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(The Italian Standard Setter)**

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Re: Exposure Draft ED/2017/4 – Property, Plant and Equipment – Proceeds before Intended Use (Proposed amendments to IAS 16)

Dear Jean-Paul,

We are pleased to have the opportunity to provide our comments in order to contribute to the finalization of your comment letter in response to the IASB *ED Proceeds before Intended Use - Proposed amendments to IAS 16*.

We agree with the IASB's proposal of prohibiting the deduction of proceeds generated in the process of making an item of property, plant and equipment ("PPE") available for use, because those proceeds, and the related costs, should be accounted for in accordance with other applicable Standards. Moreover, these Amendments will provide relevant information to users about the actual cost of PPE and total revenues.

However, we highlight that these Amendments would imply additional judgement for preparers, in order to distinguish between costs incurred for making an item of PPE ready for its intended use, which are included in the cost of the asset, and costs related to those proceeds, to be recognised in profit or loss.

Moreover, we expect that these sales proceeds would represent revenues within the scope of IFRS15, nevertheless there may be circumstances in which the counterparty is not a customer, even if the items produced represent output from ordinary activities. In these cases, these Amendments could introduce complexities for preparers in identifying applicable Standard.

Should you need any further information, please do not hesitate to contact us.

Yours sincerely,
Angelo Casò
(Chairman)