

Update on Global Adoption of the IFRS for SMEs
 (Source: IASPlus website)

| <i>Country</i> | <i>IFRS for SMEs</i> | <i>ED Released</i> | <i>Other</i> |
|---------------------|--|--------------------|---|
| <i>Asia Pacific</i> | | | |
| Cambodia | On the 25 August 2009 the National Accounting Council of the Ministry of Economy and Finance of Cambodia made <i>IFRS for SMEs</i> <u>an option</u> for all companies in Cambodia except for ‘public interest entities’ which are required to use full IFRSs. | | |
| Hong Kong | | | In August 2005 the Hong Kong Institute of Certified Public Accountants released its own Small & Medium-sized Entity Financial Reporting Framework (SME-FRF). The SME-FRF became effective for optional use by a qualifying entity’s ¹ first financial statements that cover a period beginning on or after 1 January 2005. |
| Korea | | | The Korean Accounting Standards Board (KASB) is developing Korean Accounting Standards for Non-Public Entities based on existing Korean GAAP with some modifications. KASB expects to converge its standards for non-public entities with the <i>IFRS for SMEs</i> ‘in the long term’. |

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| <i>Asia Pacific – cont.</i> | | | |
| Mauritius | Enactment of <i>Finance Bill 2009</i> amending the accounting requirements permitting the <i>IFRS for SMEs</i> as an option for small state-owned enterprises ² . There is currently a consultation process on a proposal to extend the option to use the <i>IFRS for SMEs</i> to all non-state owned companies with turnover of greater than 50 million rupees but less than 200 million rupees which currently must use full IFRSs. | | |
| Mongolia | | | Accounting Law requires all for-profit and non-profit entities, including SMEs, stated-owned enterprises and other entities to prepare financial statements in full compliance with full IFRSs. |
| Philippines | Adopted effective 1 January 2010 – known as the <i>Philippines Financial Reporting Standards for SMEs</i> . The Philippines Securities and Exchange Commission in its En Banc Resolution dated August 13 2009 adopted a definition of small and medium sized entities that includes a size criterion ³ . | | |

1. Qualifying entities include Hong Kong incorporated companies that meet certain legal requirements and overseas companies that have no public accountability, meet size requirements and where owners agree to use the SME-FRF.

2. The accounting structure for SMEs in Mauritius includes the following:

- some state owned enterprises with a turnover of 50 million rupees (about US\$1.7 million) or less will have the choice between full IFRSs or *IFRS for SMEs*
- remaining state owned enterprises with revenue of 50 million rupees or less can choose *IFRS for SMEs* or the Financial Reporting Framework and Standards
- companies in Mauritius that are not state owned enterprises and have turnover of 50 million rupees or less are exempted from preparing financial statements but must prepare a schedule of financial information.

3. An entity is an SME if: entity has total assets of between P3 million and P350 million or total liabilities of between P3 million and P250 million; it is not required to file financial statements under SRC Rule 68.1; it is not in the process of filing its financial statements for the purpose of issuing any class of instruments in a public market; it is not a holder of a secondary license issued by a regulatory agency; and it is not a public utility.

| <i>Country</i> | <i>Adopted IFRS for SME</i> | <i>ED Released</i> | <i>Other</i> |
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| European Union | | | |
| European Union | | | <p>The European Commission issued a Consultation Paper on 17 November 2009 with a closing comment date of 12 March 2010 seeking EU stakeholders' views on the <i>IFRS for SMEs</i>. The consultation paper seeks responses to questions which includes views on: (a) whether the respondents thought that <i>IFRS for SMEs</i> was suitable for widespread adoption across Europe; (b) preparers identified costs or benefits and any other effects of adopting <i>IFRS for SMEs</i>; (c) if you are a user of accounts whether <i>IFRS for SMEs</i> would provide more useful information than national GAAP accounts; (d) whether increased comparability of accounts prepared under <i>IFRS for SMEs</i> benefits users of the accounts; and (e) whether there is a case for giving companies, at EU level, an option to adopt the <i>IFRS for SMEs</i>. There were 199 responses received to this consultation.</p> |

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| <i>Other Europe, Middle East, Africa</i> | | | |
| United Kingdom | | <p>In August 2009 the UK Accounting Standards Board (ASB) issued “The Future of UK GAAP” Consultation Paper with a closing date of 1 February 2010.</p> <p>The Consultation Paper outlines the Board’s proposed approach to converge with the IASB framework to the fullest extent possible consistent with the needs of UK entities. The Board’s envisaged framework consists of a three-tier approach including:</p> <p>Tier 1 which would apply EU adopted IFRS and apply to EU listed, AIM, IEX and Publicly accountable entities including publicly accountable 100% subsidiaries;</p> <p>Tier 2 which would apply <i>IFRS for SMEs</i> and apply to non-publicly accountable entities; and</p> <p>Tier 3 which would apply FRSSE and apply to small entities (as at present).</p> <p>Under the proposal all entities will have the option to voluntarily adopt a higher tier.</p> | |

