
SME Implementation Group (SMEIG)

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This document summarises a meeting of the SME Implementation Group (SMEIG), a group that the Trustees of the IFRS Foundation have charged with two main responsibilities: (a) to consider questions on the implementation and application of the *IFRS for SMEs Accounting Standard*, decide which questions merit published educational material based on set criteria and develop Q&As, which are educational materials, that are publicly available on a timely basis; and (b) to consider the need to amend the *IFRS for SMEs Accounting Standard* and make recommendations to the International Accounting Standards Board (IASB) on: (i) issues on the implementation and application of the *IFRS for SMEs Accounting Standard* that cannot be addressed by Q&As; and (ii) new and amended IFRS Accounting Standards that have been approved since the *IFRS for SMEs Accounting Standard* was issued or last amended.

1. The hybrid SME Implementation Group (SMEIG) meeting was chaired by Jianqiao Lu, a member of the International Accounting Standards Board (IASB). The meeting's purpose was to provide SMEIG members:
 - (a) with an overview of the Exposure Draft *Third edition of the IFRS for SMEs Accounting Standard*, published by the IASB in September 2022; and
 - (b) with guidance on how to approach the questions for respondents in the Invitation to Comment on the Exposure Draft.
2. The staff presented an overview of the Exposure Draft. SMEIG members sought more information on the questions and the proposals in the Exposure Draft.
3. The topics discussed included:
 - (a) concepts and basic principles;
 - (b) fair value measurement;
 - (c) financial instruments;
 - (d) business combinations;
 - (e) the 'consolidation' package;
 - (f) revenue; and
 - (g) other topics the IASB is seeking feedback on:
 - (i) deleting paragraph 28.19 on employee benefits;
 - (ii) not aligning the *IFRS for SMEs Accounting Standard* with IFRS 16 *Leases*; and
 - (iii) permitting SMEs to recognise intangible assets arising from development costs.
4. The agenda paper for the meeting is available on the [IFRS Foundation's website](#).

Next steps

5. During this phase of the review, the IASB is seeking feedback on the proposed amendments to the *IFRS for SMEs* Accounting Standard. The IASB will consider feedback on the Exposure Draft in finalising the Standard.
6. The staff will continue to consult with the SMEIG in finalising the third edition of the *IFRS for SMEs* Accounting Standard.