Accounting and financial reporting needs of SMEs

Workshop material:

Implementing the IFRS for SMEs

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Implementing the IFRS for SMEs

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Information supply chain

Education underpins competence across the information chain

Preparers → Corporate governance → IFRSs the IFRS for SMEs → Auditing → Enforcement → Capital providers

Education underpins competence across the information chain
Implementation challenges

• Mindset change: investor/lender-focus
  – (not tax, not government statistics, not prudential regulation, not…)
• Skillset change: make judgements and estimates to apply IFRSs/the IFRS for SMEs
• Capacity issues: underdeveloped accounting profession in many jurisdictions
The IFRS for SMEs

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The *IFRS for SMEs*

Good financial reporting made simple

- 230 pages
- Simplified IFRSs, but built on an IFRS foundation
- Completely stand-alone
- Designed specifically for SMEs
- Internationally recognised
- Final standard issued July 2009
Why would an SME adopt it?

– Improved access to capital
  • This is the #1 issue for SMEs
– Improved comparability
– Improved quality of reporting as compared to existing national GAAP
– Reduced burden where full IFRSs or full national GAAP are now required for SMEs
Implementation support

IFRS for SMEs
Summary

• *IFRS for SMEs* translated into 26+ languages
• 34 modules of comprehensive training material
• 30+ regional ‘train the trainer’ workshops (3+ days)
  • ppt. files free to download
• SME Implementation Group (SMEIG)
  • issues non-mandatory guidance (Q&As)
• guidance for micros to apply the *IFRS for SMEs*
Free *IFRS for SMEs* training material

- IFRS Foundation develops training material
  - 35 training modules:
    - explain all requirements (notes and examples)
    - discuss important judgements and estimates
    - multiple choice questions, tutorials and cases
  - PowerPoint presentations to support 3–5 days of intensive training
- Work with development agencies and others
  - information to those contemplating adoption
  - home-language material (translations)
  - regional ‘train the trainers’ workshops
Free *IFRS for SMEs* training material: translations

- Comprehensive training modules (see [http://go.ifrs.org/smetraining](http://go.ifrs.org/smetraining))
  - Translations: Arabic, Russian, Spanish and Turkish

- PowerPoint presentations (see [http://go.ifrs.org/trainingppts](http://go.ifrs.org/trainingppts)):
  - Translations: Arabic, French, Portuguese, Russian, Spanish and Turkish
Multiplier effect: ‘train the trainers’

- 3-day *IFRS* for SMEs ‘train the trainer’ workshops
  - Kuala Lumpur and Hyderabad in January 2010
  - 85 trainers from 15 countries
  - organised by CAPA
  - funded by Asian Development Bank
  - IFRS Foundation material + facilitators

- Multiplier effect: next 6 months >50 workshops train
  +4,500 people (source: CAPA 2010 annual report)

Now 31+ workshops; participants from 110+ countries
Guidance for micro-sized SMEs to apply the *IFRS for SMEs*

- tiny companies
- not a new standard
- extract relevant principles from *IFRS for SMEs*
- Guidance booklet will contain cross-references to *IFRS for SMEs* for matters omitted in micro booklet
Free *IFRS for SME* downloads from IASB Website

**IFRS for SMEs (full standard, translations):**
http://go.ifrs.org/IFRSforSMEs

**Training materials (35 modules):**
http://go.ifrs.org/smetraining

**PowerPoint training modules (20 PPTs):**
http://go.ifrs.org/trainingppts

**Board and staff presentations:**
http://go.ifrs.org/presentations

**Update newsletter:**
http://go.ifrs.org/smeupdate

**Implementation Group Q&As:**
http://go.ifrs.org/smeig
Thank you