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Main Differences between full IFRS and IFRS for SMEs

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<tr>
<td>BC</td>
<td>Basis for Conclusions to the IFRS for SMEs</td>
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<td>EU</td>
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<td>GAAP</td>
<td>Generally Accepted Accounting Principles</td>
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<td>IAS</td>
<td>International Accounting Standards</td>
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<td>IASB</td>
<td>International Accounting Standards Board</td>
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<td>IASC</td>
<td>Inter-Agency Standing Committee</td>
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<td>IFRIC</td>
<td>International Financial Reporting Interpretation Committee</td>
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<td>IFRS</td>
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<td>SIC</td>
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1 Introduction
The globalization becomes more and more important for the international capital markets. Therefore, it is crucial creating a comparable information-basement worldwide and account similar entities in a similar way. The biggest groups of the entities, acting on the markets (public or local) are the small and medium-sized entities with about 95 % (IASB 2009). So the IASB released an own standard for them in July 2009 and so they created “a new form of the full IFRS”. In this paper are in section two and three the basic definitions and intentions of the IASB concerning the full IFRS and the IFRS for SMEs discussed. Afterwards in section four the main similarities of full IFRS and IFRS for SMEs are addressed as well as the main differences between these two standards. A conclusion and summarization of the intentions, the advantages and disadvantages is made after each section and the changes or consequences of the new standard are analyzed. Section 5 deals with the final question. Is the new created standard more a burden or more an easement for the small and medium-sized entities?

2 Intention of IFRS for SMEs
Why considered the IASB the fact, that small and medium-sized entities need different accounting rules than other entities so important, that they made a new standard? There has been an incredibly high demand from standard setters, small companies and auditors all over the world. And they proclaimed that the public and the small and medium-sized entities themselves have a huge interest in that (Pacter 2009). Most users (lenders, vendors, rating agencies) of the annual financial statements depend their decisions on information provided to them. Therefore, this information has to be specific for the needs of those users. A lot of small and medium-sized entities have to or maybe want to use IFRS. So they were complaining about the burdensome, unclear and time-consuming regulations of the full IFRS, as these regulations do not fit to their needs and some sections would be unnecessary for them. The users of the financial statements of SMEs are more interested in short-term financial ratios rather than the ones investing in public entities (Pacter 2009). Therefore a standard fulfilling their needs is unavoidable to strengthen their position in the market and encourage the users of the financial statements to invest in these entities.
3 Definitions of full IFRS and IFRS for SMEs

3.1 Full IFRS
The International Accounting Standards Board (IASB), founded in 2001 as a successor of the International Accounting Standards Committee (IASC) and including 14 members, which is responsible for the development of the International Financial Reporting Standards (IFRS) wanted to create “understandable and enforceable global accounting standards that require high quality, transparent and comparable information in financial statements and other financial reporting to help participants in the various capital markets of the world and other users of the information to make economic decisions.” (Preface to IFRS No. 6). So they invented an international accounting standard, usable all over the world and since the year 2000, the European Commission made these standards with the “endorsement practice” a legal right in the European Union (IASB 2009).
They are completely independent from every national accounting standard (e.g. the German GAAP or the French GAAP). It consists of the standards themselves (the IFRS and the IAS), the interpretations (SIC and IFRIC) to the standards additionally and the framework. While the standard illustrates the regulations and the rules of proper global accounting, the interpretations should support the user in order to guide him with uncertain and complicated issues (Preface to IFRS No. 15). In comparison, therefore the framework does not form up new regulations. In fact, it is rather a range, where the standards should fit in. The developer, in this case the IASB, should always be aware of the framework and not cross the range of the framework (Preface to IFRS No. 2).

3.2 IFRS for SMEs
There have been many considerations about the necessity of a reduced form of the full IFRS. Because for a certain group of entities, most regulations are not needed. Or it is a huge financial effort to provide this information to the receiver of the statements. So eventually, the IASB conceived a new standard especially for small and medium-sized entities and released it in July 2009 (Beiersdorf et al. 2009). They have worked on it for more than five years and the result is a document with about 230 pages, detached from the full IFRS. Based on meticulous research all over the world, the IASB established an exposure draft first in 2007, and then, after adjustments to better satisfy the needs of small and medium-sized entities, the final version was released (IASB 2009).
3.3 SME
The new standard is only valid for entities conforming to the prerequisites of small and medium-sized entities. There is an official statement of the IASB, defining which entity is an SME. So the IASB classifies them as entities, “that do not have public accountability and publish general purpose financial statements for external users only.” (IFRS for SMEs 1.2). This means, that if the financial statements of an entity follow a specific intention (for example for taxation), they are not supposed to use IFRS for SMEs, because the statements are not according to the standard.

