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來函請寄「香港郵政總局郵箱 132 號稅務局局長收」

ALL CORRESPONDENCE SHOULD BE ADDRESSED TO:—
COMMISSIONER OF INLAND REVENUE,
G.P.O. BOX 132, HONG KONG.

來函編號:

Your Ref.: C/FRSC

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IN ANY COMMUNICATION PLEASE QUOTE OUR FILE NO.

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File No.:

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Dear Ms Ng,

Exposure Draft (ED/2015/9)
Proposed amendment to IAS 40 *Investment Property*

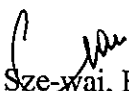
Thank you for your letter dated 7 December 2015 inviting our comments on the exposure draft ("the Exposure Draft") in respect of the proposed amendment to International Accounting Standard ("IAS") 40.

The proposed amendment clarifies that an entity is required to transfer a property to, or from, investment property when there is a change in use of the property which makes it meet or cease to meet the definition of investment property and is supported by evidence. The amendment also re-characterizes the circumstances set out in paragraph 57(a) to (d) of IAS 40 as non-exhaustive examples of evidence that support such a change in use of property.

Insofar as tax administration is concerned, we have no comment on the proposed amendment and the questions posed in the Exposure Draft. Having said that, we should mention for profits tax purposes, whether a property is held for trading or investment depends on all the facts and circumstances of each case. The accounting classification of the property is not conclusive of the question.

We are grateful for the opportunity to provide our comments on the Exposure Draft.

Yours sincerely,


(CHAN Sze-wai, Benjamin)
for Commissioner of Inland Revenue