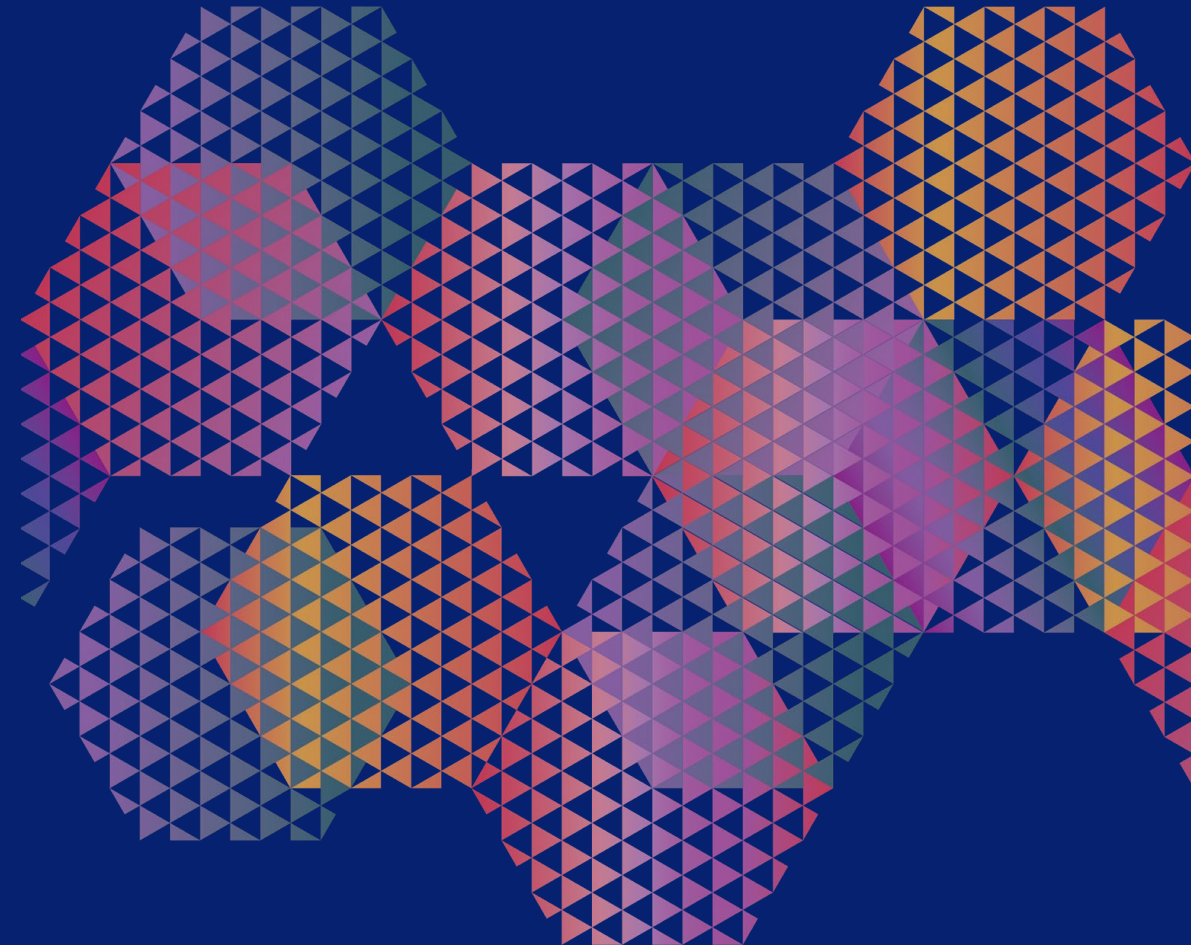


IFRS for SMEs[®]

Accounting Standard

Overview of the third edition of the *IFRS for SMEs* Accounting Standard



Contents

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Background to the *IFRS for SMEs* Accounting Standard

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Background to the second comprehensive review

