

May 2008

Improvements to

IFRSs

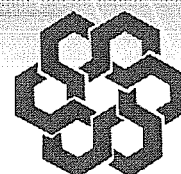
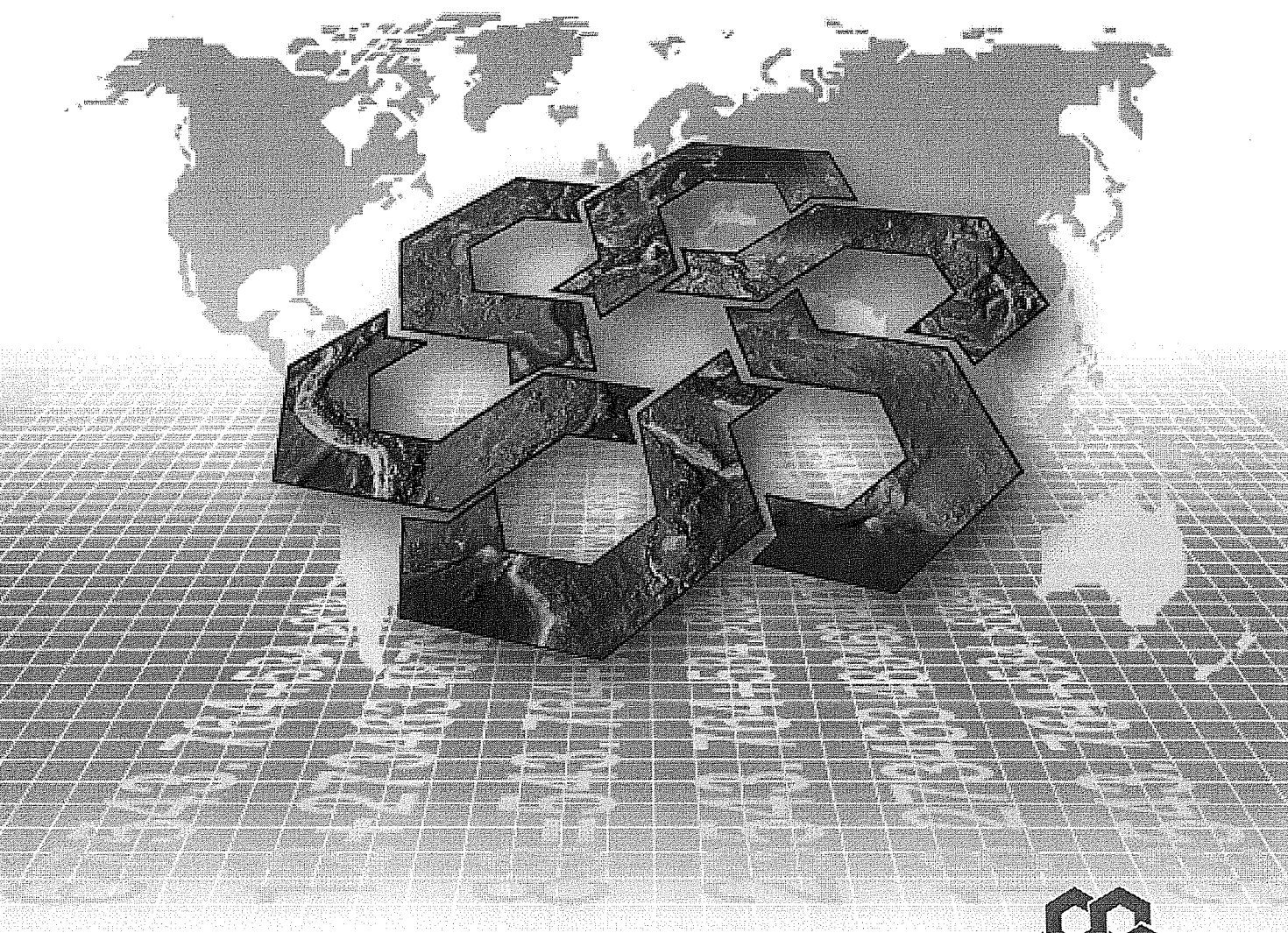
133. DSR-Sitzung

03.07.09

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Zusatzinformation

INTERNATIONAL FINANCIAL REPORTING STANDARD

Improvements to IFRSs



**International
Accounting Standards
Board®**

Amendments to International Accounting Standard 40 *Investment Property*

Paragraphs 8, 9, 48, 53, 54 and 57 are amended (new text is underlined and deleted text is struck through). Paragraph 22 is deleted and paragraphs 53A, 53B and 85B are added.

Definitions

- 8 The following are examples of investment property:
- (a) ...
 - (e) property that is being constructed or developed for future use as investment property.
- 9 The following are examples of items that are not investment property and are therefore outside the scope of this Standard:
- (a) ...
 - (d) ~~[deleted] property that is being constructed or developed for future use as investment property. IAS 16 applies to such property until construction or development is complete, at which time the property becomes investment property and this Standard applies. However, this Standard applies to existing investment property that is being redeveloped for continued future use as investment property (see paragraph 58).~~
 - (e) ...

Measurement at recognition

- 22 ~~[Deleted] The cost of a self-constructed investment property is its cost at the date when the construction or development is complete. Until that date, an entity applies IAS 16. At that date, the property becomes investment property and this Standard applies (see paragraphs 57(e) and 65).~~

Fair value model

- 48 In exceptional cases, there is clear evidence when an entity first acquires an investment property (or when an existing property first becomes investment property ~~following the completion of construction or development, or~~ after a change in use) that the variability in the range of

reasonable fair value estimates will be so great, and the probabilities of the various outcomes so difficult to assess, that the usefulness of a single estimate of fair value is negated. This may indicate that the fair value of the property will not be reliably determinable on a continuing basis (see paragraph 53).

