BELGIAN ACCOUNTING STANDARDS BOARD

International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

correspondent	Our reference	Your reference	Date
Jan Verhoeye	**C-108**		November 25th 2009

Tel: +32(2)277 61 74
Jan.verhoeye@cnc-cbn.be

Dear Sir, Madam,

The Belgian Accounting Standards Board welcomes the opportunity to comment on the Exposure Draft concerning Improvements to IFRSs, published by the International Accounting Standards Board.

First of all, we would like to comment on the proposed amendments of ***IFRS 1 First-time Adoption of International Financial Reporting Standards***: *Fair value or revaluation as deemed cost:"If the measurement date is before the end of the first IFRS reporting period, the first-time adopter may use such event-driven fair value measurements as deemed cost for IFRSs at the date of that measurement. If the measurement date is after the first-time adopter's date of transition to IFRS, the entity may elect a deemed cost at the date of transition that meets the criteria of D5-D7. The event-driven fair value measurement within the entity's first IFRS reporting period is recognised as deemed cost when the event occurs."*

This last sentence does not seem very clear to us and it is too abstract. In the case of an event occurring after the date of transition to the IFRSs, but during the period covered by the first IFRS financial statements, this would result in two different deemed costs: one at the date of transition and one when the event occurs, without the obligation to apply the revaluation option.

In our opinion, entities should apply full IFRS after the date of transition. As a consequence of the draft proposal, an entity would be allowed to change the deemed cost, due to an event that occurs after the date of transition. We also noticed that such changes do not have any influence on the opening IFRS statement of financial position. Consequently, we do not think this is a subject that has to be handled within IFRS 1.

Another comment concerns the proposed amendment of ***IAS 1 Presentation of Financial Statements***. The Board proposes to state explicitly that an entity shall present the statement of changes in equity either in the statement or in the notes to the financial statements. This paragraph has been amended several times. We hope this conclusion will be the final one..

In the light of the forthcoming conceptual framework, the Board proposes to amend ***IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors***. We have some concerns about the timing of this amendment though. In our view, it would be better to wait until the new conceptual framework is issued.

In ***IAS 40 Investment Property,*** the Board proposes to remove the requirement to transfer investment property carried at fair value to inventory when it will be developed for sale. We agree that clarification is needed in IAS 40 with respect to the classification of investment property when the management is intending to sell it, but we are not convinced that the removal of this requirement is appropriate. Due to the fact that, if the criteria are met, IFRS 5 should be applied, and this could have an important impact on the results of an entity.

Should you have any questions with regard to our comments, please do not hesitate to contact us.

Yours sincerely,

Jan Verhoeye
President BASB