

STAFF PAPER

4-5 February 2013

SMEIG Meeting

Project	Comprehensive review of the <i>IFRS for SMEs</i>		
Paper topic	Cover Paper		
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This paper has been prepared by the staff of the IFRS Foundation for discussion at a public meeting of the IASB and does not represent the views of the IASB or any individual member of the IASB. Comments on the application of IFRSs do not purport to set out acceptable or unacceptable application of IFRSs. Technical decisions are made in public and reported in IASB *Update*.

Objective of this meeting

1. The purpose of this meeting is for the SME Implementation Group (SMEIG) to discuss the public comments received on the IASB's 2012 Request for Information (RFI): *Comprehensive Review of the IFRS for SMEs* and develop a set of recommendations for the International Accounting Standards Board (IASB) on possible amendments to the *IFRS for SMEs*.
2. A report containing the recommendations of the SMEIG will be prepared after the SMEIG meeting. This will be provided to the IASB before the IASB begins its deliberations on amendments to the *IFRS for SMEs*.

Summary of Agenda Papers

3. The following papers have been prepared for the February 2013 SMEIG meeting:
 - (a) SMEIG Agenda Paper 1: Cover paper setting out the background of the comprehensive review, how the report containing the recommendations of the SMEIG will be prepared and the proposed timetable (this paper).
 - (b) SMEIG Agenda Paper 2: Covers the issues addressed by individual questions in the RFI.

- (c) SMEIG Agenda Paper 3: Covers other issues raised by respondents to the RFI.

Background

Overview of the comprehensive review of the IFRS for SMEs

- 4. When the IASB issued the *IFRS for SMEs* in July 2009, it stated that it planned to undertake an initial comprehensive review of SMEs' experience in applying the *IFRS for SMEs* when two years of financial statements using the *IFRS for SMEs* have been published by a broad range of entities. Issuing the RFI was the IASB's first step in that initial comprehensive review.
- 5. During the comprehensive review, the IASB will consider whether to propose amendments to address any implementation issues identified in that review. It will also consider new and amended IFRSs that have been adopted since the IFRS was issued. However, the fact that the IASB is undertaking a comprehensive review of the *IFRS for SMEs* does not necessarily mean that significant changes will be made.
- 6. The SMEIG will provide recommendations to the IASB throughout the comprehensive review of the *IFRS for SMEs* and will make recommendations to the IASB concerning possible amendments.

Objective of the Request for Information (RFI)

- 7. The RFI was developed by IASB staff and the SMEIG. It was reviewed and approved by the IASB. The objective of the RFI was to seek public views on whether there is a need to make any amendments to the *IFRS for SMEs*, and, if so, what amendments should be made.
- 8. The RFI asked questions about the *IFRS for SMEs* based on issues frequently raised with the IASB by interested parties (these are covered in Agenda Paper 2) and also encouraged respondents to raise their own issues (these are covered in

Agenda Paper 3). This RFI did not contain any preliminary views of the IASB or the SMEIG.

9. Responses to the RFI will assist the SMEIG in developing its recommendations to the IASB about possible amendments to the *IFRS for SMEs*. Responses will also assist the IASB in developing its proposed amendments to the *IFRS for SMEs*.

Comment letters received

10. The IASB received 89 comment letters on the RFI. These have been made available to IASB members and posted on the IASB's website. Agenda papers 2 and 3 summarise the main issues raised by respondents.
11. The comment letters came from respondents in the following regions:

Region	Number of comment letters received
Africa	10
Asia	13
Europe	38
Global	11
Latin America	8
North America	5
Oceania	4
	89

Report of SMEIG recommendations to the IASB

12. A report of the views of the SMEIG will be prepared after the SMEIG meeting. This will be provided to the IASB before the IASB begins its deliberations on amendments to the *IFRS for SMEs*. The process for developing that report will be as follows:
- (a) Based on discussions at the SMEIG meeting, staff will prepare a first draft of the SMEIG report and send it to SMEIG members.
 - (b) Where there is a general consensus among SMEIG members, the report will so indicate, with SMEIG reasons. Where the SMEIG is divided, the report will indicate the differing views and arguments put forward.

Timetable

13. The staff anticipate the following timetable for the comprehensive review. The timetable will vary depending on the extent of proposed amendments to the *IFRS for SMEs*.

June 2012	RFI issued (posted on IASB website). The public are invited to make recommendations on possible amendments to the <i>IFRS for SMEs</i> .
30 November 2012	Comment deadline on the RFI.
February 2013	The SMEIG reviews the responses to the RFI in a public meeting and makes recommendations to the IASB on possible amendments. IASB staff will draft a report of SMEIG recommendations. This will be circulated to SMEIG members for approval before being provided to the IASB.
Mid 2013	The IASB deliberates amendments and develops and approves an exposure draft (ED) of proposals.
Second half of 2013	The SMEIG reviews responses to the ED and makes recommendations to the IASB.
First half of 2014	The IASB deliberates on the amendments to proposals in the ED and agrees on final revisions to the <i>IFRS for SMEs</i> .
First half of 2014	The IASB publishes final revisions to the <i>IFRS for SMEs</i> .
Target date in 2015	Effective date of revisions.