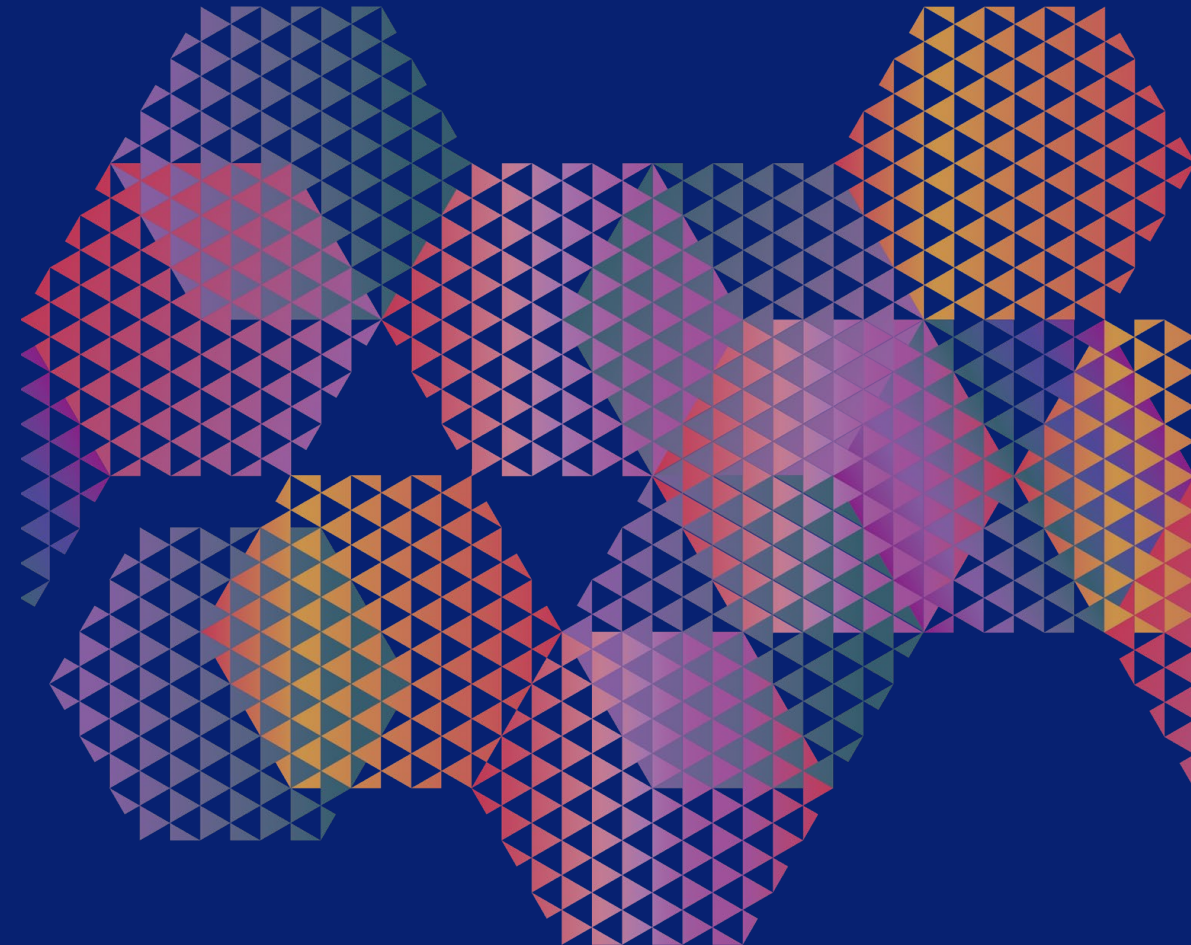
3

Overview of main changes to the *IFRS for SMEs* Accounting Standard

IFRS for SMEs[®]

