

## 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 Paul Pacter and Michelle Fisher (details below)

Content of the *IFRS for SMEs*, implementation and adoption issues:

Paul Pacter  
IASB Board Member and  
Chairman of SME  
Implementation Group  
[ppacter@ifrs.org](mailto:ppacter@ifrs.org)

Michelle Fisher  
Practice Fellow – *IFRS for SMEs*  
[mfisher@ifrs.org](mailto:mfisher@ifrs.org)

Training material, conferences, and workshops:

Michael Wells  
Director, IFRS Education  
Initiative  
[mwells@ifrs.org](mailto:mwells@ifrs.org)

Copyright and translation issues:

Ken Creighton  
Director of IFRS Content  
Services  
[kcreighton@ifrs.org](mailto:kcreighton@ifrs.org)

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## Mauritius adopts the *IFRS for SMEs*

In July 2011, the Parliament of Mauritius adopted amendments to the Companies Act 2001 to permit the following classes of companies to use the *IFRS for SMEs* as issued by the International Accounting Standards Board (IASB):

- a private company, other than a small private company, or public company, which does not qualify as a public interest entity as defined in the Financial Reporting Act; and
- any group of companies which does not qualify as a public interest entity under the Financial Reporting Act

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## New member of the SME Implementation Group

Kati Beiersdorf, a project manager with RBS RöverBrönnerSusat, a member firm of Moore Stephens, in Berlin, Germany has joined the SME Implementation Group (SMEIG). From 2004 to 2011, Kati was a project manager for the German Accounting Standards Board, where she headed up their SME activities.

During the development of the *IFRS for SMEs*, Kati managed the participation of small and medium-sized German companies in the field tests of the exposure draft. In addition, Kati co-authored for the IASB reports presenting the major findings of empirical studies on the specific financial reporting needs of SMEs as well as on the role and usefulness of the general purpose financial statements prepared by SMEs in general, and disclosure requirements in particular, for lending decisions by German banks.

Below is a full list of names of the SMEIG members and their affiliations.

Chairman of SMEIG: Paul Pacter, Board member, IASB

Practice fellow – *IFRS for SMEs*: Michelle Fisher

Name	Affiliation
Africa	
Dr Khalded A Hegazy <i>Egypt</i>	Partner, Crowe Dr. A. M. Hegazy & Co.
Omodele Robert Nicholas Jones <i>Sierra Leone</i>	Chair, Council for Standards of Accounting, Auditing, Corporate & Institutional Governance (CSAAG)
Bruce Mackenzie <i>South Africa</i>	Managing Partner, W Consulting
Frank Timmins <i>South Africa</i>	Head of Risk Management and Professional Standards Grant Thornton
Asia / Oceania	
Sanath Fernando <i>Sri Lanka</i>	Partner, Ernst & Young
Ying Wei <i>People's Republic of China</i>	Deputy Director-General, Accounting Regulatory Department of Ministry of Finance
Europe	
Kati Beiersdorf <i>Germany</i>	Project Manager, RBS RöverBrönnerSusat
Steven Brice <i>United Kingdom</i>	Financial Reporting Advisory Partner, Mazars
Professor Robin Jarvis <i>United Kingdom</i>	Head of SME Affairs, The Association of Chartered Certified Accountants (ACCA)
Dr Claudia Mezzabotta <i>Italy</i>	Head of <i>IFRS for SMEs</i> Working Group of Ordine dei Dottori Commercialisti ed Esperti Contabili di Milano (ODCEC Milano), Italy; Director, Department of Accounting and Financial Reporting Standards (English classes), Scuola di Alta Formazione della Fondazione dei Dottori Commercialisti di Milano
Signe Moen <i>Norway</i>	Partner, PricewaterhouseCoopers
Hugo van den Ende	Partner, PricewaterhouseCoopers Accountants N.V. Amsterdam

Netherlands	
North America	
Ana Denena <i>United States</i>	Partner, UHY LLP
Thomas J Groskopf, CPA <i>United States</i>	Director, Barnes, Dennig & Co., Ltd.
Keith C Peterka <i>United States</i>	Professional Standards Group, Mayer Hoffman McCann P.C.
Latin America / Caribbean	
Artemio Bertholini <i>Brazil</i>	Partner, Directa Auditores, a member firm of PKF International Limited
Andrew F Brathwaite, CA <i>Barbados</i>	Principal, AFB Consulting, Chartered Accountants
Cdor. Hernán P Casinelli <i>Argentina</i>	General Coordinator of IFRS course and the Chartered Public Accounting Program, Universidad Argentina de la Empresa (UADE). Associate member, Gajst & Asociados
Haydeé de Chau <i>Panamá</i>	Partner, KPMG
Professor Jorge José Gil <i>Argentina</i>	Professor, University of Cuyo, Aconcagua University, General Director of AAASB (FACPCE)
Ricardo Rodil <i>Brazil</i>	Senior Partner, Baker Tilly Brasil
International	
Henri Fortin	World Bank

Observers:

European Commission

European Financial Reporting Advisory Group (EFRAG)

The SMEIG is responsible for assisting the IASB on matters related to the implementation of the *IFRS for SMEs*. More information on the SMEIG can be accessed at <http://go.ifrs.org/smeig>.

