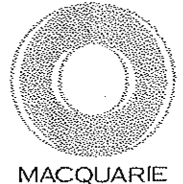
15 December 2010

Sir David Tweedie
International Accounting Standards Board
30 Canon Street, London, EC4M 6XH
United Kingdom



CC:
Mr. Kevin Stevenson
Chairman
Australian Accounting Standards Board
PO Box 204
Collins Street West
Melbourne, VIC, 8007

By Electronic Submission at: www.iasb.org

IASB Exposure Draft ED/2010/9 *Leases*

Dear David

We are responding to the IASB Exposure Draft ED/2010/9 *Leases*.

Our responses to the questions included within the exposure draft are provided in the attached Appendix.

Overall, we agree with recognising leases on the balance sheet, and removing the current arbitrary distinction between operating leases and finance leases. Our three main comments on the proposals relate to:

- the two models for lessors - we consider only the derecognition model should apply. Refer to our detailed comments in our response to question 4;
- the lease term, lease payments and reassessments - we consider that lessees and lessors should use contractual terms in measuring assets and liabilities, and account for options and renewal rights separately as if they were free standing rights. Consequently, we consider contingent payments and residual value guarantees should also be accounted for separately, and not included in the lease. Further, reassessments should be made only when contractual terms change. Refer to our detailed comments in our responses to questions 8, 9 and 10; and
- the transition provisions - we recommend further relief so the new rules do not apply to existing leases with remaining terms of two years or less. The current treatment should continue for those grandfathered leases. Refer to our detailed comments in our responses to question 16.

We are concerned that significant information system changes are required to implement the IASB's proposals, and that computer software suppliers may find these changes difficult to implement. Due to these challenges, we recommend take this into account when finalising the implementation date of the new requirements.

Macquarie Group Limited is not an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Cwth), and its obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 (MBL). MBL does not guarantee or otherwise provide assurance in respect of the obligations of Macquarie Group Limited.

We note the large volume of changes having significant impacts that are currently being considered by the IASB in its various projects. We will comment specifically on this in our response to the IASB's *Request for Views* on *Effective dates and transition methods.*

If you have any questions in relation to this submission, please do not hesitate to contact myself (+61 2 8232 8670) or Frank Palmer (+61 2 8232 5193).

Yours sincerely

Stuart Dyson
Group Financial Controller
Macquarie Group

About Macquarie Group

Macquarie Group (Macquarie) is a global provider of banking, financial, advisory, investment and funds management services.

Macquarie's main business focus is making returns by providing a diversified range of services to clients. Macquarie acts on behalf of institutional, corporate and retail clients and counterparties around the world.

Macquarie Group Limited is listed in Australia (ASX: MQG; ADR: MQBKY) and is regulated by APRA, the Australian banking regulator, as the owner of Macquarie Bank Limited, an authorised deposit taker. Macquarie also owns a bank in the UK, Macquarie Bank International Limited, which is regulated by the FSA. Macquarie's activities are also subject to scrutiny by other regulatory agencies around the world.

Macquarie's approach to risk management is long-standing. Strong risk management practices are embedded in business unit management with central oversight of credit, market, funding, compliance and operational risk. These, together with a strong, committed team are key drivers of Macquarie's success.

Founded in 1969, Macquarie employs over 15,500 people in approximately 70 locations in 28 countries. At 30 September 2010, Macquarie had assets under management of AUD 317 billion.

Macquarie acts as lessor over a number of asset classes including vehicles, aircraft, manufacturing equipment, rail and IT equipment. We currently have in excess of 300,000 lease contracts and a portfolio of around AUD 9 billion.

Our main asset class as lessee is property.

APPENDIX

APPENDIX – RESPONSES TO SPECIFIC QUESTIONS

The Accounting Model

Question 1: Lessees

a. Do you agree that a lessee should recognise a right-of-use asset and a liability to make lease payments? Why or why not? If not, what alternative model would you propose and why?

b. Do you agree that a lessee should recognise amortisation of the right-of-use asset and interest on the liability to make lease payments? Why or why not? If not, what alternative model would you propose and why?

We agree that a lessee should recognise a right-of-use asset and a liability to make lease payments. As noted in the exposure draft, many users of financial statements already make adjustments to reflect the lessee's obligations.