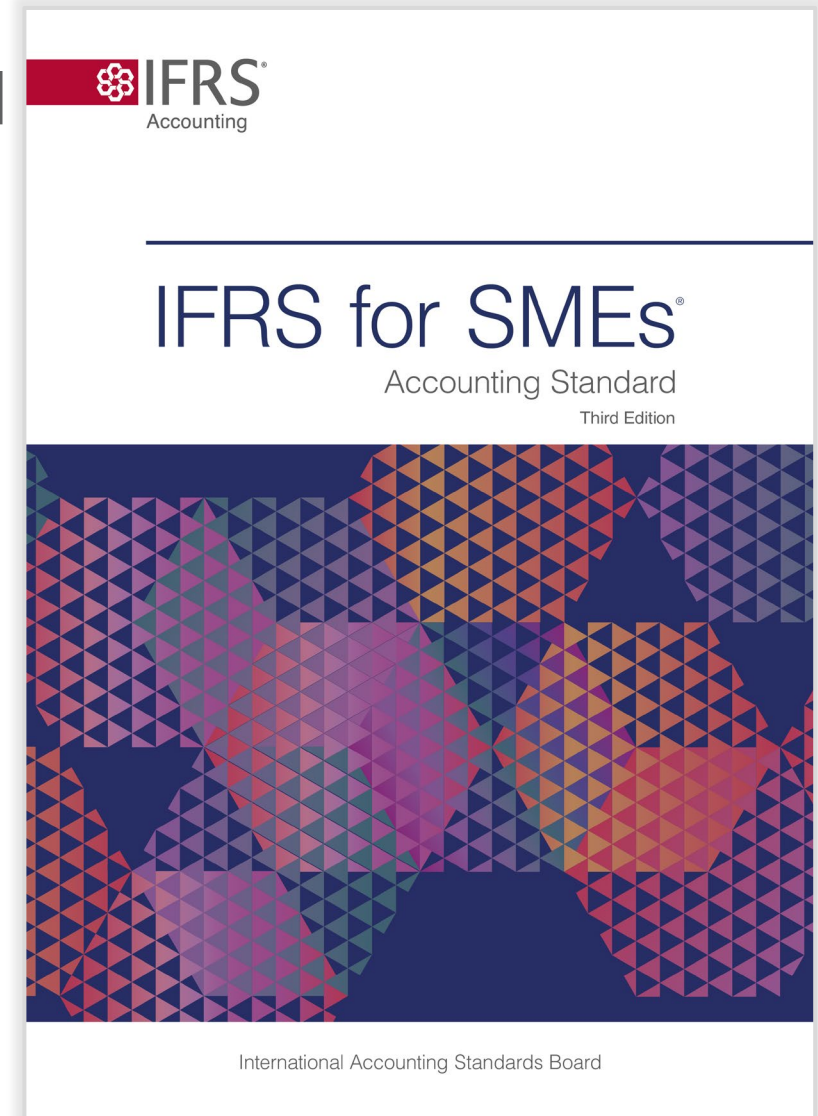
Accounting Standard

Background to the *IFRS for SMEs* Accounting Standard

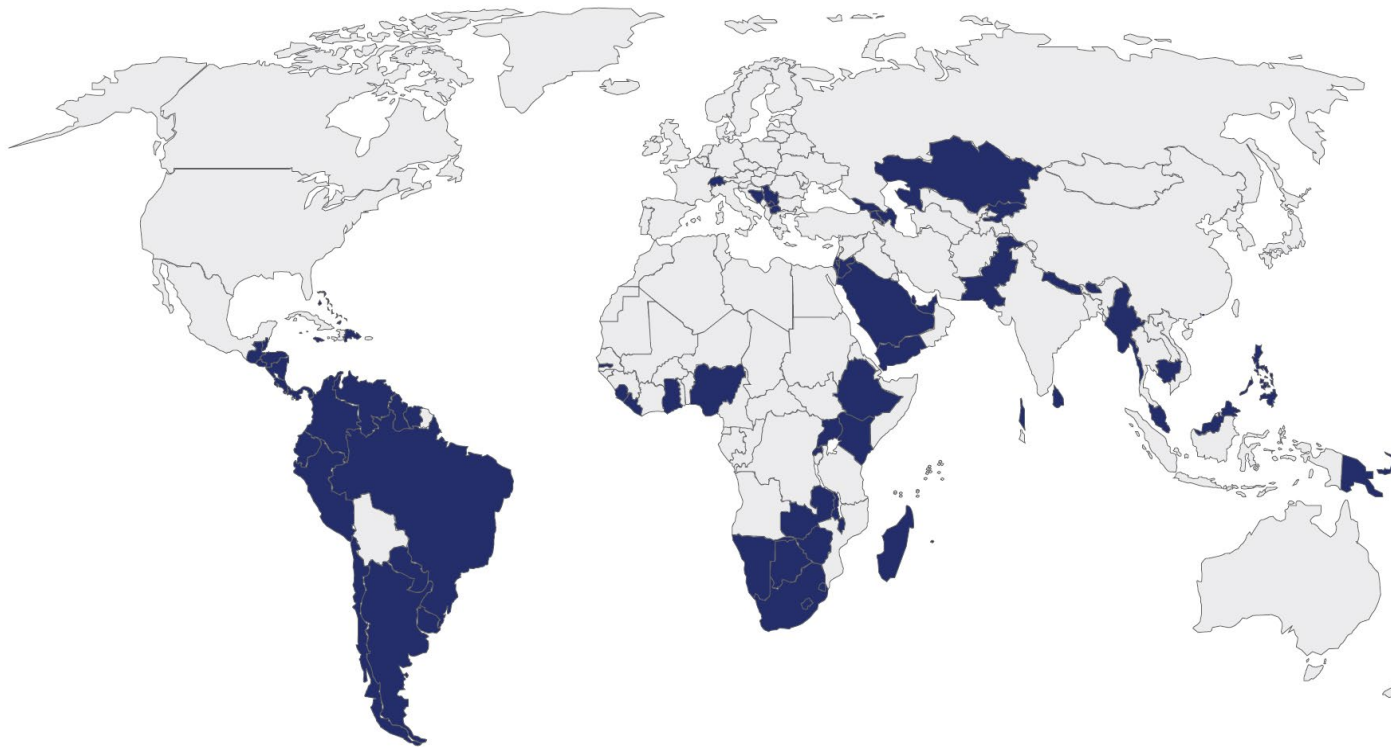


The *IFRS for SMEs* Accounting Standard

- A single Standard based on **full IFRS** Accounting Standards
- **Tailored** for entities without public accountability that publish general purpose financial statements