Explicitly excluded are entities having debt or equity instruments in a public market or in the process of issuing such instruments for trading in a public market (IFRS for SMEs 1.3a). But also entities holding assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses. Characteristic examples are banks, credit unions, insurance companies or investment banks (IFRS for SMEs 1.3).

There are no quantitative criteria defining a SME. Because of the global application of the IFRS it is hardly possible to define constraints and therefore only qualitative criteria are crucial (Beiersdorf et al. 2009).

4 Main similarities and differences
4.1 Similarities
4.1.1 Basic principles
According to the Basis for Conclusions No. 95-97 the IASB considered the “top-down-approach” for defining the new IFRS for SMEs as a better alternative than a totally fresh start, which would have been too expensive and time-consuming (Beiersdorf et al. 2009). So the IFRS for SMEs were developed based on the full IFRS initially and continued to modify them for the special needs of the small and medium-sized entities. The basic principles and mandatory guidance are the same like for example the main demands on the financial statements. Those are amongst others understandability, relevance, materiality, reliability, completeness and comparability. Also the definitions of the basic positions in the balance sheet, like assets or liabilities are similar to the full IFRS (Beiersdorf et al. 2009).

4.1.2 Accounting principles
Furthermore not only the basic principles were transferred from the full IFRS, also the most principles of accounting. The definitions of the basic items in the statement of financial position and the statement of comprehensive income are the same. So the sections 2.15 till 2.26 handle with the same explanations of assets, liability and equity or income and expenses like the full IFRS (IFRS for SMEs 2.15 – 2.26). Equally the principles of accrual income calculation and the prohibition to offset in general were
taken over. To recognize an asset or a liability to the statement of financial position initially, there have to be taken three steps as well:

1. Step: the definition criteria have to be fulfilled.
2. Step: future economic benefits/obligations are probable flowing to the entity/leave the entity.
3. Step: the item can be measured reliably.

(IFRS for SMEs 2.36 – 2.39)

4.1.3 Parts of the financial statement
Section 3.17 of the IFRS for SMEs defines the parts of the financial statement. They consist of:

- A statement of financial position
- Either a single statement of comprehensive income, where the income statement is included or,
- An own income statement and an own statement of comprehensive income
- A statement of changes in equity
- A statement of cash flows and
- Notes.

Besides the segment reporting, they are consistent with the full IFRS. Also the renaming, happened in 2007 and changed IAS 1, was transferred to the IFRS for SMEs. Though, the entity has the option which titles they want to use for the financial statements as long as they are not misunderstandable (IFRS for SMEs 3.22). Here are the most important commonalities between the full IFRS and the IFRS for SMEs in the parts of the financial statements:

**Statement of financial position and comprehensive income**

Another similarity of the full IFRS and the IFRS for SMEs is, that there is neither a mandatory structure for the statement of financial position, nor for the statement of comprehensive income and the income statement respectively. The entity just needs to follow certain line items to ensure the understandability of the economic entity’s situation (IFRS for SMEs 4.2 ff. & 5.5 ff., full IFRS IAS 1.54).

In the statement of financial position the items have to be divided into current or non-current assets or they have to be presented based on the liquidity when this seems to be the better option for the entity (IFRS for SMEs 4.4, full IFRS IAS 1.60).

Additionally, the income statement can either be illustrated with the “nature of expense method” or the “function of expense method” (IFRS for SMEs 5.11, full IFRS IAS 1.103).
Statement of cash flows
The statement of cash flows has to be differentiated between the cash flow of operating activity, the cash flow of investing activity and cash flow of financing activity (IFRS for SMEs 7.1, full IFRS IAS 7.10). So the user of the statement is able to evaluate the impact of the entity’s activities on the financial position (IFRS for SMEs 7.1, full IFRS IAS 7.11). This is an essential aspect for both the readers of the financial statements of the small and medium-sized entities and the ones using the full IFRS. Furthermore both methods (the full IFRS and the IFRS for SMEs) give the user the choice either using the direct or the indirect method of presenting the cash flows (IFRS for SMEs 7.7, full IFRS IAS 7.18).

Comparative Information
For quantitative information both the IFRS for SMEs and the full IFRS stipulate that an entity has to present the previous period for all amounts and narrative information additionally, when the understanding of the current period’s financial statement is not guaranteed (IFRS for SMEs 3.14, full IFRS IAS 1.38).

