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Mr Hans Hoogervorst
Chairman
International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom
Email: commentletters@ifrs.org

16 October 2017

Re: Exposure Draft ED/2017/4 – Property, Plant and Equipment—Proceeds before Intended Use (Proposed amendments to IAS 16)

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/2017/4 *Property, Plant and Equipment—Proceeds before Intended Use (Proposed amendments to IAS 16)* ('the ED').

We agree with the proposals in the ED prohibiting the deduction from the cost of an item of property, plant and equipment (PPE) of any proceeds from selling items produced while bringing that item of PPE to the location and condition necessary for it to be capable of operating in the manner intended by management.

Proposing instead that the entity recognises the proceeds from selling any such items and the cost of producing those items, in profit or loss in accordance with applicable Standards (eg IFRS 15 *Revenue from Contracts with Customers* and IAS 2 *Inventories*) is, moreover, consistent with the requirements in paragraph 21 of IAS 16 for incidental operations.

We agree that no specific additional disclosures should be required.

Finally, we support the proposed transitional provisions as we agree with the Board that, in the case of this proposed amendment, the cost and burden of a full retrospective application would outweigh the benefits.

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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