

# IFRS for SMEs Update

From the IFRS Foundation



Issue 2015-05, May 2015

## Welcome to the *IFRS for SMEs Update*

The IASB's *IFRS for SMEs Update* is a staff summary of news relating to the *International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs)*. All issues of the *IFRS for SMEs Update* are available in both HTML and PDF format on the IASB's [website](#). To subscribe use the link on the right.

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### Contact us

If you have news about *IFRS for SMEs* activities in your jurisdiction please contact Darrel Scott and Michelle Fisher (details below)

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## IASB issues amendments to the *IFRS for SMEs*

On 21 May the International Accounting Standards Board (IASB) issued limited amendments to the *IFRS for SMEs*.

When the *IFRS for SMEs* was issued, the IASB stated that it planned to undertake an initial comprehensive review of the Standard after two years of use by SMEs to consider whether there was a need for any amendments.

Specifically, the IASB said it would consider whether to amend the *IFRS for SMEs* to address any implementation issues identified and also whether to consider any changes made to IFRS since the *IFRS for SMEs* was issued.

The IASB decided to commence its initial comprehensive review in 2012, based on its view that sufficient jurisdictions had adopted the *IFRS for SMEs* by 2010 to provide broad insight into the implementation

experience. Today, out of the 140 jurisdiction profiles posted on our website so far, 72 jurisdictions permit or require the *IFRS for SMEs* and an additional 14 are currently considering plans to adopt it.

After consulting widely with constituents, the IASB concluded that the IFRS for SMEs required little change. However, some areas were identified where targeted improvements could be made. The most significant changes, which relate to transactions commonly encountered by SMEs, are:

- permitting SMEs to revalue property, plant and equipment; and
- aligning the main recognition and measurement requirements for deferred income tax with IFRS.
- SMEs must use the *IFRS for SMEs*. These are all business entities that are neither large nor micro sized.

Most of the amendments clarify existing requirements or add supporting guidance, instead of changing the underlying requirements in the *IFRS for SMEs*. Consequently, for most SMEs and users of their financial statements, the amendments are expected to improve understanding of the existing requirements, without having a significant effect on an SMEs' financial reporting practices and financial statements.

Entities reporting using the IFRS for SMEs are required to apply the amendments for annual periods beginning on or after 1 January 2017. Earlier application is permitted provided all amendments are applied at the same time.

Useful links:

- the related press release and the amendments can be found [here](#).
- a project summary and Feedback Statement can be found [here](#).
- background information on the comprehensive review can be found [here](#).

## **Adoption of the *IFRS for SMEs* proposed in Pakistan**

The Institute of Chartered Accountants of Pakistan (ICAP) has proposed adoption of the *IFRS for SMEs*, and the matter is under consideration by the Securities and Exchange Commission of Pakistan.

The *IFRS for SMEs* would replace the Pakistani *Accounting and Financial Reporting Standards for Medium Sized Entities* issued by the ICAP. *Accounting and Financial Reporting Standards for Small Sized Entities (SSEs)* will continue to be applicable to small companies.

## **Upcoming amendments to the *IFRS for SMEs***

The IASB has finalised its discussions on the amendments to the *IFRS for SMEs* resulting from the initial comprehensive review of the *IFRS for SMEs*. The final amendments are expected to be issued in late May/early June 2015.

More information on the initial comprehensive review is available on the [SME webpages](#) of the IASB website ([www.ifrs.org](http://www.ifrs.org)).

## **Upcoming 'train the trainers' workshops**

For more details, click [here](#).

### **Eastern Europe**

**Date:** 16 to 18 September 2015

**Location:** Pristina

**Instructors:** Darrel Scott (IASB member and Chairman of the IASB's SME Implementation Group) and Michael Wells (Director, IFRS Education Initiative, IASB)

**Language:** English

**Sponsoring organisations:** Society of Certified Accountants and Auditors of Kosovo (SCAAK)

**Asia**

**Date:** 13 October 2015

**Location:** Hong Kong

**Instructors include:** Darrel Scott, Fanny Hsiang (Director, Head of Technical & Training Department, BDO and member of the IASB's SME Implementation Group) and Michael Wells

**Language:** English

**Sponsoring organisations:** Hong Kong Institute of Certified Public Accountants (HKICPA)

## **IFRS for SMEs translations: status report**

Here is the current status of the *IFRS for SMEs* translations that have been approved by the IFRS Foundation:

**Completed:** Albanian\*, Arabic, Armenian\*, Bosnian\*, Bulgarian\*, Chinese (simplified)\*, Croatian\*, Czech\*, Estonian\*, French\*, Georgian, German, Hebrew\*, Italian\*, Japanese\*, Kazakh\*, Khmer\*, Lithuanian\*, Macedonian\*, Mongolian\*, Polish\*, Portuguese\*, Romanian\*, Russian\*, Serbian, Spanish\*, Turkish\* and Ukrainian\*.

**In progress:** Azeri and Turkmen.

\*Available for free download [here](#) (for translations not marked with an \* please see our [webshop](#) for details on how to purchase a hard copy).

## **Where to obtain IFRS for SMEs materials**

- [The Standard online](#) (available in multiple languages)
- [The Standard in hard copy](#)
- [Information about the SME Implementation Group \(SMEIG\)](#)
- [Information about the comprehensive review of the IFRS for SMEs](#)
- [Information about guidance for micro-sized entities applying the IFRS for SMEs](#)
- [The Exposure Draft of proposed amendments to the IFRS for SMEs](#)
- [Q & As](#)
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