We agree that the lessee should recognise amortisation of the right-of-use asset and interest on the liability to make lease payments, as these follow the balance sheet treatment. However, we do not think users will find the line items used in the income statement to be very helpful – we consider aggregating those lines together as 'rent' will give users more relevant information.

Question 2: Lessors

a. Do you agree that a lessor should apply (i) the performance obligation approach if the lessor retains exposure to significant risks or benefits associated with the underlying asset during or after the expected lease term, and (ii) the derecognition approach otherwise? Why or why not? If not, what alternative approach would you propose and why?

b. Do you agree with the boards' proposals for the recognition of assets, liabilities, income and expenses for the performance obligation and derecognition approaches to lessor accounting? Why or why not? If not, what alternative model would you propose and why?

We agree that an assessment of the lessor's exposure to the significant risks or benefits of the underlying asset is necessary in determining the accounting approach for lessors. However, we consider only one model - the derecognition model - to be the appropriate approach. Our rationale is as follows:

- using one approach, rather than reintroducing another judgemental choice that the proposals already seek to eliminate, will increase simplicity, comparability and consistency. This can only be beneficial for users to understand and compare financial statements;
- the performance obligation model is inconsistent with the lessee's right of use model;
- the derecognition approach more accurately reflects the component assets over which the lessor has control – the right to receive lease payments and any residual value risk at the end of the lease term. This would also be more consistent with the accounting that would follow if one were to enter an economically similar arrangement - lend a lessee the monies to purchase the underlying asset and also enter (and prepay) a fixed-price forward purchase agreement to receive the asset in the future.

Under the derecognition model, the residual asset representing the rights not transferred to the lessee is measured using a cost basis. We agree with the Board's conceptual reasoning

for this cost approach, however we note this means the residual asset will not accrete interest over the lease term to an 'expected value', with the result that profit or loss impacts will be back-ended i.e. recognized only when the lessor re-leases or disposes of the asset at the end of the lease. Further, the inability to subsequently revalue the residual asset is inconsistent with the existing choice in IAS 16 to revalue property, plant and equipment to fair value. We recommend that the Board allow the residual asset to be carried at fair value subsequent to initial recognition as an accounting policy choice.

Question 3: Short-term leases

The ED proposes that a lessee or a lessor may apply the following simplified requirements to short-term leases, defined in Appendix A as leases for which the maximum possible lease term, including options to renew or extend, is twelve months or less:

a. At the date of inception of a lease, a lessee that has a short-term lease may elect on a lease-by-lease basis to measure, both at initial measurement and subsequently, (i) the liability to make lease payments at the undiscounted amount of the lease payments and (ii) the right-of-use asset at the undiscounted amount of lease payments plus initial direct costs. Such lessees would recognise lease payments in profit or loss over the lease term (para 64).

b. At the date of inception of a lease, a lessor that has a short-term lease may elect, on a lease-by-lease basis, not to recognise assets and liabilities arising from a short-term lease in the statement of financial position, or derecognise any portion of the underlying asset. Such lessors would continue to recognise the underlying asset in accordance with other IFRSs and would recognise lease payments in profit or loss over the lease term (para 65). (See also paras BC41-BC46).

Do you agree that a lessee or a lessor should account for short-term leases on a lease-by-lease basis on the basis of undiscounted cash payments plus initial direct costs? Why or why not? If not, what alternative approach would you propose and why?

We do not agree that lessees should recognise a right-of-use asset and a lease liability for short-term leases. We recommend that the Board provide an election for lessees on a lease-by-lease basis (similar to that available to lessors) to not recognise assets and liabilities on short term leases in the statement of position. To provide further relief, we urge the Board to include a specific exemption for immaterial leases (individually and in aggregate) from recognition in the statement of financial position, materiality to be considered applying guidance in the *Framework for the Preparation and Presentation of Financial Statements*. The accounting for short term and immaterial leases require administration and maintenance consistent with the effort required for all other leases. We do not think the benefits outweigh the costs of recognising these short term arrangements and low-value items.

We agree with the choice for lessors to elect not to recognise assets and liabilities in the statement of financial position.

For both lessees and lessors, we recommend that the Board extend the duration of the short-term lease definition to 24 months.

