



## Real Estate Information Standards (REIS)

REIS NEWS  
October, 2011

### **Highlights:**

- REIS to respond to IASB exposure draft for *Investment Entities* as well as FASB exposure drafts on *Investment Property Entities* and *Investment Companies*. Elements of these documents propose disparate practices. The REIS response will urge convergence of practices globally.
- REIS Council forming plans for roll out of compliance and education initiatives in 2012

### **IASB Exposure Draft: *Investment Entities***

The International Accounting Standards Board (IASB) issued an exposure draft entitled, *Investment Entities*. Comments are due January 5, 2012. The REIS Council has formed a task force to draft a response. The IASB guidance seems to conflict with the recently issued FASB exposure draft entitled: *Investment Entities* (see below). Most significantly, the IASB exposure draft advocates a “net” presentation whereas the FASB draft advocates a “gross” presentation. The REIS response will encourage collaboration between the FASB and the IASB in order to account for real estate investments consistently world-wide.

### **FASB Exposure Drafts: *Investment Property Entities* and *Investment Companies***

The Financial Accounting Standards Board (FASB) issued two exposure drafts: *Investment Property Entities* and *Investment Companies*. Comments are due on January 5, 2012 and the REIS Council has formed a task force to draft the responses. It appears that most funds in our industry will fall under the guidance proposed within *Investment Property Entities*. The accounting in this proposal is similar to the Operating Model in the REIS standards – a gross presentation. Investment managers and investors who have interests in development funds are urged to respond to the exposure draft as that area of our industry is not well-represented.

### **Roll out of Compliance and Education Initiatives in 2012**

The 2012 strategic business plan for REIS emphasizes compliance and education. In early November, the REIS Council will hold its first REIS summit which will focus on the mission, goals, objectives and implementation plan for these initiatives. Industry members are encouraged to review the REIS standards included in [Volume I of the REIS Handbook](#) and, using the convenient checklists in Appendix A, begin the process of self-assessment. Industry feedback will be critical to the ultimate success of REIS. A plan for ongoing education programs is being developed. Should you be interested in participating in either of these initiatives, please contact [Marybeth Kronenwetter](#), Director, REIS Operations.