

March 14, 2016

International Accounting Standards Board

30 Cannon Street, London EC4M 6XH

United Kingdom

**Re: KICPA's Comments on the Exposure Draft, Transfers of Investment
Property (proposed amendments to IAS 40)**

On behalf of the Korean Institute of Certified Public Accountants (KICPA), I send our response and comments regarding the ED, Transfer of Investment Property, Proposed amendments to IAS 40.

Please do not hesitate to contact us if you have any questions regarding our comments. You may direct your inquiries either to me (ykahn@kicpa.or.kr) or to Ms. Seung-kyoung Yoo (skyoo@kicpa.or.kr), research fellow of KICPA.

Faithfully,

Yeong Kyun Ahn

The Vice President for Research and Education

KICPA's Comments on the Exposure Draft, Transfers of Investment Property (proposed amendments to IAS 40)

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?

[KICPA's comment]

We support the proposed ED of re-characterising the paragraph 57 as the list of examples of evidence that a change in use has occurred and allowing the transfer of investment property only when there is evidence of a change in use, as it is difficult to set out all of the relevant examples of the transfer.

Question 2: Transition provisions

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

[KICPA's comment]

We support the proposed amendments in the ED. We believe IAS 8 could be applied in case of practical difficulties of retrospective application of the amendments.