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- Timeline of the Second Comprehensive Review
- Framework for the Second Comprehensive Review
- Scope of the *IFRS for SMEs* Accounting Standard
- IASB’s tentative decisions
Timeline of the Second Comprehensive Review

Objective

Update the *IFRS for SMEs* Accounting Standard using the alignment approach the IASB consulted on

Alignment is using IFRS Accounting Standards as the starting point, and applying the principles of relevance, simplicity and faithful representation, including the assessment of costs and benefits

- **Consultation period of the Request for Information**
- **Q1–Q4 2020**
- **Mar 2021**
  - IASB agreed project direction
- **May 2021**
  - IASB started deliberations
- **H2 2022**
  - Exposure Draft

**Timeline Details:**

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**Objective:**

Update the *IFRS for SMEs* Accounting Standard using the alignment approach the IASB consulted on

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Framework for the Second Comprehensive Review

**Simplified IFRS Standard approach**
Align the Standard with IFRS Accounting Standards

**Independent Standard approach**
Update the Standard only for specific issues arising from application

**Cost**

**Relevance to SMEs**
Would a change make a difference to the decisions of users?

**Benefit**

**Simplification**
Can appropriate simplifications be made?

**Faithful representation**
Does outcome faithfully represent economics?
Scope of the *IFRS for SMEs* Accounting Standard
Overview of the *IFRS for SMEs* Accounting Standard

- **Tailored** for small and medium-sized entities (SMEs) that are not publicly accountable
- Based on **principles** from full IFRS Accounting Standards
- Focuses on **information needs** of lenders and other users of SMEs’ financial statements
Who will be eligible to use it?

An entity has public accountability if:

a) its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets); or

b) it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (most banks, credit unions, insurance companies, securities brokers/dealers, mutual funds and investment banks would meet this second criterion).
IASB’s main tentative decisions

*As at 30 May 2022*
Main tentative decisions of the Second Comprehensive Review

A summary of the IASB’s tentative decisions is available [here](#).
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