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## New training module – Section 2 ***Concepts and Pervasive Principles***

The IFRS Foundation Education Initiative has now posted the English version of Module 2 *Concepts and Pervasive Principles*. Module 2 covers the objective of financial statements of SMEs, qualities that make the information in the financial statements useful, and the concepts and basic principles underlying the financial statements.

Ultimately, the *IFRS for SMEs* training material will include 35 stand-alone modules—one for each section of the *IFRS for SMEs*. You are free to print the training materials, distribute them in training programmes, and post them on your own website in accordance with IFRS Foundation copyright and terms of use. Twenty three other modules have already been posted. All of them are available here: <http://go.ifrs.org/smetraining>.

Each module includes:

- Introduction. An overview of the module, including learning objectives and an overview of the requirements that are the subject of that module.
- Requirements. The full text of the section of the *IFRS for SMEs* with added notes and worked examples. The notes and examples are designed to clarify and illustrate the requirements.
- Significant estimates and other judgements. A discussion of significant estimates and other judgements in accounting for transactions and events in accordance with that section of the *IFRS for SMEs*.
- Comparison with full IFRSs. A summary of the main differences between this section of the *IFRS for SMEs* and the corresponding full IFRS.
- Test your knowledge. A collection of multiple-choice questions (with answers) designed to test the learner's knowledge of the requirements.
- Apply your knowledge. Several case studies (with solutions) designed to develop the learner's ability to account for transactions and events in accordance with this section of the *IFRS for SME*.

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## Russian-language translation of training modules

The IFRS Foundation Education Initiative has posted 21 modules of the Russian-language translation of its *IFRS for SMEs* training material.

The Russia-language modules are now available for download from the IFRS Website (see <http://www.ifrs.org/IFRS+for+SMEs/RussianModules.htm>). The IFRS Foundation is grateful to the Eurasian Council of Certified Accountants and Auditors (ECCAA) for facilitating the translation of the training material with funding from the United States Agency for International Development (USAID).

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## Additional module of Turkish-language translation of training modules

The IFRS Foundation Education Initiative has posted Module 35 *Transition to the IFRS for SMEs* of the Turkish-language translation of its training material.

Twenty three Turkish-language modules are now available for download from the IFRS Website (see <http://www.ifrs.org/IFRS+for+SMEs/Turkish+Training+Modules.htm>). The IFRS Foundation is grateful to the Turkish Accounting Standards Board (TASB) for funding and facilitating the translation of the training material.

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## New translations of the **IFRS for SMEs** and translations status report

The Macedonian and Polish translations of the *IFRS for SMEs* are now complete and available for free download.

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

Completed. Arabic, Armenian\*, Chinese (simplified)\*, Czech\*, French\*, Italian\*, Lithuanian, Macedonian\*, Polish\*, Portuguese\*, Romanian\*, Russian\*, Spanish\*, Turkish\*

In process. Albanian, Hebrew, Japanese, Kazakh, Khmer, Mongolian, Serbian, Ukrainian

Under discussion with the IFRS Foundation. Bosnian, Bulgarian



\*Available for free download [here](#)

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## Recent train the trainers workshops

The IFRS Foundation is conducting workshops to train the trainers on the *IFRS for SMEs*.

Buenos Aires, Argentina. The workshop was held in conjunction with Federación Argentina de Consejos Profesionales de Ciencias Económicas (FACPCE) and with the support of the World Bank Spanish Trust Fund for Latin America and the Caribbean from 4 to 6 July 2011. All 118 available places were taken by participants from 14 countries (Argentina, Bolivia, Brasil, Colombia, Ecuador, El Salvador, España, Honduras, Panamá, Paraguay, Perú, Republica Dominicana, Uruguay and Venezuela). The workshop was conducted in English and Spanish. Instructors were Jorge Gil (General Director, NSS Argentine–Federación Argentina de Consejos Profesionales de Ciencias Económicas (FACPCE) and Member of the SME Implementation Group) and Michael Wells (Director of the IFRS Foundation Education Initiative).

