

IAS 16 Property, plant and equipment (November 2006)

Revaluation of investment properties under construction

The IFRIC discussed whether to take on a project to consider whether the revaluation model in IAS 16 is available for investment property under construction.

The IFRIC noted that since IAS 40 was written, the use of fair values in accounting has become more widespread. At the same time, valuation techniques have become more robust. The IFRIC therefore considered that the requirement that investment property under construction be accounted for under IAS 16 might no longer be necessary, and agreed to ask the Board whether it would consider amending IAS 40 to state that investment property under construction should be accounted for under that standard. As reported in the October 2006 IASB *Update*, the Board agreed that, as part of its Annual Improvements project, it would propose amending IAS 16 and IAS 40 to state that investment property under construction should be accounted for under IAS 40. Since the issue was being resolved by the Board, the IFRIC decided not to take the issue onto its agenda.