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Reference: ED 2015/9 - Transfers of Investment Property (Proposed amendment to IAS 40)

The Comitê de Pronunciamentos Contábeis - CPC (Brazilian Accounting Pronouncements Committee)¹ welcomes the opportunity to respond to the Exposure Draft 2015/9 - Transfers of Investment Property - Proposed amendment to IAS 40.

We are a standard-setting body engaged in the study, development and issuance of accounting standards, interpretations and guidance for Brazilian companies.

If you have any questions about our comments, please do not hesitate to contact us at operacoes@cpc.org.br.

Yours sincerely,



Silvio Takahashi
Chair of International Affairs
Comitê de Pronunciamentos Contábeis (CPC)

¹The Brazilian Accounting Pronouncements Committee (CPC) is a standard-setting body engaged in the study, development and issuance of accounting standards, interpretations and guidances for Brazilian companies. Our members are nominated by the following entities: ABRASCA (Brazilian Listed Companies Association), APIMEC (National Association of Capital Market Investment Professionals and Analysts), BMFBOVESPA (Brazilian Stock Exchange and Mercantile & Future Exchange), CFC (Federal Accounting Council), FIPECAFI (Financial and Accounting Research Institute Foundation) and IBRACON (Brazilian Institute of Independent Auditors).



ED/2015/9 - QUESTIONS AND ANSWERS

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?

Answer to question 1:

We are in accordance with the amendments proposed in (a) and (b) above. We understand that such changes are relevant in the Brazilian real state industry, and so, suchs amendments will improve comparability of the financial statements.

Question 2—Transition provisions

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

Answer to question 2:

We agree that an entity shall retrospectively apply those amendment in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.