- Focuses on the **information needs of lenders and other users** of SMEs' financial statements



Adoption of the *IFRS for SMEs* Accounting Standard



85 of 168 jurisdictions
require or permit use of
the *IFRS for SMEs*
Accounting Standard
(August 2024)

 *IFRS for SMEs* Accounting Standard is **required or permitted**

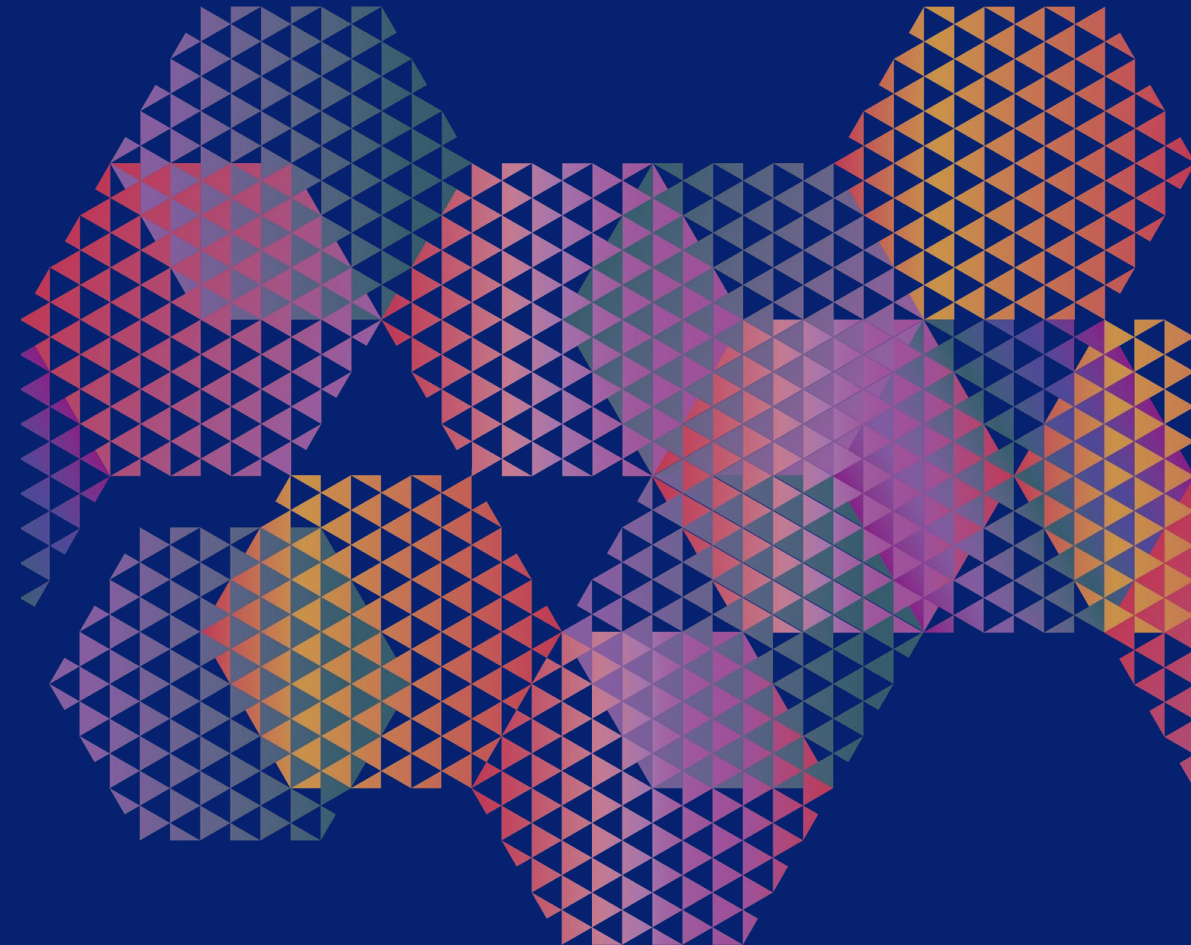
History of the *IFRS for SMEs* Accounting Standard