Definition of a lease

Question 4:

a. Do you agree that a lease defined as a contract in which the right to use a specified asset or assets is conveyed, for a period of time, in exchange for consideration is defined appropriately? Why or why not? If not, what alternative definition would you propose and why?

b. Do you agree with the criteria in paras B9 and B10 for distinguishing a lease from a contract that represents a purchase or sale? Why or why not? If not, what alternative criteria would you propose and why?

c. Do you think that the guidance in paras B1-B4 for distinguishing leases from service contracts is sufficient? Why or why not? If not, what additional guidance do you think is necessary why?

We agree with the lease definition, but note that the exposure draft links a lease to an individual asset. This implies that each asset should be accounted for separately. We believe that there should be an ability to pool similar assets and similar leases.

We do not agree with the criteria for distinguishing between a lease, and a contract that represents a purchase or a sale. We believe that the guidance to identify a purchase or sale transaction should be included in the Board's revenue recognition proposals. The inclusion of a separate set of guidance in the proposed IFRS for distinguishing a purchase or sale from a lease is unnecessary and may result in complexity and inconsistent application.

We agree that the guidance for distinguishing leases from service contracts is appropriate. We suggest making minimal drafting changes when incorporating IFRIC 4 *Determining Whether an Arrangement Contains a Lease* into the guidance, as any change or exclusion might imply a change in application is intended.

Question 5: Scope exclusions

The exposure draft proposes that a lessee or a lessor should apply the proposed IFRS to all leases, including leases of right-of-use assets in a sublease, except leases of intangible assets, leases of biological assets and leases to explore for or use minerals, oil, natural gas and similar non-regenerative resources (paragraph 5 and BC33-BC46).

Do you agree with the proposed scope of the proposed IFRS? Why or why not? If not, what alternative scope would you propose and why?

We do not agree with the proposal to exclude intangible assets. There is no conceptual reason for excluding them, particularly when IAS 17 already includes them. We note the Board's reason in paragraph BC36 for excluding intangible assets, but believe this would be problematic, particularly where computer software and hardware is provided in a combined lease.

We consider that the accounting treatment of subleases is unnecessarily complicated, and will only confuse users. This complication further supports our preference for the lessor to apply only one model, the derecognition approach (refer to our response to question 2).

In Australia employees often take advantage of tax benefits by salary packaging motor vehicles through a novated lease. A novated lease is an agreement between an employer, employee and a financier where the employer has the obligation to meet the lease payments with those payments being recovered from the employee. This arrangement ceases if the employee leaves the company. At this point, the employee is personally responsible for the

lease payments. If the IASB considers this creates a lease and sublease situation under the proposals then we consider this to not portray the economic position.

We agree with the exclusion of natural resources and biological assets for the reasons discussed in paragraph BC34.

Question 6: Contracts that contain service components and lease components

The exposure draft proposes that lessees and lessors should apply the proposals in *Revenue from Contracts with Customers* to a distinct service component of a contract that contains service components and lease components (paragraphs 6, B5-B8 and BC47-BC54). If the service component in a contract that contains service components and lease components is not distinct:

(a) the FASB proposes the lessee and lessor should apply the lease accounting requirements to the combined contract.

(b) the IASB proposes that:

(i) a lessee should apply the lease accounting requirements to the combined contract.

(ii) a lessor that applies the performance obligation approach should apply the lease accounting requirements to the combined contract.

(ii) a lessor that applies the derecognition approach should account for the lease component in accordance with the lease requirements, and the service component in accordance with the proposals in *Revenue from Contracts with Customers.*

Do you agree with either the IASB or the FASB approach to accounting for leases that contain service and lease components? Why or why not? If not, how would you account for contracts that contain both service and lease components and why?

We agree that there are often difficulties in determining the service and lease elements of a contract. Where possible, these components should be separated and accounted for separately when the services are distinct.

Where services are not distinct, then one should consider the economics of the transaction and the business rationale for determining whether the contract is primarily for services or a lease. The contract should be classified as a lease or a service contract in its entirety, and the accounting should follow this determination. This is in line with the approach proposed by the FASB, which is the approach we support.

Q7: Purchase options

The exposure draft proposes that a lease contract should be considered as terminated when an option to purchase the underlying asset is exercised. Thus, a contract would be accounted for as a purchase (by the lessee) and a sale (by the lessor) when the purchase option is exercised (paragraphs 8, BC63 and BC64).

