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## IASB<sup>®</sup> meeting

Date	<b>September 2023</b>
Project	<b>Second Comprehensive Review of the <i>IFRS for SMEs</i><sup>®</sup> Accounting Standard</b>
Topic	<b>Cover Paper</b>
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This paper has been prepared for discussion at a public meeting of the International Accounting Standards Board (IASB). This paper does not represent the views of the IASB or any individual IASB member. Any comments in the paper do not purport to set out what would be an acceptable or unacceptable application of IFRS<sup>®</sup> Accounting Standards or the *IFRS for SMEs*<sup>®</sup> Accounting Standard. The IASB's technical decisions are made in public and are reported in the IASB<sup>®</sup> *Update*.

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## Introduction

1. In September 2022, the International Accounting Standards Board (IASB) published Exposure Draft *Third edition of the IFRS for SMEs Accounting Standard* (the Exposure Draft). The Exposure Draft was open for comment for 180 days, which ended on 7 March 2023.
2. At its June 2023 meeting, the IASB discussed the feedback on the Exposure Draft and provided suggestions on questions for the SME Implementation Group (SMEIG) to consider. The IASB also redeliberated the proposed clarification to the definition of public accountability in the Exposure Draft (see the appendix to this paper).
3. The SMEIG met on 13 July 2023 to discuss the feedback on the Exposure Draft and provide advice to the IASB. The [minutes from the SMEIG meeting](#) are available on the IFRS Foundation website. The staff will present the advice from the SMEIG when the IASB redeliberates the related topics in the Exposure Draft.

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## Purpose of this meeting

4. The purpose of this meeting is for the IASB to discuss the following overarching topics, which will assist the IASB in its redeliberations of the proposals in the Exposure Draft:
  - (a) the project plan;
  - (b) research on characteristics of SMEs; and
  - (c) our approach to updating the *IFRS for SMEs* educational modules and also when guidance to include guidance in the *IFRS for SMEs* Accounting Standard (the Standard).
  
5. In addition, the IASB is asked to consider two topics in the Exposure Draft:
  - (a) findings from fieldwork on the proposed revised Section 23 *Revenue from Contracts with Customers*; and
  - (b) approaches to address the feedback on the proposals for impairment of financial assets.

## Overview of agenda papers for this meeting

6. The agenda papers for this meeting are:
  - (a) Agenda Paper 30A *Project plan*. This paper asks the IASB to discuss the project plan and confirm the project direction. It also provides background information on the second comprehensive review of the Standard.
  - (b) Agenda Paper 30B *Characteristics of SMEs*. This paper presents research undertaken by the staff about the characteristics of SMEs to provide context for the IASB's redeliberations of the proposals in the Exposure Draft.
  - (c) Agenda Paper 30C *Approach to providing educational material on the Standard*. This paper asks the IASB to decide on our objective and approach to providing educational material on the Standard. It also asks the IASB to discuss how to strike an appropriate balance of providing guidance and

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examples in the Standard versus providing guidance and examples in separate educational material.

- (d) Agenda Paper 30D *Proposed revised Section 23 Revenue from Contracts with Customers—Fieldwork methodology*. This paper describes the methodology used for the fieldwork on proposed revised Section 23.
- (e) Agenda Paper 30E *Proposed revised Section 23 Revenue from Contracts with Customers—Findings from fieldwork*. This paper sets out the findings from the fieldwork on proposed revised Section 23.
- (f) Agenda Paper 30F *Impairment of financial assets*. This paper asks the IASB to provide direction on alternative approaches to address feedback on the proposals for impairment of financial assets.

## Next steps

7. The IASB will continue to redeliberate the proposals in the Exposure Draft as set out in the project plan.

## Appendix—IASB tentative decisions to date on redeliberating the proposals in the Exposure Draft

Month	Decision:
June 2023	<p>The IASB tentatively decided:</p> <ul style="list-style-type: none"> <li>(a) to confirm the proposed amendment to paragraph 1.3(b) of the <i>IFRS for SMEs Accounting Standard</i> (the Standard) to list banks, credit unions, insurance companies, securities brokers/dealers, mutual funds and investment banks as examples of entities that often meet the second criterion of public accountability.</li> <li>(b) to withdraw paragraph 1.3A of the Exposure Draft from the Standard, and not include it in the educational modules for the Standard and Basis for Conclusions on the Standard.</li> <li>(c) to explain in the Basis for Conclusions on the Standard its reasoning for deciding against further clarifying the role of local legislative and regulatory authorities in jurisdictions in the Preface to the <i>IFRS for SMEs Accounting Standard</i>.</li> <li>(d) to consider whether other suggestions for guidance on the definition of public accountability should be covered in the educational modules supporting the Standard.</li> </ul>