4.1.4 First time adoptions
Because of the arising complexity and opaqueness of the IFRS, the IASB decided to implement the IFRS 1 in June 2003 in order to simplify the procedure for first-time adopters (full IFRS IFRS 1 IN2). First-time adopters are entities, using the full IFRS or IFRS for SMEs (changers from full IFRS to IFRS for SMEs are also first-time adopters IFRS for SMEs 35.1) for the very first time (IFRS for SMEs 35.1 & 35.2, full IFRS IFRS 1.4). To ensure that the costs of the transition to IFRS will not exceed the benefits, all the first-time adoption exemptions were transferred to the IFRS for SMEs (McQuaid 2009, IFRS for SMEs BC 34 (gg)). For example the use of fair value as deemed cost (IFRS for SMEs 35.10 (c), full IFRS IFRS 1.30). For the items property, plant and equipment, investment property or intangible assets, it may cause huge efforts to convert the carrying amount from the local GAAP to the IFRS (either full IFRS or IFRS for SMEs). So the assumption of the fair value being the carrying amount can be regarded.

4.1.5 Summary
To sum up the similarities of the full IFRS and the IFRS for SMEs the most important basics of accounting and accounting definitions are quite the same. These create the primary basement of the IFRS for SMEs and its following more specific accounting principles, differing from the full IFRS. The elementary principles are quite alike, so they allow the user of the financial statements a certain basis to compare the financial statements to each other. A complete new standard with other main definitions and principles would probably have made it impossible to analyze both, an entity with public accountability using the full IFRS and an entity fulfilling the
qualification of a small or medium-sized entity and find similarities, when even the basics differ that much. So it was the best solution of the IASB to set up the "new standard" with the main features of the old one.

4.2 Differences

4.2.1 Long-term non-financial assets
The term “long-term non-financial assets” includes property, plant and equipment, intangible assets and investment properties. In this chapter the main differences between full IFRS and IFRS for SMEs of initial recognition and subsequent measurement of these three items are highlighted.

Property plant and equipment
Property, plant and equipment in general “are tangible assets, that are held for use in the production or supply of goods or services”, and are supposed to be used for more than one period (IFRS for SMEs 17.2, full IFRS IAS 16.6). Initially, they are recognized with their cost (IFRS for SMEs 17.9, full IFRS IAS 16.15). So far, the valuation of both methods is similar. But it differs when it comes to the subsequent measurement, in IFRS for SMEs there is just the “cost model” (means the cost less accumulated depreciation and less impairment losses) accepted. While there is an option in the full IFRS to choose either the “cost model” or the “revaluation model” (if the fair value can be measured reliably, it shall be carried at a revalued amount less subsequent accumulated depreciation and subsequent accumulated impairment losses (full IFRS IAS 16.31)) (full IFRS IAS 16.29). The IASB used to consider allowing both options, but came to the conclusion that the small and medium-sized prefer the less cost- and time-consuming method anyway, so they just included the simpler option in the standard (IFRS for SMEs BC 90).

Intangible assets
An intangible asset is a non-monetary asset without physical substance that can be identified. This definition specifically excludes financial assets (IFRS for SMEs 18.2 & 18.3, full IFRS IAS 38.8). In comparison to the full IFRS there is one particular difference between the both of them. Indeed, the initial recognition is for both methods at cost (IFRS for SMEs 18.9, full IFRS IAS 38.24). But the recognition criteria are different, for internally generated intangible assets in particular. The full IFRS IAS 38.52 stipulates the classification of those assets in two parts: the research and the development phase. While entities using the full IFRS have to handle research costs as expenses and development costs (when the asset fulfills certain prerequisites) have to be capitalized, the small and medium-sized entities have to recognize the costs of both phases as expenses (IFRS for SMEs 18.14). SMEs are often not able to check the prerequisites of capitalization because of the lack of financial or other economic resources (Beiersdorf et al. 2009). Also the subsequent measurement of intangibles with an indefinite useful life is different. In the full IFRS you just do not amortize regularly, so the entity is forced to
make an annually impairment test without any impairment indicator. It also has to check whether the expected useful life is still indefinite (full IFRS IAS 38.88 ff.). To simplify this process and to follow the cost-benefit ratio for the small and medium-sized entities, the IASB chose to leave this differentiation out and assumed, if the useful life cannot be estimated reliably, it has to be assumed to be 10 years, also for goodwill (IFRS for SMEs 18.20).

**Investment property**

“Investment property is property (land or a building or part of a building, or both) held by the owner or by the lessee under a finance lease to earn rentals or for capital appreciation or both.” (IFRS for SMEs 16.2, full IFRS IAS 40.5). Their initial measurement is at cost (IFRS for SMEs 16.5, full IFRS IAS 40.20). But the IASB cancelled for SMEs the option for subsequent measurement. The full IFRS IAS 40.30 does envisage the option between the “cost model” and the “fair value model”. After initial measurement, the entity shall measure the investment property always at its fair value. So there is no regular amortization (full IFRS IAS 40.33). In comparison to the full IFRS, there is no real option in the IFRS for SMEs. In case there is a reliable measurement of the fair value without undue cost effort, the investment property has to be capitalized with its fair value with changes recognized in profit or loss. Otherwise the cost model is obligatory (IFRS for SMEs 16.7 & 16.8).

