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IFRS Global office
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# IFRS in Focus
# IASB issues a Request for Information on the *IFRS for SMEs*

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For more information please see the following websites:

www.iasplus.com

www.deloitte.com

**The Bottom Line**

- The Request for Information is the first step in the IASB's initial comprehensive review of the *IFRS for SMEs*.
- The IASB is seeking comments on specific sections of the *IFRS for SMEs* as well as general feedback from respondents on their experiences with the Standard.
- The Request for Information does not contain any preliminary views.
- The consultation period ends on 30 November 2012.

## Background

On 26 June 2012, the International Accounting Standards Board (IASB) issued a Request for Information *Comprehensive Review of the IFRS for SMEs* ('the RFI') as the first step in its initial comprehensive review of the *IFRS for SMEs* (International Financial Reporting Standard for Small and Medium-sized Entities). The IASB developed the RFI in close consultation with the IASB's Small and Medium-sized Entities Implementation Group (SMEIG) to assess entities' experiences implementing the *IFRS for SMEs*, seek views of those applying, using or otherwise interested in the *IFRS for SMEs* and consider whether there is a need to amend any existing guidance as a result of feedback received. The IASB expects to consider amendments to the *IFRS for SMEs* approximately once every three years.

The RFI does not contain any preliminary views of the IASB or the SMEIG and is organised into two parts: Part A contains specific questions on particular sections of the *IFRS for SMEs*, whilst Part B contains general questions about the *IFRS for SMEs*.

Observation

The IASB undertaking a comprehensive review of the *IFRS for SMEs* will not necessarily translate into significant changes to the *IFRS for SMEs*. The *IFRS for SMEs* was developed to simplify the full IFRSs for use by smaller entities. The IASB did not anticipate that all changes to full IFRSs issued subsequent to publishing the *IFRS for SMEs* would necessitate a change to the *IFRS for SMEs*. Instead, the IASB considers the merits of possible changes to the *IFRS for SMEs* in the context of the capabilities of small and medium-sized entities (SMEs) and the needs of users of their financial statements.

### Part A of the Request for Information

Part A of the RFI addresses the following questions historically raised by constituents:

- Is the current scope of the *IFRS for SMEs* appropriate?

- Are changes to the *IFRS for SMEs* needed as a result of the revised requirements in new and amended full IFRSs that have been published after the *IFRS for SME*s was issued in July 2009?

- Are changes to specific requirements in the *IFRS for SMEs* necessary based on the needs of users of SME financial statements, specific circumstances of SMEs and cost-benefit considerations?

- Are there additional topics or issues which should be addressed in the *IFRS for SMEs* which are not currently covered in the RFI?

### Part B of the Request for Information

Part B of the RFI addresses the following general questions regarding respondents' experiences with the *IFRS for SMEs* and the suite of information currently supporting it:

- Should minor improvements to full IFRSs necessitate an amendment to the *IFRS for SMEs* on a prospective basis where the *IFRS for SMEs* is based on existing wording from full IFRSs?

- Should the SMEIG continue to develop question and answer (Q&A) guidance intended to support use of the *IFRS for SMEs*, and if so, how should the Q&A guidance be incorporated into the *IFRS for SMEs*?

- Is the IFRS Foundation's *IFRS for SMEs* training material adequate and appropriate?

- Are there additional issues which should be considered by the IASB relating to the *IFRS for SMEs*?

### Next steps

The consultation period ends on 30 November 2012. The IASB intends to publish its final revisions to the *IFRS for SMEs* in either the second half of 2013 or the first half of 2014, with a target effective date of 2015 for any revisions. Revisions to the *IFRS for SMEs* would be subject to an exposure draft.

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