

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

March 17, 2016

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

Dear Mr. Hoogervorst,

Preliminarily, we would like to thank you for the opportunity to interact with the IASB and express our opinion on such an important issue, including the respective effects on its application.

We believe that the proposed amendment to IAS 40 represents a meaningful step towards the improvement of application of that standard. Thus, we agree with the content of this Exposure Draft.

If you would like to discuss any of the issues described herein, please do not hesitate to contact our Accounting Director, Mr. **Marcos Galende**, at +55 (11) 3684-6410 or 4100.marcos@bradesco.com.br.

Yours sincerely,



Marcos Aparecido Galende

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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:

We agree with the proposed changes as they make the standard clearer. In our opinion, changes will make entities use the substance over form principle when assessing their operations.

Question 2— Transition provisions

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

Answer:

We agree with retrospective application to changes in accounting policies as it provides more useful information and allows greater comparability for financial statement users.