First edition	2009	<i>IFRS for SMEs</i> Accounting Standard issued and immediately effective		
Second edition	2015	Amendments from the first review issued	2017	Amendments from the first review effective
	Amendments	2023	Pillar Two Model Rules amendments issued	2023
Third edition		2025	Third edition of the <i>IFRS for SMEs</i> Accounting Standard issued	2027

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Accounting Standard

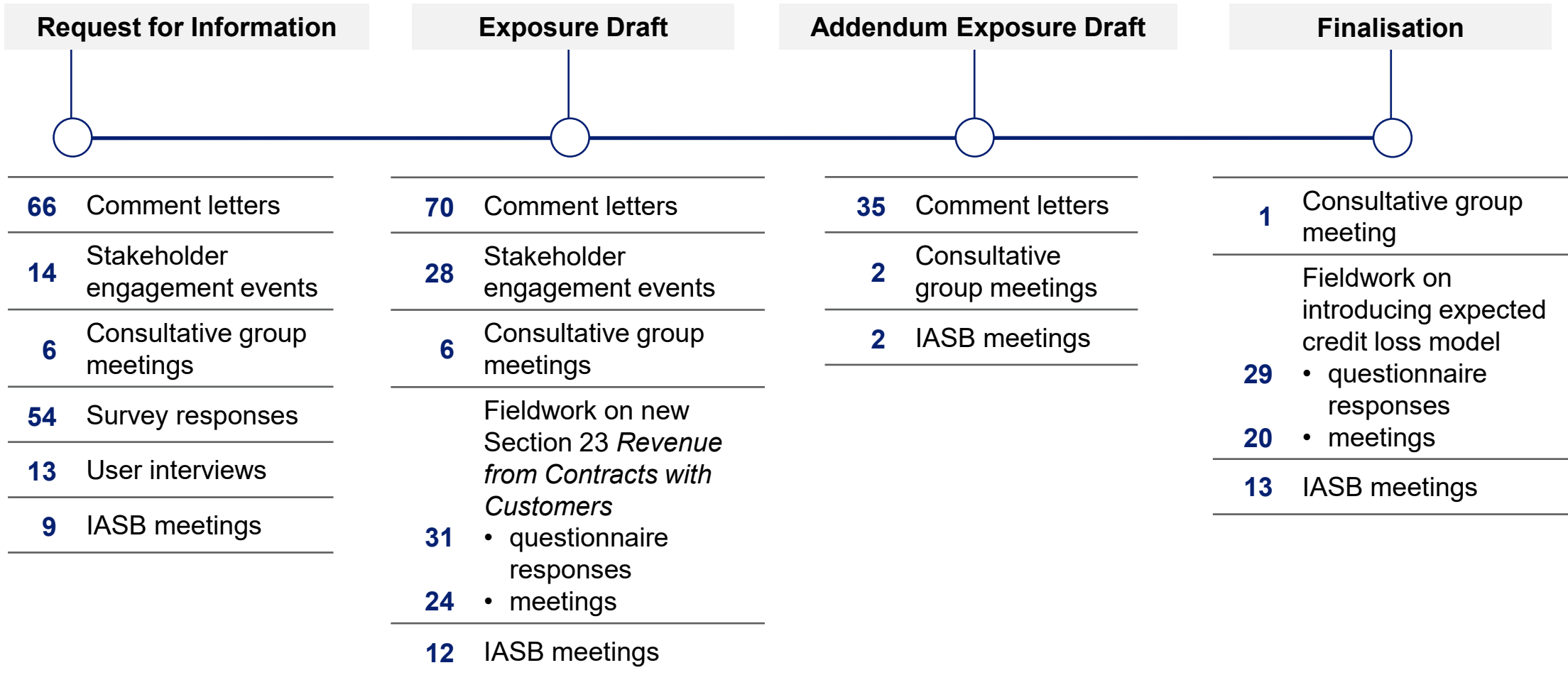
Background to the second
comprehensive review



