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](http://www.ifrs.org). To subscribe use the link on the right.

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**Progress on SME Q&As**

The public comment period has now ended on the following two draft Q&As relating to the *IFRS for SMEs*. After considering the comments, the staff have proposed some minor clarifying changes and have sent drafts of final Q&As to the SME Implementation Group (SMEIG) for a 30-day review period to obtain their approval to send them to the Board:

- Section 11 Issue 1—Fallback to IFRS 9 *Financial Instruments*
- Section 30 Issue 1—Recycling of cumulative exchange differences on disposal of a subsidiary.

The SMEIG is currently coming to the end of their 30-day review period of the following draft Q&As:

- General Issue 1—Application of the *IFRS for SMEs* for financial periods ending before the *IFRS for SMEs* was issued
- General Issue 2—Interpretation of 'undue cost or effort' and 'impracticable'
- Section 3 Issue 1—Jurisdiction requires fallback to full IFRSs
When the IASB issued the *IFRS for SMEs* in 2009, it made a commitment to undertake a comprehensive post-implementation review of the standard. The IASB expects to initiate the review in the second half of 2012. The review is expected to include a request for public comments on amendments that should be considered for the standard. As part of the review, the IASB will also consider incorporating Q&As into the revised *IFRS for SMEs*. For that reason, the SMEIG does not expect that it will issue many, if any, additional draft Q&As before the start of the comprehensive review.

### Q&As about the *IFRS for SMEs*: status report

The table below provides a status report on the Q&As that have been considered by the SME Implementation Group (SMEIG) so far. You will find links to each final Q&A and draft Q&A here [http://www.ifrs.org/IFRS+for+SMEs/Draft.htm](http://www.ifrs.org/IFRS+for+SMEs/Draft.htm).

The **Terms of Reference** of the SMEIG, as approved by the Trustees of the IFRS Foundation, establish criteria for Q&As (see paragraphs 15-17) and due process steps for issuing a Q&A (see paragraphs 18-36), including review of draft Q&As and final Q&As by the IASB before they are issued.

<table>
<thead>
<tr>
<th>Q&amp;A number / reference</th>
<th>Topic</th>
<th>Status</th>
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<tbody>
<tr>
<td><strong>Final Q&amp;As issued</strong></td>
<td><strong>Use of <em>IFRS for SMEs</em> in a parent’s separate financial statements</strong></td>
<td>23 June 2011: final Q&amp;A published</td>
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<tr>
<td>Q&amp;A 2011/01</td>
<td><strong>Entities that typically have public accountability</strong></td>
<td>7 December 2011: final Q&amp;A published</td>
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<td>Q&amp;A 2011/02</td>
<td><strong>Interpretation of ‘traded in a public market’ in applying the <em>IFRS for SMEs</em></strong></td>
<td>7 December 2011: final Q&amp;A published</td>
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<tr>
<td><strong>Draft Q&amp;As (comment period now closed)</strong></td>
<td><strong>Application of the <em>IFRS for SMEs</em> for financial periods ending before the <em>IFRS for SMEs</em> was issued</strong></td>
<td>28 September 2011: draft Q&amp;A published. 30 November 2011: comment period closed</td>
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<tr>
<td>General, Issue 1</td>
<td><strong>Interpretation of ‘undue cost or effort’ and ‘impracticable’</strong></td>
<td>28 September 2011: draft Q&amp;A published. 30 November 2011: comment period closed</td>
</tr>
<tr>
<td>General, Issue 2</td>
<td><strong>Jurisdiction requires fallback to full IFRSs</strong></td>
<td>28 September 2011: draft Q&amp;A published. 30 November 2011: comment period closed</td>
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<tr>
<td>Section 3, Issue 1</td>
<td><strong>Departure from a principle in the <em>IFRS for SMEs</em></strong></td>
<td>28 September 2011: draft Q&amp;A published. 30 November 2011: comment period closed</td>
</tr>
<tr>
<td>Section 3, Issue 2</td>
<td><strong>Prescription of the format of financial statements by local regulation</strong></td>
<td>28 September 2011: draft Q&amp;A published. 30 November 2011: comment period closed</td>
</tr>
<tr>
<td>Section 3, Issue 3</td>
<td><strong>Fallback to IFRS 9 <em>Financial Instruments</em></strong></td>
<td>21 November 2011: draft Q&amp;A published. 31 January 2012: comment period closed</td>
</tr>
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</table>
**Recycling of cumulative exchange differences on disposal of a subsidiary**

21 November 2011: draft Q&A published. 31 January 2012: comment period closed

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**IFRS for SMEs translations: status report**

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


**In process.** Bosnian, Estonian, Hebrew, Kazakh, Khmer, Ukrainian

**Under discussion with the IFRS Foundation.** Bulgarian, Georgian

*Available for free download [here](http://www.ifrs.org/IFRS+for+SMEs/ArabicModules.htm).

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**Additional Arabic-language training module**

Module 7 *Statement of Cash Flows* of the Arabic-language translation of the IFRS Foundation training material has been posted. In total, 26 Arabic-language modules are available for download from the IFRS website (see [http://www.ifrs.org/IFRS+for+SMEs/ArabicModules.htm](http://www.ifrs.org/IFRS+for+SMEs/ArabicModules.htm)).

The IFRS Foundation is grateful to the Arab Society of Certified Accountants (ASCA) Jordan for facilitating and funding the translation of the training material.

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**Upcoming ‘train the trainers’ workshops**

For more details see: [http://www.ifrs.org/IFRS+for+SMEs/SME+Workshops.htm](http://www.ifrs.org/IFRS+for+SMEs/SME+Workshops.htm).

**Central Asia/Europe**

**Date:** 13–15 March 2012  
**Location:** Astana, Republic of Kazakhstan  
**Instructors:** Andrei Busuioc (Financial Management Specialist, CFRR, World Bank) and Michael Wells (Director, IFRS Education Initiative, IASB)  
**Language:** Russian  
**Sponsoring organisation:** The World Bank together with the Ministry of Finance Kazakhstan

**Francophone Africa**

**Date:** 17–19 April 2012  
**Location:** Douala, Republic of Cameroon  
**Instructors:** Gilbert Gélard (former IASB member) and Michael Wells  
**Language:** French  
**Sponsoring organisation:** The World Bank together with the OHADA Commission

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**Where to obtain *IFRS for SMEs* materials**
- **The standard online**
  (Albanian, Armenian, Chinese (simplified), Czech, English, French, Italian, Japanese, Macedonian, Mongolian, 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**
- **Past issues of the IFRS for SMEs Update**

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