

Application of IFRS for SMEs in AOSSG 27-member jurisdictions – July 2020¹

Jurisdiction	SMEs				
	IFRS for SMEs under consideration	IFRS for SMEs with modifications	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 ^{Note 1}
Bangladesh	X ^{Note 2}				
Brunei	X ^{Note 3}				X
Cambodia [@]			X ^{Note 4}		
China*					X ^{Note 5}
Dubai International Financial Centre			X ^{Note 6}		
Hong Kong SAR*			X ^{Note 7}		
India*					X ^{Note 8}
Indonesia [@]	X ^{Note 9}				
Iraq			X ^{Note 10}		
Japan*					X ^{Note 11}
Kazakhstan			X ^{Note 12}		
Korea					X ^{Note 13}
Macao SAR					X ^{Note 14}
Malaysia* [@]		X ^{Note 15}			
Mongolia	X ^{Note 16}				X
Nepal [@]			X ^{Note 17}		
New Zealand					X ^{Note 18}
Pakistan [@]				X ^{Note 19}	
Philippines			X ^{Note 20}		
Saudi Arabia*				X ^{Note 21}	
Singapore			X ^{Note 22}		
Sri Lanka			X ^{Note 23}		
Syria [@]					X ^{Note 24}
Thailand	X ^{Note 25}				X
Uzbekistan					X ^{Note 26}
Vietnam					X ^{Note 27}
Total	3	1	9	2	14

[Notes to the table are shown below]

¹ This table is prepared based on: (1) information submitted by AOSSG member or publicly available information without performing any independent verification [some of that information was provided by AOSSG IFRS for SMEs Working Group members in July 2017 and subsequently checked with members in July 2020 via email]; and (2) the jurisdictional profiles available at IASB webpage as at 23 July 2020, IFRS use around the world [last updated on 30 March 2017]. AOSSG bears no responsibility for the information in this table.

- Note 1 The AASB recently re-evaluated the suitability of the IFRS for SMEs Standard as the Tier 2 GPFS framework in Australia and confirmed that the full IFRS for SMEs Standard continues not to be a preferred option for the for-profit private sector in Australia. However, the AASB has used the disclosure requirements from the IFRS for SMEs standard as a basis for developing a separate disclosure standard for for-profit private sector entities that are required to comply with Australian Accounting Standards but do not have public accountability (Tier 2 entities).
- Tier 2 entities must comply with all recognition and measurement requirements in the Australian Accounting Standards, but have simplified disclosure requirements. The AASB is monitoring the IASB's Subsidiaries that are SMEs project and may consider adopting any resulting standard in due course. Also, the AASB is currently revisiting the financial reporting framework for not-for-profit private entities and the IFRS for SMEs standard has been noted as a possible option for a foundation of one of the potential reporting tiers.
- Note 2 In process- Medium entities will not be required to follow full IFRS but IFRS for SMEs. Small entities will be allowed to follow Accounting and Financial Reporting Standards for Small-sized entities.
- Note 3 BDASC has issued Brunei Darussalam Accounting Standards known as BDAS for non-public accountable entities including SMEs effective as of 1st January 2018.
- Note 4 IFRS for SMEs standards are adopted word-for-word as Cambodian International Financial Reporting Standards for Small and Medium Enterprises (CIFRS for SMEs). CIFRS for SMEs was effective from 1 January 2010, with early adoption permitted from 2009. CIFRS for SMEs is permitted for non-publicly accountable entities, specialized banks, microfinance institutions, leasing companies and rural credit institutions that are not taking deposit.
- Note 5 China used the IFRS for SMEs as an important reference when developing the Chinese Accounting Standard for Small Entities.
- Note 6 Pertains for Dubai for which we have not received any updates - 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.
- Note 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.
- Note 8 SMEs use national standards.
- Note 9 Non Public Accountable Entities (NPAEs) shall comply with Indonesian Financial Reporting Standard for NPAEs (SAK ETAP). In 2009, SAK ETAP is developed using the Exposure Draft (ED) IFRS for SMEs as one point of references. Currently, DSAK IAI is conducting Post Implementation Review to revise SAK ETAP with IFRS for SMEs 2015 is used as reference.
- Note 10 SMEs (simple companies and individual projects) are permitted to use the IFRS for SMEs.
- Note 11 The IFRS for SMEs has been translated into Japanese.

- Note 12 Pertains to Kazakhstan for which we have not received any updates - 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.
- Note 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).
- Note 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.
- Note 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. MFRSs are identical to IFRS Standards. Financial statements that assert compliance with MFRSs are also required to assert compliance with IFRS Standards.
- Note 16 Pertains for Mongolia for which we have not received any updates - 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.
- Note 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.
- Note 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 NZ IFRS RDR, which includes disclosure concessions. That is, they apply the same recognition and measurement requirements as in IFRS Standards, 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.
- Note 19 Pakistan has adopted IFRS for SMEs issued by IASB. All SMEs that are not publicly accountable and meet specified criteria are required to use IFRS for SMEs, unless they elect to use IFRS Standards as adopted in Pakistan. Micro-

sized entities based on the specified criteria are required to follow Revised Accounting and Financial Reporting Standard for Small-sized Entities. However, Micro-sized entities can also elect to use IFRS Standards as adopted in Pakistan or IFRS for SMEs. All companies are also allowed to elect the use of IFRS Standards as issued by IASB.

- Note 20 Pertains to Philippines for which we have not received any updates - All SMEs that meet specified criteria must use the PFRS for SMEs unless they elect to use full PFRS.
- Note 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.
- Note 22 A company is eligible to use the Singapore Financial Reporting Standard for Small Entities (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'. Such a company may also use Singapore Financial Reporting Standards (International) or Singapore Financial Reporting Standards that are wholly or substantially aligned with IFRS Standards, or IFRS Standards if approval for the use of IFRS Standards is granted by the Accounting and Corporate Regulatory Authority. The only differences between 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 Agreements for the Construction of Real Estate is an integral part of the SFRS for Small Entities. This guidance is intended to be consistent with the requirements of IFRIC 15.
- Note 23 All entities that are covered under section 1.2 of SLFRS for SMEs excluding Specified Business Enterprises (SBEs) [except SBEs above defined size thresholds] are permitted to apply SLFRS for SMEs.
- Note 24 In Syria, IFRS for SMEs is still not adopted.
- Note 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 is under consideration to modify with the Thailand context.
- Note 26 Pertains to Uzbekistan for which we have not received any updates -SMEs use national accounting standards.
- Note 27 Vietnam has an accounting interpretation for SME and Micro Small Enterprises, not to apply IFRS for SME.