Timeline of the second comprehensive review



Stakeholder feedback and IASB discussions



Scope of the second comprehensive review

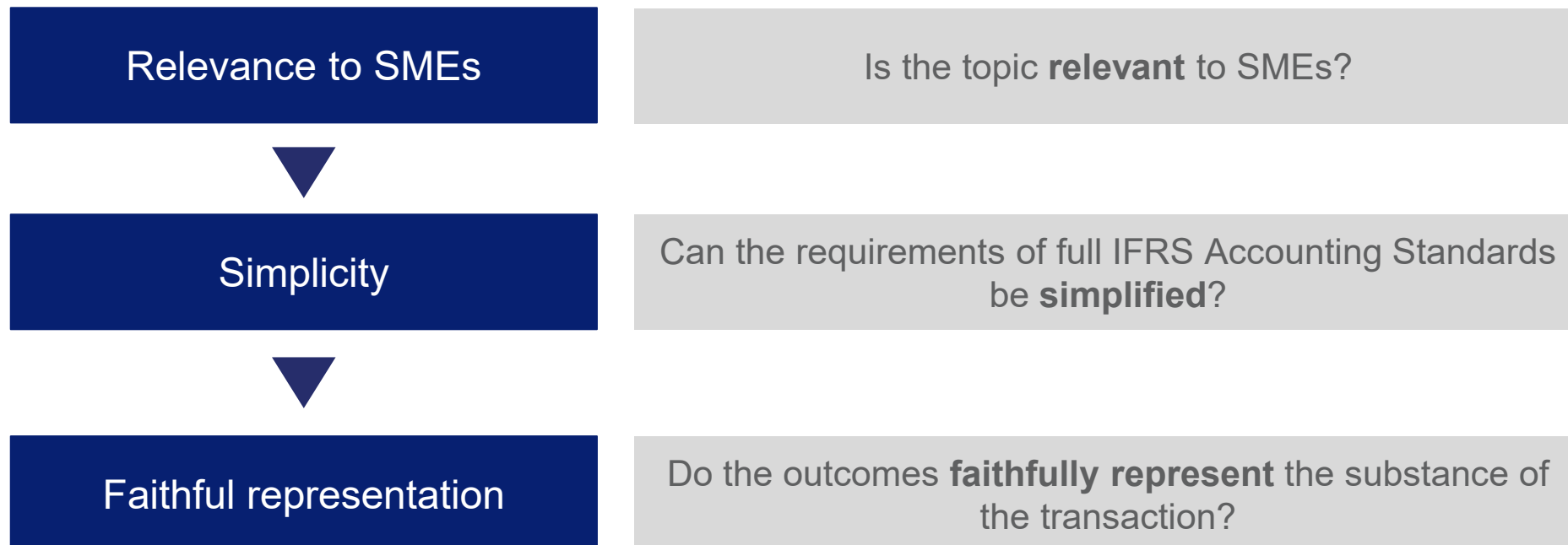
Scope

- A** Requirements in full IFRS Accounting Standards issued:
- since the first review that had an effective date on or before 1 January 2019
 - before the first review that did not result in amendments to the Standard in 2015
- B** Other topics brought to the IASB's attention relating to the Standard

Scope of the second comprehensive review (continued)

Standards in scope	<i>The Conceptual Framework</i>	<i>IFRS 13 Fair value measurement</i>	Other amendments to IFRS Accounting Standards and IFRIC Interpretations
	<i>IFRS 3 Business Combinations</i>	<i>IFRS 14 Regulatory Deferral Accounts</i>	
	<i>IFRS 9 Financial Instruments</i>	<i>IFRS 15 Revenue from Contracts with Customers</i>	
	<i>IFRS 10 Consolidated Financial Statements</i>		
	<i>IFRS 11 Joint Arrangements</i>	<i>IFRS 16 Leases</i>	

Framework for the second comprehensive review



Costs and benefits

Keeping the Standard simple for SMEs and useful to users of SMEs' financial statements

In assessing the costs and benefits of amending the Standard, the IASB considers:

Limited resources
of SMEs



Preparers



Information needs of users of
SMEs' financial statements
(mainly lenders)

