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### FASB and IASB Harmonization of Leases

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## FASB and IASB Harmonization of Leases

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**FASB and IASB Harmonization of Leases****Martha M. Pointer**

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**ABSTRACT**

In an effort to harmonize worldwide accounting standards, the two primary parties, the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB), are taking a topic-by-topic approach in an attempt to develop accounting standards that are acceptable to both bodies. Upon completion of this project, the similar accounting standards will be used worldwide. However, the harmonization of accounting standards is made more difficult by the different approaches taken toward accounting standards setting. The FASB uses a rules-based approach to standard setting while the IASB uses a principles-based approach. The current project under discussion by the two boards is one of the more difficult areas to harmonize - accounting for leases.