Inability to determine fair value reliably

- 53 **There is a rebuttable presumption that an entity can reliably determine the fair value of an investment property on a continuing basis. However, in exceptional cases, there is clear evidence when an entity first acquires an investment property (or when an existing property first becomes investment property ~~following the completion of construction or development, or~~ after a change in use) that the fair value of the investment property is not reliably determinable on a continuing basis. This arises when, and only when, comparable market transactions are infrequent and alternative reliable estimates of fair value (for example, based on discounted cash flow projections) are not available. If an entity determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably determinable when construction is complete, it shall measure that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). In such cases, ~~an~~ If an entity determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the entity shall measure that investment property using the cost model in IAS 16. The residual value of the investment property shall be assumed to be zero. The entity shall apply IAS 16 until disposal of the investment property.**
- 53A Once an entity becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it shall measure that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, in accordance with paragraph 53, the property shall be accounted for using the cost model in accordance with IAS 16.
- 53B The presumption that the fair value of investment property under construction can be measured reliably can be rebutted only on initial recognition. An entity that has measured an item of investment property under construction at fair value may not conclude that the fair value of the completed investment property cannot be determined reliably.

AMENDMENTS TO IAS 40 INVESTMENT PROPERTY

- 54 In the exceptional cases when an entity is compelled, for the reason given in ~~the previous~~ paragraph 53, to measure an investment property using the cost model in accordance with IAS 16, it measures at fair value all its other investment property, including investment property under construction at fair value. In these cases, although an entity may use the cost model for one investment property, the entity shall continue to account for each of the remaining properties using the fair value model.

Transfers

- 57 **Transfers to, or from, investment property shall be made when, and only when, there is a change in use, evidenced by:**
- (a) ...
 - (c) **end of owner-occupation, for a transfer from owner-occupied property to investment property; or**
 - (d) **commencement of an operating lease to another party, for a transfer from inventories to investment property; or,**
 - (e) ~~[deleted] end of construction or development, for a transfer from property in the course of construction or development (covered by IAS 16) to investment property.~~

Effective date

- 85B Paragraphs 8, 9, 48, 53, 54 and 57 were amended, paragraph 22 was deleted and paragraphs 53A and 53B were added by *Improvements to IFRSs* issued in May 2008. An entity shall apply those amendments prospectively for annual periods beginning on or after 1 January 2009. An entity is permitted to apply the amendments to investment property under construction from any date before 1 January 2009 provided that the fair values of investment properties under construction were determined at those dates. Earlier application is permitted. If an entity applies the amendments for an earlier period it shall disclose that fact and at the same time apply the amendments to paragraphs 5 and 81E of IAS 16 *Property, Plant and Equipment*.

Appendix to Amendments to IAS 40 Amendment to IAS 16

Entities shall apply the amendment to IAS 16 in this appendix when they apply the related amendments to IAS 40.

IAS 16 *Property, Plant and Equipment*

Paragraph 5 is amended (new text is underlined and deleted text is struck through). Paragraph 81E is added.

- 5 ~~An entity shall apply this Standard to property that is being constructed or developed for future use as investment property but does not yet satisfy the definition of 'investment property' in IAS 40 *Investment Property*. Once the construction or development is complete, the property becomes investment property and the entity is required to apply IAS 40. IAS 40 also applies to investment property that is being redeveloped for continued future use as investment property.~~ An entity using the cost model for investment property in accordance with IAS 40 *Investment Property* shall use the cost model in this Standard.

Effective date

- 81E Paragraph 5 was amended by *Improvements to IFRSs* issued in May 2008. An entity shall apply that amendment prospectively for annual periods beginning on or after 1 January 2009. Earlier application is permitted if an entity also applies the amendments to paragraphs 8, 9, 22, 48, 53, 53A, 53B, 54, 57 and 85B of IAS 40 at the same time. If an entity applies the amendment for an earlier period it shall disclose that fact.

Amendments to Basis for Conclusions on IAS 40 *Investment Property*

A heading and paragraphs BC15-BC17 are added.

Scope

Investment property under construction

- BC15 In response to requests for guidance, the Board revisited the exclusion of investment property under construction from the scope of IAS 40. The Board noted that investment property being redeveloped remained in the scope of this Standard and that the exclusion of investment property under construction gave rise to a perceived inconsistency. In addition, the Board concluded that with increasing experience with the use of fair value measures since this Standard was issued, entities were more able to measure reliably the fair value of investment property under construction. Therefore, in the exposure draft of *Improvements to IFRSs* published in 2007 the Board proposed amending the scope of the Standard to include investment property under construction.
- BC16 Many respondents supported the Board's proposal. However, many expressed concern that including in IAS 40 investment property under construction might result in fewer entities measuring investment property at fair value. This was because the fair value model in the Standard requires an entity to establish whether fair value can be determined reliably when a property first becomes an investment property. If not, the property is accounted for using the cost model until it is disposed of. In some situations, the fair value of investment property under construction cannot be measured reliably but the fair value of the completed investment property can. In these cases, including in the Standard investment property under construction would have required the properties to be accounted for using the cost model even after construction had been completed.
- BC17 Therefore, the Board concluded that, in addition to including investment property under construction within the scope of the Standard, it would also amend the Standard to allow investment property under construction to be measured at cost if fair value cannot be measured reliably until such time as the fair value becomes reliably measurable or construction is completed (whichever comes earlier).