

Micro Entities Way Forward

Emerging Economies Group
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The views expressed in this presentation are those of the presenter, not necessarily those of the International Accounting Standards Board (Board) or IFRS Foundation.



Summary of what we have heard from EEG members

Key Features of Micro's

| | India | Indonesia | South Africa | Malaysia | UK | IFRS for SMEs |
|------------------------|-------|-----------|--------------|----------|----|---------------|
| Non public interest | ✓ | ✓ | ✓ | | ✓ | ✓ |
| Quantitative size test | ✓ | ✓ | ✓ | | ✓ | X |
| - Revenue | ✓ | ✓ | X | | ✓ | X |
| - Entity value | ✓ | X | X | | X | X |
| - Assets | X | ✓ | X | | ✓ | X |
| - Borrowing | ✓ | X | ✓ | | X | X |
| - Employee numbers | ✓(?) | X | ✓ | | ✓ | X |
| User base test | X | X | ✓ | | X | ✓ |
| Legal structure | ✓ | ✓ | X | | X | ✓ |

Key Reliefs provided

| | India | Indonesia | South Africa | Malaysia | UK | IFRS for SMEs |
|------------------------|-------|-----------|--------------|----------|----|---------------|
| Not required: | | | | | | |
| - Cash Flow statement | ✓ | ✓ | ✓ | | ✓ | X |
| - Changes in equity | ✓ | ✓ | ✓ | | ✓ | ✓ |
| - Consolidated results | ✓ | X | ✓ | | ✓ | X |
| Simplified: | | | | | | |
| - Fair value | ✓ | ✓ | ✓ | | ✓ | ✓(?) |
| - Biological assets | ✓ | X | ✓ | | ✓ | ✓(?) |
| - Impairments | ✓ | ✓ | ✓ | | X | X |
| - Leases | ✓ | ✓ | ✓ | | X | X(?) |

Way forward

- Continue with jurisdiction specific presentations
 - Better understanding of both criteria and simplifications
 - Opportunity to explore what works and what doesn't
- Prepare summary of key objectives of micro entity accounting
- Develop an EEG strawman proposal
 - Consider EEG wide best practice
 - Provide a template for EEG (and non EEG) jurisdictions considering the same issues

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