Do you agree that a lessee or a lessor should account for purchase options only when they are exercised? Why or why not? If not, how do you think that a lessee or a lessor should account for purchase options and why?

We agree that purchase options should only be accounted for as a purchase and a sale when they are exercised, unless an arrangement is structured to be a present purchase and sale (i.e. similar to present ownership interests arising from options over equities with nominal

strike prices). Consequently, we also agree that bargain options should be considered when determining whether a transaction is a lease or a purchase or sale.

Question 8: Lease term

Do you agree that a lessee or a lessor should determine the lease term as the longest possible term that is more likely than not to occur taking into account the effect of any options to extend or terminate the lease? Why or why not? If not, how do you propose that a lessee or a lessor should determine the lease term and why?

We do not agree with the probability approach to determining the lease term, as it is conceptually inappropriate to consider the likelihood of exercising an option to be an obligation. Analogously, we do not consider the likelihood of paying a discretionary dividend in order to determine whether this creates an obligation. The inclusion of a liability in the lessee's statement of financial position for amounts that are not contractually liable, overstates its liabilities. We question how many liability models the Board wishes to develop – ideally an obligation to pay cash should be measured under IAS 39 / IFRS 9.

Aside from the conceptual disagreement, we think implementing these proposals will be highly subjective, and time consuming to apply on a lease by lease basis.

We recommend that the lease term be based on its contractual term. Renewal or termination options should be accounted for separately in the same manner as options to purchase physical assets.

Question 9: Lease payments

Do you agree that contingent rentals and expected payments under term option penalties and residual value guarantees that are specified in the lease should be included in the measurement of assets and liabilities arising from a lease using an expected outcome technique? Why or why not? If not, how do you propose that a lessee or a lessor should account for contingent rentals and expected payments under term option penalties and residual value guarantees and why?

Do you agree that lessors should only include contingent rentals and expected payments under term option penalties and residual value guarantees in the measurement of the right to receive lease payments if they can be measured reliably? Why or why not?

We do not agree that contingent rentals and expected payments under term option penalties and residual value guarantees that are specified in the lease should be included in the measurement of assets and liabilities.

For residual value guarantees, if these were purchased on their own, then the accounting treatment would be different to these proposals. We consider these should be unbundled from the lease, and accounted for as a free standing residual value guarantee.

Contingent rentals are often contingent on external factors independent to the operation of the lease and in some cases the leased asset. Business success is often a key driver and in many instances the global economy is the biggest factor in determining business success. We consider many of the variables for which contingent rentals are usually based upon to be too difficult to reliably determine an estimate, and this reduces the usefulness to users. We also consider the asymmetric accounting that would arise from the lessor and lessee each estimating different amounts to be less than ideal. We recommend that only fixed or predetermined rentals should be included in the measurement of lease assets and liabilities.

Question 10: Reassessment

Do you agree that lessees and lessors should remeasure assets and liabilities arising under a lease when changes in facts or circumstances indicate that there is a significant change in the liability to make lease payments or in the right to receive lease payments arising from changes in the lease term or contingent payments (including expected payments under term option penalties and residual value guarantees) since the previous reporting period? Why or why not? If not, what other basis would you propose for reassessment and why?

As noted in our responses to questions 8 and 9, we do not agree that contingent rentals and estimated lease terms should be considered in measuring the lease assets and liabilities. If the Board pursues its approach, then we think the accounting for changes introduces more complexity than is necessary, and where one has large portfolios of leases this will be overly burdensome. We recommend that reassessment should only occur if the contractual terms of the lease change.

Sale and leaseback

Question 11:
Do you agree with the criteria for classification as a sale and leaseback transaction? Why or why not? If not, what alternative criteria would you propose and why?

We do not agree with the criteria for classification as a sale and leaseback transaction for the following reasons:

- as noted in our response to question 4(b), the determination of whether a sale has occurred should be based on guidance included in the Board's revenue recognition proposals, rather than a separate set of guidance in the proposed IFRS. The determination of whether a transaction represents a sale is the same with or without a leaseback of the asset;
- as noted in our response to question 2, we do not agree with the performance obligation approach to lessor accounting which is required under the sale and leaseback proposals in para 68(a).

