Comprehensive Review of the *IFRS for SMEs* Standard

February 2020

Introducing the Request for Information
Housekeeping

The views expressed are those of the presenters, not necessarily those of the International Accounting Standard Board (Board) or the IFRS Foundation.

The Request for Information, the Optional Response Document and the slides used in this presentation are available on the 2019 Comprehensive Review of the IFRS for SMEs Standard project webpage at https://www.ifrs.org/projects/work-plan/2019-comprehensive-review-of-the-ifrs-for-smes-standard/
The *IFRS for SMEs* Standard

- 250 pages
- Tailored for **small and medium-sized** entities (SMEs) that are not publicly accountable
- Based on **principles from full IFRS** Standards
- Focuses on **information needs of lenders and other users** of SME financial statements
Adoption of the *IFRS for SMEs* Standard

86 of 166 jurisdictions require or permit use of the *IFRS for SMEs* Standard

= the *IFRS for SMEs* Standard is required or permitted
Why the Board developed the *IFRS for SMEs* Standard?

**Consistent high-quality standards**

Provide useful information to the users of financial statements

**Comparability**

Benefit SMEs both within their jurisdiction and internationally

Also benefits:
- financial institutions
- vendors
- credit rating agencies
- outside investors
- preparers
- auditors
- regulators

**Education**

Supports better education of accountants and users of financial information
First comprehensive review

• First comprehensive review after 2 years implementation experience

• Thereafter no sooner than two years after effective date of the amendments to the IFRS for SMEs Standard from a previous comprehensive review

• Significant amendments from first comprehensive review:
  o allowed an option to use the revaluation model for property, plant and equipment
  o aligned recognition and measurement requirements for:
    ✓ income tax with IAS 12 *Income Taxes*
    ✓ exploration and evaluation assets with IFRS 6 *Exploration for and Evaluation of Mineral Resources*

• Urgent issues addressed by Q&As
Second comprehensive review

Objective of Request for Information

Seek views on whether and how aligning the *IFRS for SMEs* Standard with full IFRS Standards would benefit users of financial statements prepared applying the *IFRS for SMEs* Standard without causing undue cost for entities applying the Standard.

- **2019**: Develop Request for Information
- **H1 2020**: Request for Information published
- **H2 2020**: Comment period (ends 27 July)
- **H2 2020**: Redeliberations
<table>
<thead>
<tr>
<th>Part</th>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part A</td>
<td>Questions on strategic &amp; general framework for the review</td>
</tr>
<tr>
<td>Part B</td>
<td>Questions on sections of the <em>IFRS for SMEs</em> Standard that could be aligned with IFRS Standards</td>
</tr>
<tr>
<td>Part C</td>
<td>Questions on topics not addressed in the <em>IFRS for SMEs</em> Standard &amp; other matters</td>
</tr>
</tbody>
</table>
Published materials

- **Request for Information**
- **Request for Information: Optional Response Document**

**Snapshot**

**Press release**

**How to comment**

- Electronically by visiting ‘Open for comment documents’ page at: [http://go.ifrs.org/open-for-comment](http://go.ifrs.org/open-for-comment)
- By email to: commentletters@ifrs.org
- By post: IFRS Foundation, Columbus Building, 7 Westferry Circus, Canary Wharf, London E14 4HD United Kingdom
Resources available on our website

- **Website**
  - www.ifrs.org
  - The *IFRS for SMEs* Standards

- **Modules**
  - Modules Supporting *IFRS for SMEs* Standards
    - SME Implementation Group
    - Presentations
    - SMEIG Q&As

- **News and events**
  - News and events
  - Guidance for micro entities
  - Fact sheet

Visit [this link](https://www.ifrs.org/issued-standards/ifrs-for-smes/) for more information.