



Madrid, 18 March 2016
International Accounting Standards Board
30 Cannon Street
London EX4M 6XH
United Kingdom

Dear Sir/Madam,

Re: ED/2015/9 Transfers of Investment Property (Proposed amendment to IAS 40)

Repsol is very pleased to provide comments on the Exposure Draft ED/2015/9 – *Transfers of Investment Property (Proposed amendment to IAS 40)* issued by the International Accounting Standards Board on 19 November 2015.

Further information about the Repsol Group and its activities is available on our Website: www.repsol.com.

Thank you for your attention.

Yours sincerely,

Ramiro Tomás Rodríguez

Financial Reporting and Corporation Economic & Administrative Director

Question 1 – Proposed amendments

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 proposed amendments to paragraph 57 of IAS 40 *Investment Property* since they could be helpful in order to avoid any possible misunderstanding regarding the circumstances in which an entity shall transfer a property to, or from, investment property. In addition, we agree with the proposal to re-characterise the list of circumstances that evidence a change in use of a property, as being non-exhaustive.

Question 2 – Transition provisions

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

Due the nature of the amendments, we believe that it would be useful to provide an option for prospective initial application of the amendments in order to avoid the potential use of hindsight.