

Application of IFRS for SMEs (amended in 2015) in AOSSG 26-member jurisdictions¹

Jurisdiction	SMEs				
	IFRS for SMEs under consideration	IFRS for SMEs with modifications permitted	IFRS for SMEs permitted	SMEs not required to use full IFRS are required to use IFRS for SMEs	IFRS for SMEs not used
Australia*					X Note2
Brunei	X Note3				X
Cambodia [@]			X Note4		
China*					X Note5
Dubai International Financial Centre			X Note6		
Hong Kong*			X Note7		
India*					X Note8
Indonesia [@]					X Note9
Iraq			X Note10		
Japan*					X Note11
Kazakhstan			X Note12		
Korea					X Note13
Macao					X Note14
Malaysia* [@]		X Note15			
Mongolia	X Note16				X
Nepal [@]			X Note17		
New Zealand					X Note18
Pakistan [@]				X Note19	
Philippines			X Note20		
Saudi Arabia*				X Note21	
Singapore			X Note22		
Sri Lanka			X Note23		
Syria [@]					X Note24
Thailand	X Note25				X
Uzbekistan					X Note26
Vietnam					X Note27
Total	3	1	9	2	14

[@] Members of AOSSG IFRS for SMEs Working Group

* An individual from the jurisdiction is a member of IASB SME Implementation Group

Note:

- ¹ This table is prepared based on: (1) information provided by AOSSG IFRS for SMEs Working Group members in July 2017; and (2) the jurisdictional profiles available at IASB webpage as at 6 June 2017, IFRS use around the world. The IASB webpage was last updated on 30 March 2017.
- ² The AASB is continuing to monitor the IFRS for SMEs for potential adoption in Australia, and currently considers its disclosure requirements in determining the disclosure concessions for Tier 2 General Purpose Financial Statements. Adoption of IFRS for SMEs for a potential Tier 3 of requirements for General Purpose Financial Statements is one option for consideration under the AASB's current Australian Reporting Framework Project. At present, all SMEs that are Reporting Entities are permitted to use IFRS Standards (ie the AASB's Tier 1 reporting requirements) or the AASB's Tier 2 Reduced Disclosure Requirements (only disclosure concessions – Tier 2 has the same recognition and measurement requirements as Tier 1).
- ³ For small and medium enterprises (SMEs), the BDASC is still in the process of reviewing the suitable accounting standards as well as formulating criteria for SMEs and cottage industries.
- ⁴ All SMEs are permitted to use the IFRS for SMEs. Non-publicly accountable SMEs subject to a statutory audit have a choice of either the IFRS for SMEs or full IFRS. The statutory audit is required when a company meets a certain threshold of revenue, asset value, and number of employees.
- ⁵ China used the IFRS for SMEs as an important reference when developing the Chinese Accounting Standard for Small Entities.
- ⁶ Regulated entities in Prudential Category 3B, Category 3C or Category 4, which does not hold or control Client Assets or Insurance Monies; and are not authorised under its license to carry on the Financial Service of Operating an Alternative Trading System are permitted to use IFRS for SMEs.
- ⁷ An SME (as defined in the IFRS for SMEs Standard) may choose to report under (a) HKFRS (which is the equivalent of the IFRS Standards), (b) IFRS Standards as issued by the IASB Board (if the SME is incorporated outside Hong Kong), (c) the HKFRS for Private Entities, which is the equivalent of the IFRS for SMEs, or (d) the Hong Kong Small and Medium-sized Entity Financial Reporting Framework and Financial Reporting Standard (SME-FRF & SME-FRS) if it satisfies the criteria set out in the Hong Kong Companies Ordinance.
- ⁸ SMEs use national standards.
- ⁹ The DSAK IAI used the IFRS for SMEs as a point of reference.
- ¹⁰ SMEs (simple companies and individual projects) are permitted to use the IFRS for SMEs.
- ¹¹ The IFRS for SMEs has been translated into Japanese.
- ¹² Medium-sized business enterprises and state enterprises are required to use either full IFRS or the IFRS for SMEs. Small enterprises must choose between full IFRS, the IFRS for SMEs, and a national standard.
- ¹³ Unlisted companies that are subject to external audit are required to use Korean GAAP (which is Accounting Standards for Non-Public Entities) unless they choose to use full IFRS Standards. Also, unlisted companies other than those subject to external audit are required to use Korean GAAP for SME (which is Accounting Standards for SME) unless they choose to use full IFRS Standards or Korean GAAP (which is Accounting Standards for Non-Public Entities).
- ¹⁴ There is already a set of accounting standards for micro and mini businesses in Macao. The CRAC feels that it is not appropriate to have too many tiers of accounting standards in Macao.
- ¹⁵ Private entities shall comply with either the Malaysian Private Entities Reporting Standard (MPERS) in its entirety; or Malaysian Financial Reporting Standards (MFRS) in their entirety. Section 1 Small and Medium-sized Entities has been modified to prescribe the applicability of the MPERS in the Malaysian context. In this regard, all references to 'SMEs' and 'public accountability' in Sections 1-35 have been replaced by the term 'private entities'. Section 9 Consolidated and Separate Financial Statements requires the ultimate Malaysian parent to prepare consolidated financial statements regardless of whether its ultimate parent that is not incorporated in Malaysia prepared consolidated financial statements. Section 34 Specialised Activities has been amended to provide guidance on the accounting for property development activities in Malaysia. Consequently, Example 12 on Agreements for the Construction of Real Estate contained in the Appendix to Section 23 Revenue has been removed.
- ¹⁶ The Ministry of Finance is working on amendments to Accounting Law that will include classification of entities. The Ministry of Finance states that once the classification is established, they will legislate the adoption of the IFRS for SMEs.
- ¹⁷ SMEs may choose (a) IFRS Standards adopted as Nepal Financial Reporting Standards or (b) the existing Nepal Accounting Standards with certain exemptions and simplifications for SMEs. The existing Nepal Accounting Standards will continue to be available to such entities until July 15, 2019. The NFRSs for SMEs has been developed and approved by ASB Nepal and its implementation has been pronounced by Institute of Chartered Accountants of Nepal making it effective from July 15, 2019.
- ¹⁸ Non-publicly accountable entities or non-large for-profit public sector entities that are required by law to prepare general purpose financial statements may use the RDR. That is, they apply the same recognition and measurement requirements as in IFRS Standard, but with substantially reduced disclosures (based in part on the disclosure concession principles used in IFRS for SMEs Standard). Most small and medium-sized for-profit entities do not have a statutory requirement to prepare financial statements in accordance with GAAP.
- ¹⁹ SMEs are not required to follow IFRS but IFRS for SMEs. Micro-sized entities are allowed to follow Accounting and Financial Reporting Standards for Small-sized Entities.
- ²⁰ All SMEs that meet specified criteria must use the PFRS for SMEs unless they elect to use full PFRS.
- ²¹ SOCPA has endorsed the IFRS for SMEs to be effective in 2018 for use by all non-publicly accountable entities. Entities would be permitted to elect early adoption in 2017. SOCPA has added some disclosures to the IFRS for SMEs but not otherwise modifying the IFRS for SMEs.
- ²² An entity is eligible to use the SFRS for Small Entities if it is not publicly accountable, publishes general purpose financial statements for external users, and meets the definition of a 'small entity'. They may use full SFRS or, if they receive permission from ACRA, they may use full IFRS. The only differences between the Singapore version of the IFRS for SMEs (known as the SFRS for Small Entities)

and the IFRS for SMEs are not all Singapore companies that meet the IASB's definition of SMEs are eligible to use the SFRS for Small Entities; and the Accompanying Note to the Singapore equivalent of IFRIC 15 is an integral part of the SFRS for Small Entities. This guidance is intended to be consistent with the requirements of IFRIC 15.

- ²³ Specified Business Enterprises (SBEs) above a defined size threshold and non SBEs are permitted to apply the SLFRS for SMEs.
- ²⁴ SMEs are not generally required to prepare general purpose financial statements. Those that do may use full IFRS Standards.
- ²⁵ Non-Public Accountable Entities (NPAEs) shall comply with Thai Financial Reporting Standard for NPAEs (TFRS for NPAEs) which is modified from IFRS for SMEs with simplification for NPAEs in Thailand context. However, IFRS for SMEs has been translated to Thai for optional to adopt. Its effective date is expected to be 1 January 2019. The NPAEs are eligible to use IFRS for SMEs.
- ²⁶ SMEs use national accounting standards.
- ²⁷ SMEs in Vietnam use an accounting regime for SMEs developed by the Ministry of Finance. These SME standards are simplified compared to Vietnamese Accounting Standards.