



## Technical Accounting Alert

### Transfers of Investment Property

#### Introduction

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.

#### The Amendments

In addition to clarifying the above-noted principle, the amendments also re-characterise the list of circumstances appearing in IAS 40.57(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.

#### Australian context

The Australian Accounting Standards Board (AASB) is expected to issue the equivalent amendments to AASB 140 *Investment Property* shortly.

#### Further information

For further information on any of the information included in this Technical Accounting Alert, please get in touch with your local Grant Thornton Australia contact or a member of the National Audit Support Team at [nationalaudit.support@au.gt.com](mailto:nationalaudit.support@au.gt.com).