



18 February 2013

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A WHK Group Firm

Mr Kevin Stevenson
Chairman
Australian Accounting Standards Board
PO Box 204
Collins Street West VIC 8007

Dear Mr Stevenson

ED 2012/2 Annual Improvements to IFRSs 2011–2013 Cycle

Crowe Horwath Australia was pleased to provide the International Accounting Standards Board with its comments on Exposure Draft ED 2012/2 ("ED").

A copy of our submission to the International Accounting Standards Board is attached for the Board's information.

We would be pleased to discuss any aspect of our submission with you further at your convenience.

Sincerely,

A handwritten signature in blue ink that reads "Martin Olde".

Martin Olde
Partner

Encl.



*Liability limited by a scheme approved under
Professional Standards Legislation*

*Crowe Horwath Sydney Pty Ltd is a member of Crowe Horwath International, a Swiss Verein.
Each member firm of Crowe Horwath is a separate and independent legal entity.*

15 February 2013

Mr Hans Hoogervorst
Chairman
International Accounting Standards Board
30 Cannon Street
London, EC4M 6XH
United Kingdom

By email

Dear Mr Hoogervorst

ED 2012/2 Annual Improvements to IFRSs 2011–2013 Cycle

Crowe Horwath Australia is pleased to provide the International Accounting Standards Board with its comments on Exposure Draft ED 2012/2 ("ED").

Crowe Horwath provides a complete range of accounting, advisory, tax and wealth management services. Our team includes more than 800 principals, professionals and support staff located in Australia and New Zealand. Crowe Horwath is part of the national WHK Group, which is listed on the Australian Securities Exchange and is the fifth largest accounting services group in Australia, and is a member of the global Crowe Horwath International network.

We are supportive of the following proposed amendments:

IFRS	Subject of amendment
IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i>	Meaning of effective IFRSs.
IFRS 3 <i>Business Combinations</i>	Scope exceptions for joint ventures.
IFRS 13 <i>Fair Value Measurement</i>	Scope of paragraph 52 (portfolio exception).

However, we make the following comment on the proposed amendment to IAS 40 *Investment Property*.

The Board proposes to amend IAS 40 to clarify that the guidance contained therein to determine whether or not a property is an investment property is mutually exclusive of the assessment of whether the acquisition of such property represents a business combination.



We are aware that differing views and practice exists as to whether, and in what circumstances, the acquisition of an investment property represents a business combination. Consequently, we suggest that it would be of greater assistance to preparers and users of financial information if the Board provided additional guidance on that question. As a result, we do not believe that the proposed amendment qualifies for inclusion in the annual improvements project but should be subject to greater discussion and outreach and subject to specific amendment to IFRS 3.

We would be pleased to discuss any aspect of our submission with you further at your convenience.

Sincerely,

A handwritten signature in blue ink that reads "Martin Olde".

Martin Olde
Partner