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| <i>Other Europe, Middle East, Africa – cont.</i> | | | |
| Botswana | In September 2009 – the Council of the Botswana Institute of Accountants adopted a Resolution on the <i>IFRS for SMEs</i> which states that the standard which was issued in July 2009 takes immediate effect ⁴ . | | |
| Namibia | On 17 February 2010 by Resolution of its Council, the Institute of Chartered Accountants of Namibia has adopted <i>IFRS for SMEs</i> for use in Namibia for financial statements authorised for issue after 17 February 2010 ⁵ . | | |

4. Companies will assets greater than P5,000,000 (about US\$700,000) or turnover greater than P10,000,000 (about US\$1,400,000) must use full IFRS. Public Interest Entities must use full IFRS. All other entities may apply the *IFRS for SMEs* except where the entities are required by legal provisions or other regulations to complete with specific financial reporting framework other than *IFRS for SMEs*.

5. Public companies or Private companies in Namibia which do not have public accountability may apply *IFRS for SMEs*. For entities other than companies where the founding document requires compliance with a ‘fair presentation framework’ may apply *IFRS for SMEs* if the entity does not have public accountability. For entities where legal provisions or other regulation requires compliance with a specific reporting framework may not apply *IFRS for SMEs*.

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| Other Europe, Middle East, Africa | | | |
| Sierra Leone | <p>On 30 December 2009 the Council for Standards of Accounting, Auditing, Corporate and Institutional Governance (CSAAG) of Sierra Leone passed a Resolution adopting the <i>IFRS for SMEs</i> for profit seeking entities that fall outside its conditions for application of full IFRSs.</p> <p><i>IFRS for SMEs</i> is voluntary for reporting periods commencing 1 January 2010 and is mandatory for reporting periods commencing 1 January 2011.</p> <p>CSAAG also adopted a separate not-for-profit/public-benefit-entity standard based on the UK SORP 2005 for Charities.</p> | | |
| Americas | | | |
| Argentina | | <p>On the 19 March 2010 the Federación Argentina de Consejos Profesionales de Ciencias Económicas (the national professional accounting body in Argentina) issued an exposure draft proposing to adopt <i>IFRS for SMEs</i> as an option for all entities not required to use full IFRSs.</p> | |
| Barbados | <p>Council of The Institute of Chartered Accountants of Barbados voted in September 2009 to permit <i>IFRS for SMEs</i> as an alternative to full IFRSs for unlisted companies.</p> | | |

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| Brazil | In December 2009 the Brazilian Accounting Pronouncements Committee adopted an unofficial Portuguese version of <i>IFRS for SMEs</i> as an option for SMEs in Brazil pending the IASC Foundation's official translation. This standard was endorsed by the Brazilian Federal Accounting Council. | | |
| Costa Rica | On 30 September 2009 the Institute of Certified Public Accountants adopted the <i>IFRS for SMEs</i> to be effective for financial years beginning 1 January 2010 however the Institute is still deliberating which entities will qualify as SMEs and therefore are eligible to use the <i>IFRS for SMEs</i> . | | |
| Dominican Republic | In February 2010 the Institute of CPAs of the Dominican Republic (ICPARD) established mandatory use of <i>IFRS for SMEs</i> for all companies whose shares are not quoted on the BVRD (the Stock Exchange of the Dominican Republic). The resolution provides for a two-step implementation of the <i>IFRS for SMEs</i> requiring some sections as mandatory starting in 2010 while other sections become mandatory in 2014. | | |
| Guyana | In February 2010 the Institute of Chartered Accountants of Guyana adopted the <i>IFRS for SMEs</i> as issued by the IASB for use in Guyana for financial statements for periods ending on or after 31 December 2009. | | |

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| <i>Americas</i> | | | |
| Trinidad & Tobago | In February 2010 The Institute of Chartered Accountants of Trinidad & Tobago adopted the <i>IFRS for SMEs</i> as issued by the IASB for use for financial statements effective immediately, including for 2009 and prior periods. ICATT's announcement said that "the adoption of this Standard impacts the majority of the entities in Trinidad and Tobago and would simplify the level of accounting and auditing requirements for qualifying entities choosing to implement the Standard." | | |
| Venezuela | In November 2009 the professional accountancy organisation in Venezuela adopted the <i>IFRS for SMEs</i> for all SMEs in Venezuela. The use of <i>IFRS for SMEs</i> is voluntary for financial statements for year ending 31 December 2010 and will become mandatory for year ending 31 December 2011. | | |