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*zugleich tätig als Rechtsanwälte in der
SUSAT Rechtsanwaltsgesellschaft mbH

Hamburg, 21.09.2004
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Accounting Standards for
SME's\Responses\CL44.doc

Discussion Paper “Preliminary Views on Accounting Standards for Small and Medium sized Entities”

Dear Mr. Pacter,

I would like to submit my comments on the discussion paper mentioned above as follows:

Question 1:

1a) I do **not** agree that full IFRS can be considered suitable for all entities. There is no appropriate proportion between cost and benefit if SME's have to prepare financial statements in accordance with full IFRS.

- Here are some examples:
 - financial instruments (IAS 39): calculation of fair value if no active market exists,
 - good-will measurement IAS 36.80ff
 - cash generating units of property, plant and equipment, IAS Nr. 16.63
 - disclosures

- IFRS do not deal with special problems of partnerships
- Simplifications are necessary for instance in case of recognition and measurement of **deferred tax assets and liabilities**

1 b) The answer is yes.

1c) The answer is yes.

Question 2:

The objectives as set out in preliminary view 2 should be modified. The main objective should be: Reduce the financial burden for preparers. The average book-keeper must be able to prepare financial statements without the help of external advisers, except advisers for calculating employee benefits (IAS 19) and retirement benefit plans (IAS 26).

Please make it as simple as possible. If not, the IFRS will not reach a broad acceptance which is necessary for success.

Questions 3, 4, 5 and 6:

The answers are yes.

Question 7:

- 7 a) The main focus should be: Reduce the costs of preparing financial statements. Needs of users is not an appropriate criteria because there is a great variety of enterprises with different needs of users.
- 7 b) see a)
- 7 c) I do **not** agree, that the board should presume that no modifications should be made to the recognition or measure principles. I think modifications are necessary especially in measurement, for instance in cases of fair value.

Question 8:

IASB Standards for SME's should be published in a **separate printed** volume, and be organised topic, however **cross-references** to IFRS. (Standard by Standard) are necessary and important.

Question 9:

The following topics should **not** be a part of standards for SME's:

- IAS 30 – banks are almost enterprises with public accountability
- IAS 33 – earnings per share, calculation is not necessary for SME's.

Yours sincerely

SUSAT & PARTNER OHG
Wirtschaftsprüfungsgesellschaft

Dr. Jörg Schlüter

Dr. Werner Bohl