

PRESS RELEASE

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For immediate release

IASB completes comprehensive review of the *IFRS for SMEs*

The International Accounting Standards Board (IASB) today issued limited amendments to the *IFRS for SMEs* following a comprehensive review. The Standard, which was specifically developed for small and medium-sized entities, has seen remarkable uptake, with millions of companies using it worldwide.

The *International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs)* was developed in response to international demand for the IASB to develop global standards for small and medium-sized entities (SMEs). The simplified, self-contained Standard was issued in 2009, and has since been widely adopted.

Of the 140 countries surveyed as part of the IFRS Foundation's project to assess adoption of International Financial Reporting Standards (IFRS) and the *IFRS for SMEs* globally, 72 jurisdictions have confirmed that they permit or require the *IFRS for SMEs* and an additional 14 are currently considering adoption. The Standard is also available in more than 25 languages.

The IASB started the initial comprehensive review of the *IFRS for SMEs* in 2012, with the aim of considering implementation experience and assessing whether there was a need to make any amendments to the Standard. After consulting widely with constituents, the IASB concluded that the *IFRS for SMEs* required little change. However, some areas were identified where targeted improvements could be made.

The most significant changes, which relate to transactions commonly encountered by SMEs, are:

- permitting SMEs to revalue property, plant and equipment; and
- aligning the main recognition and measurement requirements for deferred income tax with IFRS.

The majority of the amendments clarify existing requirements or add supporting guidance, rather than change the underlying requirements in the *IFRS for SMEs*. Consequently, for most SMEs and users of their financial statements, the amendments are expected to improve understanding of the existing requirements, without having a significant effect on an SMEs' financial reporting practices and financial statements.

Commenting on the amendments to the Standard, Hans Hoogervorst, Chairman of the IASB, said:

"The IFRS for SMEs has been a remarkable success and is now used by millions of companies worldwide. The amendments are expected to improve the Standard for companies and users of their financial statements. As a result we expect the adoption to spread further, improving reporting and consistency among companies without public accountability around the world."

Entities reporting using the *IFRS for SMEs* are required to apply the amendments for annual periods beginning on or after 1 January 2017. Earlier application is permitted provided all amendments are applied at the same time.

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Notes to editors:

- The amendments to the *IFRS for SMEs* can be found [here](#) and the Basis for Conclusions can be found [here](#). A complete revised version of the *IFRS for SMEs* will be issued in the next few months.
- A project summary and feedback statement, outlining how the IASB has consulted with the public during the comprehensive review, can be found [here](#).
- Information on the adoption of the *IFRS for SMEs* around the world can be found [here](#).
- Background information on the *IFRS for SMEs* can be found [here](#).

About the IFRS Foundation, IASB and IFRS

The IFRS Foundation is as an independent, not-for-profit organisation, overseen by a Monitoring Board of public authorities. Its vision of a single set of global accounting standards is supported by G20 leaders and other international organisations with responsibility for the global financial system.

The mission of the IFRS Foundation is to develop International Financial Reporting Standards (IFRS Standards) that bring transparency, accountability and efficiency to financial markets around the world, fostering trust, growth and long-term financial stability. The International Accounting Standards Board (IASB) is the standard-setting body of the IFRS Foundation, made up of independent experts from diverse professional and geographic backgrounds. IFRS is adopted by more than 100 countries globally.

For detailed information on the organisation's structure, the standard-setting process and the spread of IFRS Standards globally, visit www.ifrs.org.