



Implementing the IFRS for SMEs

World Standard Setters Meeting, London
16 September 2011

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The IFRS for SMEs

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Final standard issued July 2009

- 230 pages (full IFRSs are 3,000+)
- Simplified IFRSs – built on an IFRS foundation
- Simplifications based on:
 - User needs for information about short-term cash flows, liquidity, and solvency
 - Costs and SME capabilities
- Completely stand-alone

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Jurisdiction Plans for Adoption

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Today (Sept. 2011), to the best of our knowledge:

- **74 jurisdictions** have either adopted the IFRS for SMEs or stated a plan to adopt it within the next three years

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Plans for Adoption: Some Examples

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- **South America:** Argentina, Brazil, Chile, Guyana, Peru, Suriname, Venezuela
- **Caribbean:** Antigua & Barbuda, Aruba, Bermuda, Bahamas, Barbados, Cayman, Dominica, Dominican Republic, Guadeloupe, Jamaica, Montserrat, St Kitts-Nevis, St Lucia, Trinidad
- **Central America:** Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama
- **Africa:** South Africa, Botswana, Egypt, Ethiopia, Ghana, Kenya, Lesotho, Malawi, Mauritius, Namibia, Nigeria, Sierra Leone, Tanzania, Swaziland, Uganda, Zimbabwe

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Plans for Adoption: Some Examples

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- **Asia:** Cambodia, Fiji, Hong Kong, Malaysia, Myanmar, Nepal, Philippines, Singapore, Sri Lanka
- **Middle East:** Jordan, Lebanon, Palestine, Qatar
- **Eurasia:** Azerbaijan, Kyrgyzstan, Moldova, Turkey
- **Europe:** Bosnia, Macedonia. Available for use in Switzerland. Planned: United Kingdom, Ireland. Others studying. Note that European Commission is currently consulting on the IFRS for SMEs.
- **North America:** Available for use in United States, Canada

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Implementation Support from IASB

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Translations

- **Completed:** Arabic, Armenian, Simplified Chinese, Czech, French, Italian, Lithuanian, Polish, Portuguese, Romanian, Russian, Spanish, Turkish
- **In process:** Albanian, Hebrew, Japanese, Kazakh, Khmer, Macedonian, Mongolian, Serbian, Ukrainian
- **Proposed or in discussion:** Bosnian, Bulgarian,

Monthly IFRS for SMEs Update Newsletter

- Free. Prepared by IASB staff.

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Implementation Support from IASB

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Free training materials

- One module per Section, 28 completed

Free training workshops (regional, 3 days)

- **To date:** Malaysia, India, Tanzania, Egypt, Gambia, Brazil, Panama, Nordic countries, Caribbean, Singapore, Kazakhstan, Turkey, Argentina, Myanmar

- **Upcoming:** Barbados, Bosnia, Chile, Kenya, UAE,

SME Implementation Group

- Publish implementation Q&As
- Recommend to IASB needed modifications

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WSS Questionnaire

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Has your jurisdiction adopted IFRS for SMEs?

- For which entities?
- Mandatory or optional?
- Make any modifications?

If no, why have you not adopted?

- Too difficult
- Local GAAP for SMEs
- SMEs prefer 'tax accounts'
- IFRS for SMEs is under study
- Other reasons (please explain)

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WSS Questionnaire replies received

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Albania	Germany	Poland
Argentina	Hong Kong	Russian Fed.
Australia	India	Sierra Leone
Austria	Indonesia	Singapore
Bahamas	Kosovo	Slovakia
Belgium	Lebanon	S. Africa
Brazil	Malaysia	Switzerland
Cambodia	Malta	Taiwan
Canada	Mexico	Tanzania
Czech Rep	Netherlands	Trinidad
Denmark	N. Zealand	Tunisia
France	Norway	USA

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WSS Questionnaire replies received

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Not all respondents are represented in this room.

- **We invite those who are here to speak for two minutes or so on their jurisdiction's decisions and experiences.**
- The next 10 slides are for those countries represented in the room.
- These are followed by slides for other countries.

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WSS Questionnaire

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Jurisdiction: Albania

Representative: Mrs. Elira Hoxha. Mr Selman Lamaj.

Has your jurisdiction adopted IFRS for SMEs?

– No

If no, why have you not adopted?

