

AOSSG IFRS for SMEs WORKING GROUP

This Memo sets out the following:

1. Working Group Members
2. Objective of the Working Group
3. Possible work plan

Action from Members:

Please provide any comments or feedback on the proposed work plan of the Working Group.

1. Working Group Members

No	Country
1	Malaysia (Leader)
2	Cambodia
3	Indonesia
4	Nepal
5	Pakistan
6	Syria

2. Objective of the Working Group

The objective of the IFRS for SMEs Working Group (WG) is to facilitate AOSSG in providing input and feedback to the IASB on the IFRS for SMEs Standard.

This WG plans to seek input from the Members to understand their challenges in applying the IFRS for SMEs. This feedback will be used as a basis for the WG to set its future agenda.

As a first step, an analysis of *Application of IFRS for SMEs in AOSSG 26-member jurisdictions* (see Appendix 1) have been undertaken. In total, 12 AOSSG members permit or require the application of the IFRS for SMEs.

3. Possible work plan

We had emailed to the IASB staff to enquire what they would like the AOSSG WG to do to contribute to the 2019 review or any other activities/ work which would be useful to the IFRS for SMEs / SMEIG. To this, the staff has responded that:

- (a) they would be very keen to get some feedback about what is working and what isn't working in relation to the IFRS for SMEs Standard in the AOSSG region as this kind of analysis would be very helpful input for the next review; and

- (b) they envisage that they would probably be putting together a RFI and ask for views whether the IASB should incorporate changes in each of the major new full IFRS Standards (IFRS 9-16) and any modifications if these Standards were to be incorporated into the IFRS for SMEs Standards.

In this regard, they believe that feedback on the type of questions for the RFI and what kinds of modifications to IFRS 9, 15 & 16 might be appropriate would be helpful.

Prior to undertaking the work as suggested by the IASB staff, we believe it is necessary to understand the AOSSG member jurisdictions experience in applying the IFRS for SMEs Standard, particularly the number of years the Standard has been applied in the respective AOSSG member jurisdictions. Currently, we are in the process of gathering the said information and append below is the status as at 14 September 2017:

Analysis of jurisdictions which are applying / permitted to apply IFRS for SMEs:

(i) WG members

No	Country	Status of Application	Effective since
1	Malaysia (Leader)	IFRS for SMEs with modifications is permitted.	1/1/2016
2	Cambodia	IFRS for SMEs permitted	Information to be made available
3	Nepal	IFRS for SMEs is permitted.	15/7/2019
4	Pakistan	SMEs not required to use full IFRS are required to use IFRS for SMEs.	Information to be made available
5	Indonesia	IFRS for SMEs not used.	-
6	Syria	IFRS for SMEs not used.	-

(ii) Other AOSSG members

No	Country	Status of Application	Effective since
1	Dubai International Financial Centre	IFRS for SMEs is permitted.	Information to be made available
2	Hong Kong	IFRS for SMEs is permitted.	Information to be made available
3	Iraq	IFRS for SMEs is permitted.	Information to be made available
4	Kazakhstan	IFRS for SMEs is permitted.	Information to be made available
5	Philippines	IFRS for SMEs is permitted.	1/1/2010
6	Saudi Arabia	SMEs not required to use full IFRS are required to use IFRS for SMEs.	Information to be made available
7	Singapore	IFRS for SMEs is permitted.	1/1/2011
8	Sri Lanka	IFRS for SMEs is permitted.	1/1/2012

Summary of the Analysis:

Implemented IFRS for SMEs for:	No. of jurisdictions	Jurisdictions
≥ 3 years	3	Philippines, Singapore & Sri Lanka
< 3 years	1	Malaysia

Yet to implement	1	Nepal
Information to be made available	7	Cambodia, Pakistan, Dubai, Hong Kong, Iraq, Kazakhstan & Saudi Arabia

Questions to Members:

We observe that the IASB normally begins a post implementation after the IFRS Standard has been implemented for two years internationally, which is generally about 30-36 months (i.e. 3 years) after the effective date.

In getting feedback about what is working and what isn't working in relation to the IFRS for SMEs Standard, do members think that:

- (a) 3 years is a good benchmark to indicate whether AOSSG member jurisdictions that have adopted the IFRS for SMEs would have sufficient experience to share? or
- (b) the years of implementation or experience in applying the IFRS for SMEs is not a relevant consideration for the feedback?