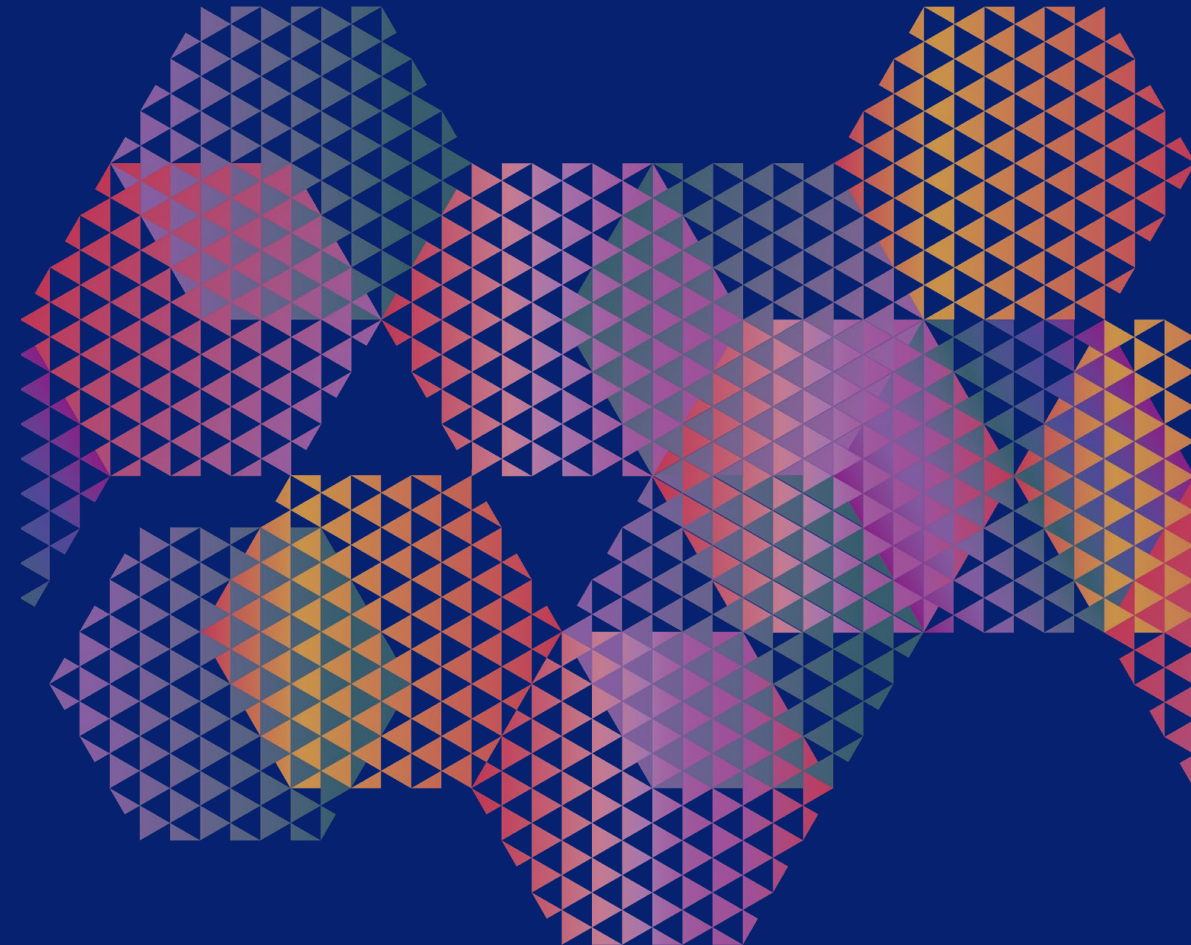


Users

IFRS for SMEs[®]

Accounting Standard

Overview of main changes to
the *IFRS for SMEs*
Accounting Standard



Main changes to the *IFRS for SMEs* Accounting Standard



Section 2 *Concepts and Pervasive Principles*



Section 9 *Consolidated and Separate Financial Statements*



Section 11 *Financial Instruments*
(previously *Basic Financial Instruments*)



Section 12 *Fair Value Measurement*
(a new section)



Section 19 *Business Combinations and Goodwill*



Section 23 *Revenue from Contracts with Customers*
(previously *Revenue*)

Effective date and transition requirements

Effective date

The third edition of the *IFRS for SMEs* Accounting Standard is effective for annual periods beginning on or after 1 January 2027. Earlier application is permitted.

