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**Intergovernmental Working Group of Experts on International  
Standards of Accounting and Reporting  
(ISAR)**

**40<sup>th</sup> SESSION  
17 – 19 October 2023**

Wednesday, 18 October 2023

**Agenda item 4. Accounting and reporting needs of  
microenterprises and small and medium-sized enterprises  
and the role of accounting and reporting in facilitating the  
formalization of businesses in the informal sector**

Presented by

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## Accounting and reporting needs of microenterprises and small and medium-sized enterprises and the role of accounting and reporting in facilitating the formalization of businesses in the informal economy

40<sup>th</sup> session of the intergovernmental working group of experts on ISAR  
United Nations World Investment Forum, Abu Dhabi, UAE  
18 October 2023

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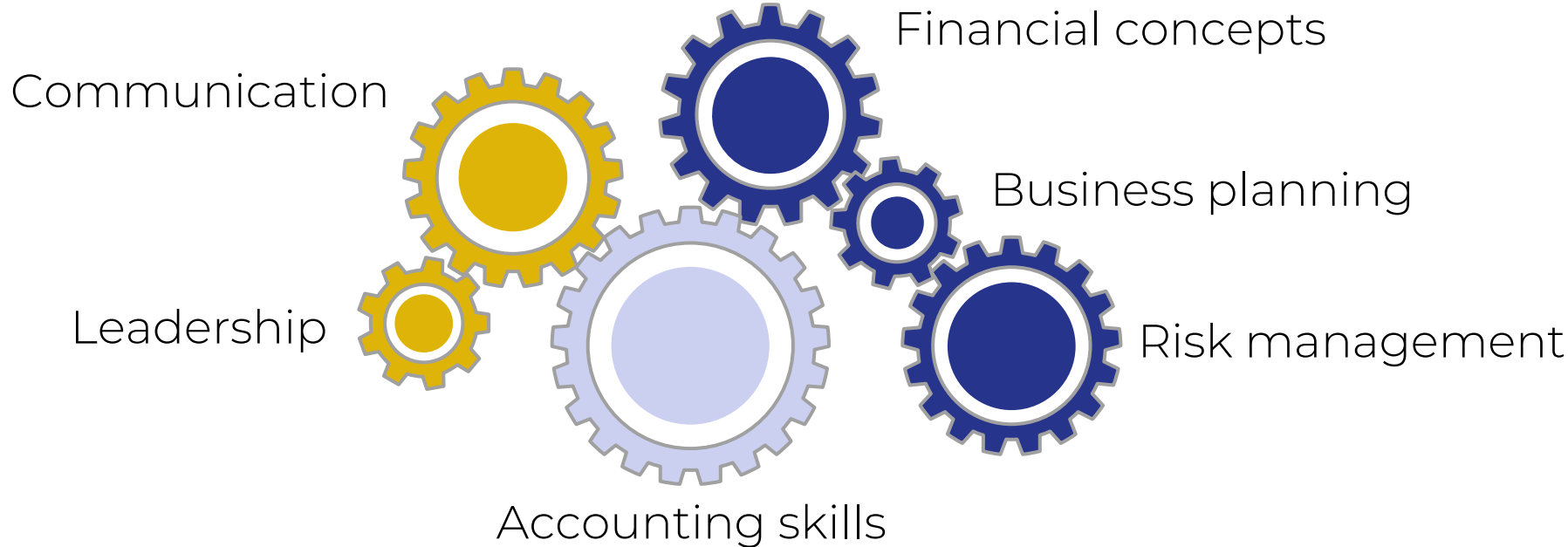
Dr. Elizabeth Ooi  
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# The accounting skills gap in financial education for MSMEs



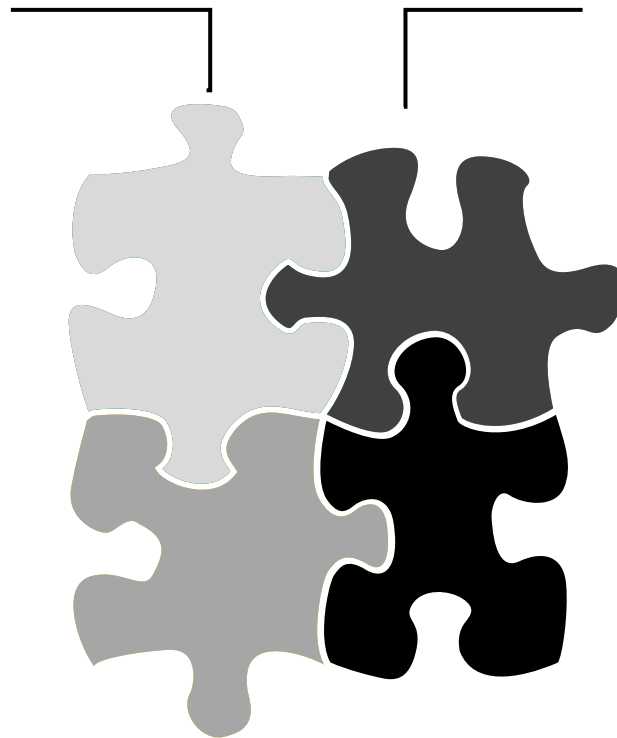
## Soft skills

## Hard skills



# Other ways to improve financial education/ financial literacy for MSMEs

Consider optimal delivery methods by testing “just-in-time” and the use of technology



Widen school curriculum to incorporate more entrepreneurial studies and opportunities

Increase financial behaviour coverage in addition to financial knowledge

Improve FL test validity by examining participant’s test behaviours and how best to interpret FL scores

The formalization of MSMEs can bring significant benefits to individuals and economies.

The role of accounting and reporting in supporting formalisation should not be underestimated.

The keystone to ensuring that MSMEs maintain proper accounting records and useful financial statements is financial literacy.

Researchers, policymakers & regulators can work together to improve financial education and literacy for MSMEs.

