

# IFRS for SMEs Update

From the IFRS Foundation



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## 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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## Subscribe to the *IFRS for SMEs Update*

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## SME Implementation Group report now available

The report containing the recommendations of the SME Implementation Group (SMEIG) on the proposals in ED/2013/9 *Proposed amendments to the IFRS for SMEs* (the ED) is now available on our website, please [click here](#).

In July 2014 the staff prepared three papers for the SMEIG that detailed the feedback from respondents to the ED, and provided staff analysis and recommendations for how to address that feedback ([view the staff papers](#)).

SMEIG members were asked to respond to a series of questions in those papers. The SMEIG's responses to those questions were used as the starting point for developing the SMEIG report of recommendations to the IASB. More information about the development and approval of the SMEIG report is available in paragraphs 3-6 of the report.

More information about the SMEIG, including the staff papers and the SMEIG report, is available on the [SMEIG](#) pages.

## IASB begins its redeliberations of the proposals in the Exposure Draft

At its October 2014 meeting the IASB met to discuss comments raised by respondents to the ED about the following topics: the scope of the *IFRS for SMEs*, options to use selected full IFRS accounting policies, and changes to IFRSs since the *IFRS for SMEs* was published. At the meeting the staff also provided details of their outreach with users of financial statements.

At the meeting the IASB made the following tentative decisions (see the [October 2014 IASB Update](#) for further information about the tentative decisions at the meeting):

- not to delete or replace paragraph 1.5 of the *IFRS for SMEs*, which prohibits publicly accountable entities from stating compliance with the *IFRS for SMEs*. The IASB also expressed continued support for the articulation in paragraph BC29 of the ED of the IASB's primary aim when developing the *IFRS for SMEs*.
- to add an option for SMEs to use the revaluation model for property, plant and equipment.
- not to include an option (or requirement) for development costs or borrowing costs to be capitalised on a similar basis to full IFRSs.
- to incorporate in the *IFRS for SMEs* the following changes in new and revised IFRSs issued since the ED was published:
  - amend the definition of a related party in the ED to include a management entity providing key management personnel services, based on similar changes in *Annual Improvements to IFRS 2010-2012 Cycle*.
  - to permit an SME to account for investments in subsidiaries, associates and jointly controlled entities in its separate financial statements using the equity method based on similar changes in *Equity Method in Separate Financial Statements* (Amendments to IAS 27).

The IASB decided that, other than as proposed in the ED it would not consider any other changes in new and revised IFRSs issued since the *IFRS for SMEs* was published.

The IASB will continue discussing the issues raised by respondents to the ED at its next meeting.

To access the agenda papers and a recording of the October 2014 meeting, please [click here](#).

## IFRS Foundation Education Initiative develops *IFRS for SMEs* case study-based teaching material

The IFRS Foundation Education Initiative is developing a series of comprehensive Framework-based IFRS and *IFRS for SMEs* teaching materials to assist IFRS teachers to educate IFRS learners more effectively. The material is designed to support IFRS teachers to develop in students the ability to make the judgements that are necessary to apply IFRS and the *IFRS for SMEs* and to prepare students for lifelong learning.

For more information and to access the Framework-based teaching webpage, [click here](#).

The first two case studies in the *IFRS for SMEs* part of this series are now available. These are:

- [The Open Safari case study](#) which focuses on judgements when accounting for non-financial assets in accordance with the *IFRS for SMEs*.

- › [The Amalgam case study](#) which focusses on making judgements when applying the SME hierarchy.

## Upcoming 'train the trainers' workshops

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

### West Africa

**Date:** 25–27 November 2014

**Location:** Lagos, Nigeria

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

**Language:** English

**Sponsoring organisations:** The Financial Reporting Council of Nigeria (FRC), the Association of Accountancy Bodies in West Africa (ABWA) and the Federal Ministry of Industry, Trade and Investment (FMITI)

## 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 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](#)
- › ['Train the trainers' workshops and presentation slides](#)
- › [Training materials in PDF format](#)
- › [IASB and staff presentations about the \*IFRS for SMEs\*](#)
- › [Past copies of the \*IFRS for SMEs Update\*](#)

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