Transition requirements

SMEs are required to apply the amended and revised sections in the third edition of the Standard retrospectively.

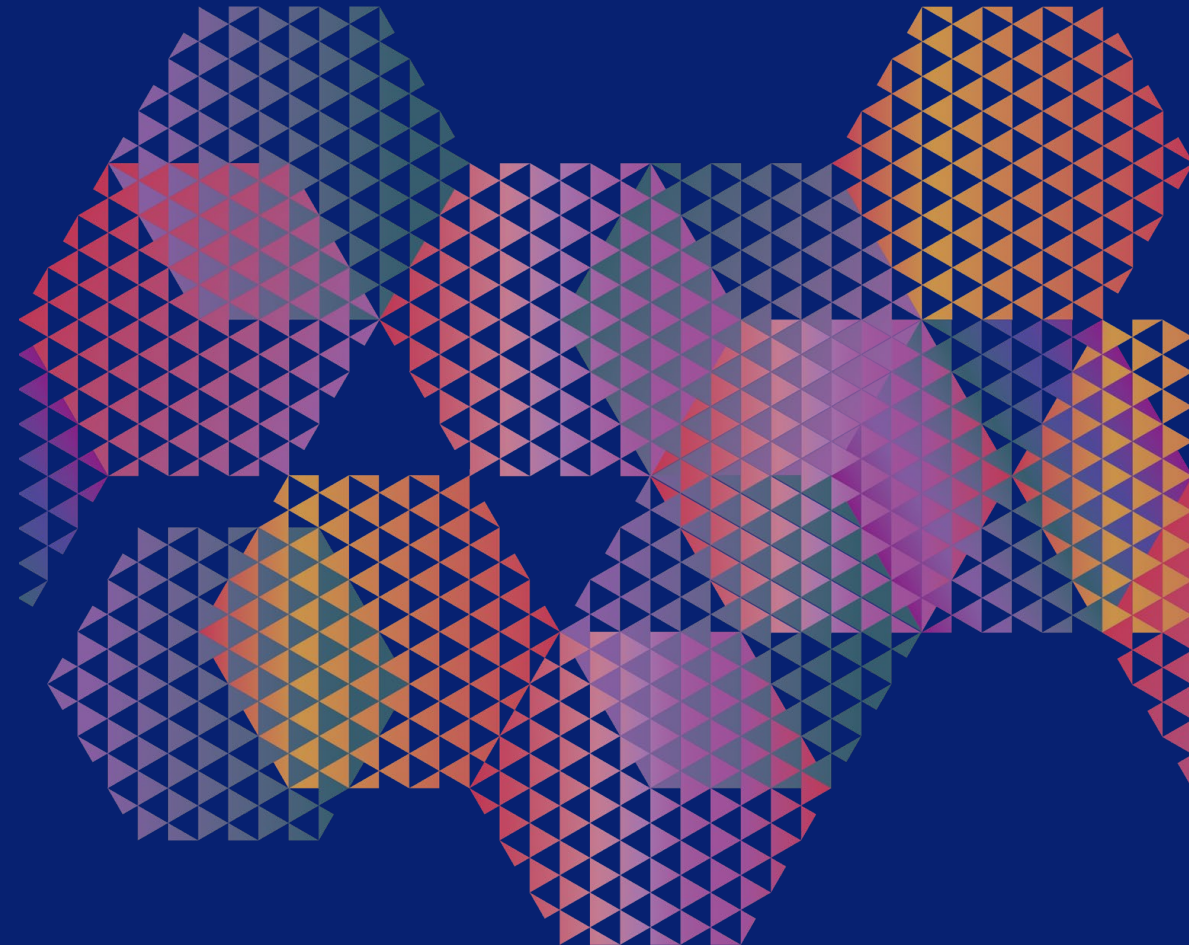
Some relief from retrospective application is available, for example:

- Section 9 *Consolidated and Separate Financial Statements*;
- Section 12 *Fair Value Measurement*;
- Section 19 *Business Combinations and Goodwill*; and
- Section 23 *Revenue from Contracts with Customers*.

IFRS for SMEs[®]

Accounting Standard

Supporting materials



Resources available on the IFRS Foundation's website



<https://www.ifrs.org/supporting-implementation/2025-ifrs-for-smes-supporting-materials/>



Project
summary



Feedback
Statement



Educational
modules



Webcasts



Quarterly
newsletter



Podcasts



SMEIG
Q&As

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