



## INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF UGANDA

*Our Ref: T/11*

**17 March 2016**

International Accounting Standards Board (IASB)  
30 Cannon Street,  
London EC4M 6XH,  
United Kingdom

Dear Sir/Madam,

**EXPOSURE DRAFT ED/2015/9 - TRANSFERS OF INVESTMENT PROPERTY**

We are grateful for the opportunity to provide comments on “Exposure Draft ED/2015/9 - Transfers of Investment Property”.

Our detailed comments are provided in the attached appendix.

We hope that you will find our comments helpful.

Yours sincerely,

**SECRETARY/CEO**

**ICPAU**

**INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF UGANDA**  
**COMMENTS ON EXPOSURE DRAFT ED/2015/9 - TRANSFERS OF INVESTMENT**  
**PROPERTY**

**17 MARCH 2016**

**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?**

We agree with the proposal.

In our view, the proposed amendment is more specific and imposes an obligation on the entity to transfer a property when change in use is evidenced. The proposal provides a clearer explanation of when a change in use occurs. This has given a clearer view and understanding of the circumstances and timing of a transfer of an asset.

In addition, as the list is not exhaustive the proposal allows room for other circumstances that may not appear in the list as evidence to be considered in determining whether a change in use as occurred.

In our view the proposed amendment is more principle-based and is an improvement on the current paragraph 57.

**Question 2 - Transition provision**

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

We disagree with the proposal of retrospective application of the proposed amendment. It is our view that the application of the proposed amendment is in respect of transactions, events and circumstances are substantially different from those that transpired in the past. Therefore the new measurement base affects measurement of the asset prospectively and not retrospectively.

In addition, retrospective application would lead to an undue burden on the reporting entity.