

KCCI Bldg. 4th Flr.
39 Sejong-daero, Jung-gu,
Seoul 100-743, South Korea
Tel : 82-2) 6050-0150
Fax : 82-2) 6050-0170

21 March 2016

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

Dear Sir or Madam:

The Korea Accounting Standards Board (KASB) sends its comments on the Exposure Draft *Transfers of Investment Property : Proposed amendment to IAS 40*.

The enclosed comments represent official positions of the KASB after extensive due process and deliberation.

Please do not hesitate to contact us if you have any questions regarding our comments. You may direct your inquiries either to me(jjang@kasb.or.kr) or to Mr. Hyun-Seon Hong (honghs@kasb.or.kr), Senior Technical Manager of the KASB.

Best regards,



Jee In Jang
Chair, Korea Accounting Standards Board

Cc: Se-hwan Park, Senior Director, Korea Accounting Standards Board
Jung-ah Yang, Senior Technical Manager, Korea Accounting Standards Board

We are pleased to comment on the Exposure Draft *Transfers of Investment Property : Proposed amendment to IAS 40*. Our comments include views from a public hearing and responses collected from the various associations. We finalized the comment letter through the due process established in the KASB.

Exposure Draft *Transfers of Investment Property : Proposed amendment 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?

[KASB's comment]

1. We agree with the proposals.

Question 2— Transition provisions

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

[KASB's comment]

2. We generally agree with the IASB's proposal. However, there is a concern that hindsight might be used in determining the fair value of property when an entity transfers an item reclassified from inventories to investment property applying the fair value model.