– National GAAP for SMEs adopted

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Jurisdiction: Indonesia

Representative: Rosita Uli Sinaga. Ersa Tri Wahyuni.

Has your jurisdiction adopted IFRS for SMEs?

– No

If no, why have you not adopted?

– National GAAP for SMEs adopted

– IFRS for SMEs is too difficult for most of our SMEs

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Jurisdiction: Japan

Representative: Toru Yoshioka

Has your jurisdiction adopted IFRS for SMEs?

– No

If no, why have you not adopted?

- Not yet adopted full IFRSs
- National law requires conformity with a national standard for SMEs

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Jurisdiction: Kosovo

Representatives: Mr Fatmir Gashi and Mr. Agron Dida

Has your jurisdiction adopted IFRS for SMEs?

– No

If no, why have you not adopted?

- National law requires all companies other than micros to use full IFRSs

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Jurisdiction: Lebanon

Representative: Mr Walid Richani

Has your jurisdiction adopted IFRS for SMEs?

- It is optional, but not formally adopted.

If no, why have you not adopted?

- IFRS for SMEs is too difficult for most SMEs (currently)
- SMEs prefer to prepare 'tax accounts'
- IFRS for SMEs is under study

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Jurisdiction: Malaysia

Representative: Ms TAN Bee-Leng

Has your jurisdiction adopted IFRS for SMEs?

- Not yet

If no, why have you not adopted?

- IFRS for SMEs is under study

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Jurisdiction: Sierra Leone

Representative: Mr Abu Bakarr Conteh

Has your jurisdiction adopted IFRS for SMEs?

- Yes (except for not-for-profits)
- Mandatory, unless an SME chooses full IFRS
- We made no modifications

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Jurisdiction: South Africa

Representative: Ms Sue Ludolph

Has your jurisdiction adopted IFRS for SMEs?

- Yes
- Optional. SME can choose full IFRS or, if below certain thresholds, can use any accounting policies it chooses.
- We made no modifications

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Jurisdiction: Slovakia

Representative: Jan Holicka

Has your jurisdiction adopted IFRS for SMEs?

– No

If no, why have you not adopted?

- Standard setter has adopted national GAAP for SMEs
- SMEs prefer to prepare 'tax accounts'

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Jurisdiction: Trinidad and Tobago

Representatives: Peter Gittens, Antony Pierre,

Has your jurisdiction adopted IFRS for SMEs?

- Yes
- We made no modifications
- SMEs may alternatively use full IFRSs

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Jurisdiction: Argentina

Representatives: Not at this session

Has your jurisdiction adopted IFRS for SMEs?

- Yes (for all entities without public accountability)
- We made no modifications
- SMEs may alternatively use full IFRSs or a simplified national GAAP for SMEs

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Jurisdiction: Australia

Representatives: Not at this session

Has your jurisdiction adopted IFRS for SMEs?

- No
- We adopted 'Reduced Disclosure Requirements', which comprises the recognition, measurement and presentation requirements of full IFRSs as adopted in Australia and substantially reduced disclosures corresponding to those requirements.

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Jurisdiction: Austria

Representatives: Not at this session

Has your jurisdiction adopted IFRS for SMEs?

– No

If no, why have you not adopted?

- National law prescribes other GAAP for SMEs
- SMEs prefer to prepare 'tax accounts'

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Jurisdiction: Bahamas

Representatives: Not at this session

Has your jurisdiction adopted IFRS for SMEs?

- Yes
- We made no modifications
- Alternatively SMEs may use full IFRSs

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Jurisdiction: Belgium

Representatives: Not at this session

Has your jurisdiction adopted IFRS for SMEs?

– No

If no, why have you not adopted?

- IFRS for SMEs is too difficult for most of our SMEs
- National law prescribes other GAAP for SMEs
- Standard setter has adopted national GAAP for SMEs
- SMEs prefer to prepare 'tax accounts'

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Jurisdiction: Brazil

Representatives: Not at this session

Has your jurisdiction adopted IFRS for SMEs?

– Yes

- We made no modifications except to eliminate some allowed alternatives
- Alternatively SMEs may use full IFRSs

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Jurisdiction: Cambodia

Representatives: Not at this session

Has your jurisdiction adopted IFRS for SMEs?

- Yes
- We made no modifications
- Alternatively SMEs may use full IFRSs or (for one year only) a national GAAP template for SMEs.

