



IFRS Alert

Transfers of Investment Property

Issue 2016-09

Executive summary

The IASB has published "Transfers of Investment Property (Amendments to IAS 40)" which clarifies that transfers to, or from, investment property are required when, and only when, there is a change in use of property supported by evidence.



Introduction

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The amendments

In addition to clarifying the above-noted principle, the amendments also re-characterise the list of circumstances appearing in paragraph 57(a)–(d) as a non-exhaustive list of examples of evidence that a change in use has occurred. The Board has also clarified that a change in management's intent, by itself, does not provide sufficient evidence that a change in use has occurred. Evidence of a change in use must be observable.

Effective date and transition

The amendments are effective for accounting periods on or after 1 January 2018, however early application is permitted. The amendments contain transitional provisions, the default being prospective application, however retrospective application is permitted, provided that it is possible without the use of hindsight.

Contact

Fergus Condon
Partner, Financial Accounting
and Advisory Services
E fergus.condon@ie.gt.com
T +353 (0)1 680 5610

Stephen Murray
Partner, Corporate Audit
E stephen.murray@ie.gt.com
T +353 (0)1 680 5689

Louise Kelly
Partner, Audit
E louise.kelly@ie.gt.com
T +44 (0)28 9587 1100

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