Yangon, The Republic of the Union of Myanmar. The workshop was held in conjunction with the Myanmar Institute of Certified Public Accountants from 23 to 25 August 2011. Participants came mainly from Myanmar and all 130 available places were taken. The workshop was conducted in English. Instructors were Paul Pacter (IASB member and Chairman of the SME Implementation Group) and Winnie Chan (Technical Training and Support Associate Director at the Hong Kong Institute of Certified Public Accountants).

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## Upcoming train the trainers workshops

Most of the IFRS Foundation's train the trainers workshops are of three day duration with eight contact hours per day. Upcoming workshops will be held in Dubai, Nairobi, and Barbados.

A few others are in the planning stage (see <http://www.ifrs.org/IFRS+for+SMEs/SME+Workshops.htm>).

### The Middle East

Date: 27–29 September 2011

Location: Dubai, UAE

Instructors: Paul Pacter (Chairman, SME Implementation Group and IASB member) and Michael Wells (Director, IFRS Education Initiative)

Language: English spoken (workshop material in Arabic and English)

Sponsoring organisations: Dubai SME and the Arab Society for Certified Accountants (ASCA)

### Africa

Date: 3–5 November 2011

Location: Nairobi, Kenya

Instructors: Paul Pacter and Michael Wells

Language: English

Sponsoring organisations: Eastern Central and South African Federation of Accountants (ECSAFA) and the Institute of Certified Public Accountants of Kenya (ICPAK)

### The Caribbean

Date: 22–24 November 2011

Location: St Michael, Barbados

Instructors: Paul Pacter and Michael Wells

Language: English

Sponsoring organisations: The Institute of Chartered Accountants of Barbados (ICAB) in

## Update on the *IFRS for SMEs*

SME Implementation Group Chairman, Paul Pacter, updated the Trustees of the IFRS Foundation (oversight body of the IASB) on progress in implementing the *IFRS for SMEs* at the Trustees' meeting in New York on 14 July 2011. The following summary of activities relating to the *IFRS for SMEs* was included in Paul's presentation:

1. Published: July 2009
  - 'Good Financial Reporting Made Simple'
  - 230 pages (full IFRSs are 3,000+)
  - Simplified IFRSs. Built on an IFRS foundation. Simplifications based on:
    - User needs for information about short-term cash flows, liquidity, and solvency (rather than longer-term forecasts of earnings and share prices)
    - Costs and SME capabilities
  - Completely stand-alone
  - Final standard was issued July 2009
2. Adoptions: 73 countries have adopted or announced plans to do so
  - South America: Argentina, Brazil, Chile, Guyana, Peru, Suriname, Venezuela
  - Caribbean: Antigua & Barbuda, Aruba, Bermuda, Bahamas, Barbados, Cayman, Dominica, Dominican Republic, Guadeloupe, Jamaica, Montserrat, St Kitts-Nevis, St Lucia, Trinidad
  - Central America: Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama
  - Africa: South Africa, Botswana, Egypt, Ethiopia, Ghana, Kenya, Lesotho, Malawi, Mauritius, Namibia, Nigeria, Sierra Leone, Tanzania, Swaziland, Uganda, Zimbabwe
  - Asia: Cambodia, Fiji, Hong Kong, Malaysia, Myanmar, Nepal, Philippines, Singapore, Sri Lanka
  - Middle East: Jordan, Lebanon, Palestine, Qatar
  - Eurasia: Azerbaijan, Kyrgyzstan, Moldova, Turkey
  - Europe: Available for use in Switzerland. Planned: United Kingdom, Ireland, Denmark, Latvia. Others studying. Note that European Commission is currently consulting on the *IFRS for SMEs*
  - North America: Available for use in United States, Canada
3. Translations
  - Completed: Arabic, Armenian, Chinese (simplified), Czech, French, Italian, Lithuanian, Mongolian, Polish, Portuguese, Romanian, Russian, Spanish, Turkish
  - In process: Albanian, Hebrew, Japanese, Kazakh, Khmer, Macedonian, Serbian, Ukrainian
  - Proposed or in discussion: Bosnian, Bulgarian
4. Free training materials
  - One module per Section of the *IFRS for SMEs*. Training modules available in English, Spanish, Turkish, Russian, Arabic, with more translations to come
  - Each module has the complete text of the Section, with each paragraph annotated with commentary and numerical examples. At the end of the module are a comparison with full IFRSs, discussion of significant estimates and judgements required in applying the section, a quiz (with answers), and two case studies (with solutions)
  - Self-study. Free to download in PDF format
  - At this point 24 ready to download. Remainder drafted and planned to be finished by end of 2011