Question 12: Statement of financial position

a. Do you agree that a lessee should present liabilities to make lease payments separately from other financial liabilities and should present right-of-use assets as if they were tangible assets within property, plant and equipment or investment property as appropriate, but separately from assets that the lessee does not lease (paras 25 and BC143-BC145)? Why or why not? If not, do you think that a lessee should disclose this information in the notes instead? What alternative presentation do you propose and why?

b. Do you agree that a lessor applying the performance obligation approach should present underlying assets, rights to receive lease payments and lease liabilities gross in the statement of financial position, totalling to a net lease asset or lease liability (paras 42, BC148 and BC149)? Why or why not? If not, do you think that a lessor should disclose this information in the notes instead? What alternative presentation do you propose and why?

c. Do you agree that a lessor applying the derecognition approach should present rights to receive lease payments separately from other financial assets and should present residual assets separately within property, plant and equipment (paras 60, BC154 and BC155)? Why or why not? Do you think that a lessor should disclose this information in the notes instead? What alternative presentation do you propose and why?

d. Do you agree that lessors should distinguish assets and liabilities that arise under a sublease in the statement of financial position (paras 43, 60, BC150 and BC156)? Why or why not? If not, do you think that an intermediate lessor should disclose this information in the notes instead?

In response to part a, we do not agree with the proposed approach as our preference is that the asset and liability is netted on the face of the statement of position, with the gross asset and liability amounts shown in the notes to the financial statements. If the Board continues with its proposal, then we agree that the lessee should present the liabilities to make lease payments separately from other financial liabilities. However, as we mentioned in question 8, we disagree with the creation of multiple measurement models for obligations to pay cash – these should fall to IAS 39 / IFRS 9 to reduce complexity.

We consider that if the lessor applies a derecognition model (our preferred single approach), then the lessee should symmetrically recognise a tangible asset. We think our preferred approach will overcome many of the piecemeal decisions made by the Board to address the right-of-use intangible asset issues. We agree, but only where the lessor applies a performance obligation model, that a lessee's right-of-use asset is an intangible asset, and we agree with the pragmatism shown by the Board to disclose it as part of property, plant and equipment. We think the Board's approach to accounting for the right-of-use asset as an intangible, presented as property, plant and equipment, and allowed to be revalued as an exception to the current IAS 38 is piecemeal, lacks consistency, and increases complexity.

In response to part b, we do not agree that the lessor should show the two assets and one liability on the statement of position. We recommend a single net position on the statement of financial position with the gross amounts disclosed in the notes to the financial statements.

In response to part c, we agree that the lessor should present the right to receive lease payments separately. We agree that residual assets should be presented separately. Generally, at the end of the lease term, the asset would either be re-leased or sold. So, upon return of the asset at the end of the lease term, the residual asset should be reclassified if another category is more appropriate (e.g. inventory if the plan is to sell the asset).

In response to part d, as noted in our response to question 5, we do not agree that a lessor should distinguish between assets and liabilities that arise under a sublease in the statement of financial position. We support a single derecognition model for lessors. If the Board pursues its approach, then we agree that the assets and liabilities should be netted on the face of the statement of financial position, with the gross position disclosed in the notes.

Question 13: Statement of comprehensive income

Do you think that lessees and lessors should present lease income and lease expense separately from other income and expense in profit or loss (paras 26, 44, 61, 62, BC146, BC151, BC152, BC157 and BC158)? Why or why not? If not, do you think that a lessee should disclose that information in the notes instead? Why or why not?

We agree that separate disclosure may be appropriate, but that the principle should be adequately covered in IAS 18. We do not support creation of unique income disclosures in specific standards.

Question 14: Statement of cash flows

Do you think that cash flows arising from leases should be presented in the statement of cash flows separately from other cash flows (paras 27, 45, 63, BC147, BC153 and BC159)? Why or why not? If not, do you think that a lessee or a lessor should disclose this information in the notes instead? Why or why not?

We agree that cash flows arising from leases should be presented in the statement of cash flows separately from other cash flows, subject to materiality.

Question 15:

Do you agree that lessees and lessors should disclose quantitative and qualitative information that:

a. identifies and explains the amounts recognised in the financial statements arising from leases; and
b. describes how leases may affect the amount, timing and uncertainty of the entity's future cash flows (paras 70-86 and BC168-BC183)? Why or why not? If not how would you amend the objectives and why?

