



RSM International Limited

50 Cannon St
London
EC4N 6JJ
UK

T +44 (0)207 6011080

www.rsm.global

Mr Hans Hoogervorst
Chairman
International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

15 March 2016

Re: Exposure Draft ED/2015/9 – Transfers of Investment Property (Proposed amendment to IAS 40)

Dear Mr Hoogervorst,

On behalf of RSM International Limited, a worldwide network of independent audit, tax and consulting firms, we are pleased to comment on the IASB's Exposure Draft ED/2015/9 *Transfers of Investment Property (Proposed amendment to IAS 40)* ('the ED').

Overall, we support the amendment proposed in the ED as it provides greater clarity and will reduce current diversity in practice.

Our comments and detailed responses to the questions set out in the Invitation to Comment section of the ED are detailed hereafter.

We would be pleased to respond to any questions the Board or its staff may have about any of our comments.

Please do not hesitate to contact me or Joelle Moughanni at +44 207 601 1080.

Sincerely,

Robert Dohrer
Global Leader - Quality and Risk
RSM International

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Question 1—Proposed amendment

The IASB proposes to amend paragraph 57 of IAS 40 to:

- (a) state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property.
- (b) re-characterise the list of circumstances set out in paragraph 57(a)–(d) as a non-exhaustive list of examples of evidence that a change in use has occurred instead of an exhaustive list.

Do you agree? Why or why not?

We agree with the proposed amendment to IAS 40 as it reinforces the principle that a property should be transferred to, or from, investment property when there is evidence that a change in use occurred.

Although the IASB proposes not to add more examples of circumstances that evidence a change in use (as stated in paragraph BC6 of the Basis for Conclusions on the ED), and the examples in paragraph 57 should reflect a non-exhaustive list of such circumstances, we believe that an additional example of evidence that supports a change in use of property under construction or development (i.e. covering the question received by the IASB that initiated the ED) might be helpful. In fact, all the existing examples are relevant to completed properties only; none of the examples provided in paragraph 57(a)–(d) relate to circumstances where a property under construction or development is transferred to, or from, investment properties.

Question 2—Transition provisions

The IASB proposes retrospective application of the proposed amendment to IAS 40.

Do you agree? Why or why not?

We agree with the proposed retrospective application of the proposed amendment.

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