5. Free training workshops
  - o Regional: 3 days x 8 classroom hours per day, 20 PowerPoint sets, IASB instructors
  - o To date: In Malaysia, India, Tanzania, Egypt, Brazil, Panama, Nordic countries, Caribbean, Singapore, Kazakhstan, Turkey, Gambia
  - o Upcoming: French West Africa, Argentina, Dubai, Nairobi, Barbados
6. SME Implementation Group
  - o Created by IFRS Foundation Trustees. Public call for nominations. 21 members appointed Sept 2010
  - o Publish implementation Q&As – non-mandatory implementation guidance
    - Terms of Reference and Operating Procedures approved by Trustees
    - Due process: SMEIG develop consensus, draft Q&A sent for negative clearance by the IASB, exposure for public comment, revisions made by SMEIG, final Q&A sent for negative clearance by IASB, final Q&A posted
    - Status: 50+ issues identified. 1 Q&A completed. 3 additional drafts exposed for public comment. 8 additional under development by SMEIG
    - Focus of initial Q&As is who is eligible to use the *IFRS for SMEs*
    - Avoid Q&A where same issue is unresolved under full IFRSs
      - The only current exception is guidance on what is a public market, to prevent ineligible companies from using the *IFRS for SMEs*
  - o Provide recommendations to the IASB on the needed for modifications to the *IFRS for SMEs*
    - Comprehensive review will get underway mid 2012 (timing will depend on completion of major projects on full IFRSs such as revenue and leases)
    - Due process steps: Invitation to comment, then exposure draft, then revised *IFRS for SMEs*
    - Two reasons for modifications: New/revised IFRSs and implementation questions
    - SMEIG currently operates entirely by email. When comprehensive review of *IFRS for SMEs* gets underway, members may need to meet once or twice
  - o SMEIG in charge. Board will approve exposure draft and final revised *IFRS for SMEs*
7. Free monthly ***IFRS for SMEs*** Update newsletter and Alerts
  - o Free. Prepared by IASB staff
  - o News about adoptions, training programmes and materials, Q&As and draft Q&As, translations, with hyperlinks to download materials
  - o 9,950 email subscribers
  - o Subscribers also receive periodic email Alerts about other *IFRS for SMEs* news, such as new Q&As and draft Q&As
8. Executive briefing booklet published
  - o Written for lenders, creditors, owner-managers, and others who use SME financial statements
  - o 8 pages: What is the *IFRS for SMEs*? Who is it aimed at? How does it differ from full IFRSs? Who is planning to use it? Implementation support available from the IASB
  - o Download here: <http://www.ifrs.org/IFRS+for+SMEs/IFRS+for+SMEs.htm>
  - o Also in printed form
9. ***IFRS for SMEs*** section of IASB website
  - o Main *IFRS for SMEs* page: <http://www.ifrs.org/IFRS+for+SMEs/IFRS+for+SMEs.htm>
  - o Major enhancements earlier this year. Reorganised into the following sections:
    1. About the *IFRS for SMEs*
    2. Access the *IFRS for SMEs*
    3. SME Implementation Group

4. Q & As
  5. Training material
  6. Train the Trainers Workshops
  7. Update Newsletter
  8. Presentations about the *IFRS for SMEs*
  9. Webcasts
  10. Project History
  11. Non-English Resources
10. Free Downloads from IASB
- o *IFRS for SMEs* (full standard, translations): <http://go.ifrs.org/IFRSforSMEs>
  - o Training materials (35 modules, multiple languages): <http://go.ifrs.org/smetraining>
  - o PowerPoint training modules (20 PPTs, multiple languages): <http://go.ifrs.org/trainingppts>
  - o Board and staff presentations (multiple languages): <http://go.ifrs.org/presentations>
  - o Update newsletter: <http://go.ifrs.org/smeupdate>
  - o SME Implementation Group members and terms of reference: <http://go.ifrs.org/smeig>
  - o Q&As: <http://www.ifrs.org/IFRS+for+SMEs/Q+and+A+IFRS+for+SMEs.htm>

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## Where to obtain *IFRS for SMEs* materials

- [The standard online](#)  
(Armenian, Chinese (simplified), Czech, English, French, Italian, Macedonian, Polish, Portuguese, Romanian, Russian, Spanish and Turkish)
- [The standard in hard copy](#)
- [Information about the SME Implementation Group](#)
- [Q & As](#)
- [Presentations at train the trainers Workshops](#)
- [Training materials in PDF format](#)
- [Board and staff presentations about the \*IFRS for SMEs\*](#)
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