

Comprehensive review of the IFRS for SMEs

A request for information issued by the International Accounting Standards Board

Comments from ACCA to the IASB

25 November 2012

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Further information about ACCA's comments on the matters discussed here can be sent to:

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ACCA welcomes the opportunity to comment on the request for information issued by the International Accounting Standards Board. The ACCA Global Forum for Corporate Reporting has considered the matters raised and their views are represented in the following.

SUMMARY

The IFRS for SMEs is potentially the most important standard issued by the IASB given the potential of its application to the millions of entities around that fall within its scope.

ACCA very much supports this request for information (RFI) as we support the three yearly update system proposed by IASB when the standard was issued, of which this RFI is the first component. Updating the IFRS for SMEs is crucial to maintain its quality and relevance.

While different jurisdictions have had different starting points and priorities, the initial three years since publication has however not been a very long time in developing practical experience with using the standard. In a number of countries the intention to use it is there but the process of gaining acceptance for that has taken up those three years. Nevertheless as we have noted above the process of updating should in our view proceed.

Our detailed responses to the questions raised have been developed on the following principles

- The principles of accounting for an item and terminology should be the same between full IFRS and IFRS for SMEs except where there are good reasons around complexity or different user needs for

them to be different. We support proportionate change to the IFRS for SMEs in line with IFRS issued since 2009, rather than leaving things as they were first included in the IFRS for SMEs

- The scope of application should be left as far as possible to national jurisdictions to determine
- Accounting options should be inserted to allow companies to stay with the full IFRS treatment where the IFRS for SMEs has adopted another treatment to reduce complexity.

SPECIFIC COMMENTS

These are set out in the IASB' s response document attached .