

# IFRS for SMEs Update

From the IFRS Foundation



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## Welcome to the *IFRS for SMEs Update*

The IASB's *IFRS for SMEs Update* is a staff summary of news relating to the *International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs)*. All issues of the *IFRS for SMEs Update* are available in both HTML and PDF format on the IASB's website. To subscribe use the link on the right.

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### Contact us

If you have news about *IFRS for SMEs* activities in your jurisdiction please contact Darrel Scott and Michelle Fisher (details below)

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## IFRS Foundation charts progress towards global adoption of full IFRS and the *IFRS for SMEs*

To assess progress toward the goal of global accounting standards, the IFRS Foundation is developing profiles of application of full IFRS and the *IFRS for SMEs* in individual jurisdictions. We reported on the first phase of this initiative in our [June 2013 edition of \*IFRS for SMEs Update\*](#).

The following observations relate to the information in the 122 profiles currently posted concerning adoption of the *IFRS for SMEs*:

- 57 of the 122 jurisdictions require or permit the *IFRS for SMEs*.
- It is also currently under consideration in a further 16 jurisdictions

The 57 jurisdictions that require or permit the *IFRS for SMEs* are:

Anguilla, Antigua and Barbuda, Argentina, Azerbaijan, Bahamas, Bahrain, Bangladesh, Barbados, Bhutan, Bosnia and Herzegovina, Botswana, Brazil, Cambodia, Chile, Colombia, Costa Rica, Dominica, Dominican Republic, Ecuador, El Salvador, Fiji, Georgia, Ghana, Grenada, Guatemala, Honduras, Hong Kong, Iraq, Ireland, Israel, Jamaica, Kenya, Lesotho, Macedonia, Maldives, Mauritius, Montserrat, Myanmar, Nigeria, Rwanda, Saint Lucia, Saudi Arabia, Singapore, South Africa, Sri Lanka, St Kitts and Nevis, St Vincent and the Grenadines, Swaziland, Switzerland, Tanzania, Turkey, Uganda, United Arab Emirates, United Kingdom, Venezuela, Zambia, and Zimbabwe.

For the 57 jurisdictions that require or permit the *IFRS for SMEs*:

- 7 jurisdictions require the *IFRS for SMEs* for all SMEs that are not required to use full IFRS;
- 34 jurisdictions give an SME a choice to use full IFRS instead of the *IFRS for SMEs*;
- 15 jurisdictions give an SME a choice to use either full IFRS or local GAAP instead of the *IFRS for SMEs*; and
- One jurisdiction requires an SME to use local GAAP if it does not choose the *IFRS for SMEs*.

In requiring or permitting the *IFRS for SMEs*, 49 of the 57 jurisdictions made no modifications at all to its requirements. 8 jurisdictions made modifications as follows:

- Two jurisdictions (Argentina and Brazil) require use of the equity method to account for investments in subsidiaries in separate financial statements. The IASB has recently proposed to make a similar amendment to full IFRS (and this will be considered for the *IFRS for SMEs* at a future review of the Standard);
- One jurisdiction (Hong Kong) modified Section 29 *Income Tax* to conform to the requirements of IAS 12 *Income Taxes*. The IASB is considering whether to amend the *IFRS for SMEs* in this regard as part of the comprehensive review of the *IFRS for SMEs* that is currently under way;
- One jurisdiction (Saudi Arabia) has indicated that modifications are under consideration that would be adopted before the planned effective date of the *IFRS for SMEs* in 2014, but it has not yet decided on those modifications;
- Two jurisdictions (Ireland and United Kingdom) made some significant modifications in adopting the *IFRS for SMEs*, including adding in options allowed under full IFRS that are not allowed in the *IFRS for SMEs*. Details can be found in the Ireland and United Kingdom profiles;
- One jurisdiction (Bangladesh) did not adopt Section 31 *Hyperinflation* for SMEs because hyperinflation is not an issue domestically; and
- One jurisdiction (Bosnia and Herzegovina) does not require the statements of cash flows or changes in equity in separate financial statements prepared using the *IFRS for SMEs*.

The information above is available on our website [here](#). To access the full jurisdiction profiles please [click here](#). Eventually, we plan to have a profile for every jurisdiction that has adopted IFRS, or is on a programme towards adoption of IFRS.

***IFRS for SMEs*** translations: status report

Here is the current status of the *IFRS for SMEs* translations that have been approved by the IFRS Foundation:

Completed: Albanian\*, Arabic, Armenian\*, Bosnian\*, Chinese (simplified)\*, Croatian\*, Czech\*, Estonian\*, French\*, German, Hebrew\*, Italian\*, Japanese\*, Kazakh\*, Khmer\*, Lithuanian\*, Macedonian\*, Mongolian\*, Polish\*, Portuguese\*, Romanian\*, Russian\*, Serbian, Spanish\*, Turkish\* and Ukrainian\*.

In progress: Turkmen.

Under discussion with the IFRS Foundation: Afrikaans, Georgian and Kyrgyz.

\*Available for free download [here](#) (for translations not marked with an \* please see our [webshop](#) for details on how to purchase a hard copy).

## Where to obtain *IFRS for SMEs* materials

- [The Standard online](#) (available in multiple languages)
- [The Standard in hard copy](#)
- [Information about the SME Implementation Group](#)
- [Information about the Comprehensive Review of the \*IFRS for SMEs\*](#)
- [Information about guidance for micro-sized entities applying the \*IFRS for SMEs\*](#)
- [The Exposure Draft of proposed amendments to the \*IFRS for SMEs\*](#)
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