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Jurisdiction: Canada

Representatives: Not at this session

Has your jurisdiction adopted IFRS for SMEs?

- No

If no, why have you not adopted?

- Standard setter has adopted national GAAP for SMEs

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Jurisdiction: Czech Republic

Representatives: Not at this session

Has your jurisdiction adopted IFRS for SMEs?

– No

If no, why have you not adopted?

- Czech national GAAP enables the smaller accounting units to keep their books in simplified manner and prepare their statutory financial statements in a condensed form

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Jurisdiction: Denmark

Representatives: Not at this session

Has your jurisdiction adopted IFRS for SMEs?

– No

If no, why have you not adopted?

- National law prescribes other GAAP for SMEs
- IFRS for SMEs is under study
- Possible conflicts with the European Accounting Directives

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Jurisdiction: Germany

Representatives: Not at this session

Has your jurisdiction adopted IFRS for SMEs?

– No

If no, why have you not adopted?

– National law prescribes other GAAP for SMEs

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Jurisdiction: Hong Kong

Representatives: Not at this session

Has your jurisdiction adopted IFRS for SMEs?

– Yes

– Alternatively SMEs can use full IFRSs (HKFRSs) or simplified local GAAP for SMEs

– Modifications:

– Called Private Entities rather than SMEs

– Some changes in Sec 29 *Income Taxes*

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Jurisdiction: India

Representatives: Not at this session

Has your jurisdiction adopted IFRS for SMEs?

– No

If no, why have you not adopted?

- Standard setter has adopted national GAAP for SMEs
- IFRS for SMEs is under study

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Jurisdiction: Malta

Representatives: Not at this session

Has your jurisdiction adopted IFRS for SMEs?

– No

If no, why have you not adopted?

- Standard setter has adopted national GAAP for SMEs

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Jurisdiction: Mexico

Representatives: Not at this session

Has your jurisdiction adopted IFRS for SMEs?

– No

If no, why have you not adopted?

– Standard setter has adopted national GAAP for SMEs

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Jurisdiction: Netherlands

Representatives: Not at this session

Has your jurisdiction adopted IFRS for SMEs?

– No

If no, why have you not adopted?

– National law prescribes other GAAP for SMEs

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Jurisdiction: Norway

Representatives: Not at this session

Has your jurisdiction adopted IFRS for SMEs?

– No

If no, why have you not adopted?

- National law prescribes other GAAP for SMEs
- Standard setter has adopted national GAAP for SMEs
- IFRS for SMEs is under study

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Jurisdiction: Poland

Representatives: Not at this session

Has your jurisdiction adopted IFRS for SMEs?

– No

If no, why have you not adopted?

- National law prescribes other GAAP for SMEs

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Jurisdiction: Russian Federation

Representatives: Not at this session

Has your jurisdiction adopted IFRS for SMEs?

– No

If no, why have you not adopted?

- IFRS for SMEs is too difficult for most of our SMEs
- National law prescribes other GAAP for SMEs
- SMEs prefer to prepare 'tax accounts'

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Jurisdiction: Singapore

Representatives: Not at this session

Has your jurisdiction adopted IFRS for SMEs?

– Yes

- Large unlisted companies must use full SFRSs (nearly 100% IFRSs)
- Those eligible to use the SME standard may also choose full SFRSs

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Jurisdiction: Taiwan

Representatives: Not at this session

Has your jurisdiction adopted IFRS for SMEs?

– No

If no, why have you not adopted?

- IFRS for SMEs is too difficult for most of our SMEs
- National law prescribes other GAAP for SMEs
- IFRS for SMEs is under study

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Jurisdiction: Tunisia

Representatives: Not at this session

Has your jurisdiction adopted IFRS for SMEs?

– No

If no, why have you not adopted?

- We have one set of local GAAP for SMEs and publicly accountable entities
- It is based on the 1995 IASs, though we have adopted the 2001 IASB Conceptual Framework

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Jurisdiction: United States of America

Representatives: Not at this session

Has your jurisdiction adopted IFRS for SMEs?

- Yes
- It is optional, but few have taken the option
- Alternatively SMEs can use US GAAP

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Questions or comments?

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Thank you for your attention.

Expressions of individual views by members of the IASB and its staff are encouraged. The views expressed in this presentation are those of the presenter. Official positions of the IASB on accounting matters are determined only after extensive due process and deliberation.



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