

IFRS in Focus

IASB issues a Request for Information on the *IFRS for SMEs*

Contents

Background

Part A of the Request for Information

Part B of the Request for Information

Next steps

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.

For more information please see the following websites:

www.iasplus.com

www.deloitte.com

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 SMEs* 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.

Key contacts

IFRS global office

Global IFRS Leader – Clients and Markets

Joel Osnoss

ifrsglobalofficeuk@deloitte.co.uk

Global IFRS Leader – Technical

Veronica Poole

ifrsglobalofficeuk@deloitte.co.uk

Global IFRS Communications Director

Mario Abela

ifrsglobalofficeuk@deloitte.co.uk

IFRS centres of excellence

Americas

Canada

Karen Higgins

iasplus@deloitte.ca

LATCO

Fermin del Valle

iasplus-LATCO@deloitte.com

United States

Robert Uhl

iasplusamericas@deloitte.com

Asia-Pacific

Australia

Anna Crawford

iasplus@deloitte.com.au

China

Stephen Taylor

iasplus@deloitte.com.hk

Japan

Shinya Iwasaki

iasplus-tokyo@tohmatu.co.jp

Singapore

Shariq Barmaky

iasplus-sg@deloitte.com

Europe-Africa

Belgium

Laurent Boxus

BEIFRSBelgium@deloitte.com

Denmark

Jan Peter Larsen

dk_iasplus@deloitte.dk

France

Laurence Rivat

iasplus@deloitte.fr

Germany

Andreas Barckow

iasplus@deloitte.de

Luxembourg

Eddy Termaten

luisplus@deloitte.lu

Netherlands

Ralph ter Hoeven

iasplus@deloitte.nl

Russia

Michael Raikhman

iasplus@deloitte.ru

South Africa

Graeme Berry

iasplus@deloitte.co.za

Spain

Cleber Custodio

iasplus@deloitte.es

United Kingdom

Elizabeth Chrispin

iasplus@deloitte.co.uk

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

“Deloitte” is the brand under which tens of thousands of dedicated professionals in independent firms throughout the world collaborate to provide audit, consulting, financial advisory, risk management, and tax services to selected clients. These firms are members of Deloitte Touche Tohmatsu Limited (DTTL), a UK private company limited by guarantee. Each member firm provides services in a particular geographic area and is subject to the laws and professional regulations of the particular country or countries in which it operates. DTTL does not itself provide services to clients. DTTL and each DTTL member firm are separate and distinct legal entities, which cannot obligate each other. DTTL and each DTTL member firm are liable only for their own acts or omissions and not those of each other. Each DTTL member firm is structured differently in accordance with national laws, regulations, customary practice, and other factors, and may secure the provision of professional services in its territory through subsidiaries, affiliates, and/or other entities.

This publication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or its and their affiliates are, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your finances or your business. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

None of Deloitte Touche Tohmatsu Limited, its member firms, or its and their respective affiliates shall be responsible for any loss whatsoever sustained by any person who relies on this publication.

© 2012 Deloitte Touche Tohmatsu Limited

Designed and produced by The Creative Studio at Deloitte, London. 20205A