We agree that lessees and lessors should disclose quantitative and qualitative information that identifies and explains amounts that are recognised in the financial statements that arise from leases, if material.

We do not agree that reference should be made to the entity's future cash flows as this implies an open ended consideration. The requirement in IAS1.125 (extracted below) requires consideration to the next reporting period only:

"An entity shall disclose information about the assumptions it makes about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. In respect of those assets and liabilities, the notes shall include details of:
(a) their nature; and
(b) their carrying amount as at the end of the reporting period."

The requirement of para 70(b) in the exposure draft should be revised to reflect the time frame in IAS1.125.

We note our earlier recommendations for excluding contingent rentals, and not re-assessing lease periods, would reduce the uncertainty.

Question 16:

a. The exposure draft proposes that lessees and lessors should recognise and measure all outstanding leases as of the date of initial application using a simplified retrospective approach (paras 88-96 and BC186-BC199). Are these proposals appropriate? Why or why not? If not, what transitional requirements do you propose and why?

b. Do you think full retrospective application of lease accounting requirements should be permitted? Why or why not?

c. Are there any additional transitional issues the boards need to consider? If yes, which ones and why?

We do not agree with the proposed simplified retrospective approach.

Where leases have a short remaining term, we recommend their accounting not change and accordingly continue using the existing accounting treatment until the leases reach maturity. We think an appropriate limit would be for leases with two or less years remaining in their lease term. So, leases with less than two years remaining would continue applying their current accounting treatment, along with providing the current disclosures. Leases of a longer remaining lease term would apply the new rules. We would like to reduce the burden of adjusting the accounting for often high volume, low value leases which expire within the near term. Re-stating these leases is extremely costly and provides negligible benefit to the users of financial statements.

We agree with full retrospective application, except where the leases are short-term as discussed in the paragraph above.

We recommend that the Board also consider the following issues arising from transition:

- significant costs and effort will be needed to effectively implement the changes – the availability of leasing systems to determine the transitional adjustments and the ongoing accounting. Where large leasing businesses have been brought together there may be a number of systems that need to be changed or upgraded at the same time;
- there are a number of other standards that are expected to be implemented at the same time. The capacity for businesses to implement all of these changes simultaneously, and to satisfactorily and simply explain the impacts to users of the financial statements, will be challenging. We will separately comment on this issue in our response to the IASB's Request for Views on *Effective Dates and Transition Methods*;
- the revised balance sheets will mean that for international organisations there may be a number of hedge positions that become broken and will need to be reset. Allowing the current short term leases to continue under the existing standard will significantly reduce this impact.

Question 17:

Paras BC200-BC205 set out the boards' assessment of the cost and benefits of the proposed requirements. Do you agree with the boards' assessment that the benefits of the proposals would outweigh the costs? Why or why not?

We are concerned about the Board's assessment of the benefits of the proposed requirements outweighing the costs. BC200 states that *"the boards endeavour to ensure that new standards will meet a significant need and that the overall benefits of the resulting information justify the costs of obtaining it........users of financial statements benefit from improvements in financial reporting, thereby facilitating the functioning of markets for capital and credit and the efficient allocation of resources in the economy."*

We do not think analysts will be expecting the IASB's proposals for preparers to make the significant judgements being proposed (e.g. contingent amounts and renewal options) in order to understand the impact of leases.

Paragraph BC201 outlines the costs and benefits the Boards have considered in making their judgement. The only benefit outlined is the benefit of better economic decision making as a result of improved financial reporting. The costs have not been quantified, and the benefits expected equally have not been quantified. Further, many of the potential consequential costs seem to have been missed, such as:

- breaches of covenants contained in existing lending agreements of lessees as various ratios will change as a result of new accounting
- increased capital raising as gearing ratios of lessees substantially change
- reduced availability of debt funding as lenders learn how to adjust to the new ratios, balance sheets and income statements
- costs for lenders in developing new models to facilitate lending to affected customers
- costs for lessors in adjusting computer software to deal with the new standards and the limited availability of leasing software releases to deal with the changes
- costs for lessees and lessors of having to address the accounting for millions of low-value assets.

Question 18:

Do you have any other comments on the proposals?

No.