

IFRS for SMEs General, Issue 1

Application of the *IFRS for SMEs* for financial periods ending before the *IFRS for SMEs* was issued

Draft Q&As are published by the SME Implementation Group (SMEIG), which assists the IASB¹ in supporting the implementation of the *International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs)*. The Q&As are intended to provide non-mandatory and timely guidance on specific accounting questions that are being raised with the Implementation Group by users implementing the *IFRS for SMEs*.

The SMEIG invites comments on whether the proposed Q&A provides useful and sufficient guidance on the matter.

Comment deadline: 30 November 2011.

Comments must be submitted electronically via the IASB's website: <http://go.ifrs.org/IFRS+for+SMEs+QandA>.

Comment documents should state the name and address of the organisation or individual submitting the comment (and, if an organisation, the name of a contact person), and a contact email address.

All comments will be posted on the IASB's website.

Issue

- 1 The IASB issued the *IFRS for SMEs* on 9 July 2009 and did not specify a date from which the *IFRS for SMEs* is effective. Can the *IFRS for SMEs* be used for periods ending before 9 July 2009?

Response

- 2 Yes—the *IFRS for SMEs* can be used for periods ending before 9 July 2009 when preparing:
 - financial statements for the first time for a particular reporting period; and
 - a new set of financial statements for a period in which, previously, the financial statements were presented under a different accounting framework.
- 3 However, the decision on whether specified entities are required or permitted to use the *IFRS for SMEs* rests with the legislative and regulatory authorities and standard-setters in individual jurisdictions. Therefore, an entity will need to ensure it is permitted to prepare the financial statements in accordance with the *IFRS for SMEs* in its particular jurisdiction for that reporting period.

Basis for Conclusions

BC1 The Board did not specify a date from which the *IFRS for SMEs* is effective. Nothing in the *IFRS for SMEs* prevents those entities that do not have public accountability from preparing their financial statements for a period ending before 9 July 2009, in accordance with the *IFRS for SMEs*.

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