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Our Ref: PSC/TS/ED04/2016

Friday, 26 February 2016

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

Dear Mr Hoogervorst,

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

The Institute of Certified Public Accountants of Kenya (ICPAK) welcomes the opportunity to share our suggestions and observations on the Exposure Draft IFRS Transfers of Investment Property: Proposed amendment to IAS, issued by the International Accounting Standards Board (IASB).

We support the IASB's decision to amend IAS 40 in order to reduce divergence in practice arising from varied interpretation. This amendment clearly provides that the list of circumstances that evidence a change in use of a property, is not exhaustible; thus enabling preparers to focus on the principle that transfers to, or from, investment property should reflect a change in use of that property.

We agree with the proposed retrospective application. As noted under BC7, the proposed amendment will result in a change in the measurement basis, and a change in the measurement basis is a change in an accounting policy, in accordance with paragraph 35 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

If you would like to discuss these comments further, please contact the undersigned via mail to icpak@icpak.com or nixon.omindi@icpak.com.

Yours sincerely,

Nixon Omindi
Technical Services
For Professional Standards Committee