

January 14, 2016

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

Via online submission

Dear Mr Hoogervorst

**COMMENTS ON IASB EXPOSURE DRAFT ED/2015/9,
TRANSFERS OF INVESTMENT PROPERTY
(PROPOSED AMENDMENT TO IAS 40)**

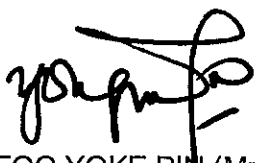
We thank you for the opportunity to comment on IASB Exposure Draft ED/2015/9, *Transfers of Investment Property (Proposed amendment to IAS 40)*.

In this regard, we are pleased to attach the Institute's comments as set out in Appendix I for your consideration.

Please do not hesitate to contact the undersigned or the Institute's Senior Technical Manager, Ms Hoh Kim Hyan, at +603-2698 9622 should you require any clarification.

Thank you.

Yours sincerely



FOO YOKE PIN (Mr)
Executive Director

THE MALAYSIAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
(INSTITUT AKAUNTAN AWAM BERTAULIAH MALAYSIA)

International Accounting Standards Board

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

Questionnaire

The IASB invites comments on the proposals in this Exposure Draft, particularly on the questions set out below. Comments are most helpful if they:

- (a) comment on the questions as stated;
 - (b) indicate the specific paragraph or paragraphs to which the comments relate;
 - (c) contain a clear rationale; and
 - (d) include any alternatives that the IASB should consider, if applicable.
-

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?

Comments:

The Institute agrees with the IASB's proposal to amend Para 57 of IAS 40 to 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.

However, in respect of Para 57(d) the Institute wishes to seek clarification as to whether it applies to a temporary transfer from inventories to investment property.

An example in case: in a soft property market, a property developer may decide to lease out unsold units of properties temporarily with a view to sell when market conditions improve or when a buyer is found since it makes no sense to leave the property empty while awaiting sale. Would this trigger the need to transfer the properties from inventories to investment properties since there is only a temporary change in use?

Question 2 – Transition provisions

The IASB proposes retrospective application of the proposed amendment to IAS 40. Do you agree? Why or why not?

MICPA's Comments:

The Institute agrees with the proposal for retrospective application of the proposed amendment to IAS 40.