But who decides what an “undue cost effort” is? So maybe the small and medium-sized entities can decide themselves, whether they want to use the "cost model“ or the “fair value model", and so there would be no real difference from the full IFRS eventually.

**4.2.2 Borrowing costs**

Borrowing costs are additional costs in connection with the borrowing of funds, e.g. interest expenses (IFRS for SMEs 25.1, full IFRS IAS 23.5). In the full IFRS the borrowing costs must be recognized as an asset, when they are part of a qualifying asset. A qualifying asset is an asset that needs a particular production time or a certain time being prepared for sale (full IFRS IAS 23.5). IFRS for SMEs prohibits this capitalization and initializes recognition of these costs as expenses in profit or loss (IFRS for SMEs 25.2).

**4.2.3 Inventory**

Inventories are defined in the full IFRS IAS 2.6 and in the IFRS for SMEs as follows:

They are “held for sale in the ordinary course of business and in the process of production for such sale. Or they are in the form of materials or supplies to be consumed in the production process or in the rendering of services, additionally to the first prerequisite.”
Initially they are measured at the lower of cost and net realizable value (estimated selling price less costs to complete and sell) (Beiersdorf et al. 2009). The cost include all cost of purchase, conversion and other cost, bringing them to their present location and condition (full IFRS IAS 2.10). But in the IFRS for SMEs the borrowing costs are explicitly excluded in 25.2. (IFRS for SMEs BC 120) The cost-benefit approach made the IASB to disregard these expenses as initial cost.

4.2.4 Financial Instruments
While financial instruments are handled in the full IFRS in a few different standards (IAS 32, IAS 39, IFRS 7), they were simplified for the small and medium-sized entities. Even the definitions in both standards are different and so many other parts of the regulations.

Definition
The full IFRS define every single category of the financial instruments (full IFRS IAS 39.8 – IAS 39.10), and the IFRS for SMEs simplifies them as follows: "A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity." (IFRS for SMEs 11.3).

Classification of categories and measurement
So the new standards divide them in two parts: the basic financial instruments, described in section eleven of the IFRS for SMEs and the other financial instruments issues in section twelve of the IFRS for SMEs. For example cash, demand, commercial paper and other instruments mentioned in section 11.5 of the IFRS for SMEs belong to the basic financial instruments. After fulfilling certain compulsory criteria to be proclaimed as basic financial instruments (IFRS for SMEs 11.8) they are initially measured at their transaction price, therefore at cost and their subsequent measurement is also at cost. Except the equity instruments from section 11.4 and 11.8 (d) of the IFRS for SMEs are measured at their fair value if, and only if they are traded on a public market or the fair value can be measured reliably in another way than the public market (Beiersdorf et al. 2009). The other financial instruments are measured initially and subsequently at their fair value (unless they are equity instruments without a reliably measurable fair value) with changes recognized in profit or loss (IFRS for SMEs 12. 7 & 12.8). But in the full IFRS there are at least four categories of financial instruments: financial asset or financial liability at fair value through profit or loss (including derivatives), held-to-maturity investments, loans and receivables and available for sale financial assets. (full IFRS IAS 39.9). According to their category the initial and subsequent measurement and the explicit regulations of recognizing and derecognizing the instruments in the financial statements illustrated in the section 11.14 – 11.42 of the full IFRS for each category are different from the IFRS for SMEs. Their initial measurement is almost the same indeed, at cost or at fair value (full IFRS IAS 39.43 & 39.44) in contrast to the subsequent measurement. There are three options of recognizing the reporting date. Either they are recognized at their fair value and the changes are included in the profit or loss (full IFRS IAS
39.46 & IAS 55 (a)) or at fair value and the changes are included in the other comprehensive income (full IFRS IAS 39.55 (b)) or at amortized cost using the effective interest rate method (full IFRS IAS 39.46 (b) & (c))

Reclassification
Another big difference can be seen in the reclassification rules. The full IFRS has a series of regulation rules forbidding or complicating the reclassification of certain financial instruments. Also the punishment for the “illegal” reclassification can be hard with the full IFRS standard. So for example, when an entity reclassifies a part of its held-to-maturity investments and the reclassified amount is a significant part of the entire held-to-maturity investment, all of them have to be reclassified and the entity has to include the difference between the fair value and the carrying amount in the comprehensive income (full IFRS IAS 39.52 & 39.55(b)). The topic “reclassification” is neither mentioned in section eleven, nor in section twelve in IFRS for SMEs, and therefore this barrier is not supposed to be a problem for the small and medium-sized entities (IFRS for SMEs BC 101 (a)).

Embedded derivatives
In the full IFRS there are special explanations for derivatives (full IFRS IAS 39.9) and for embedded derivatives (an embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract) (full IFRS IAS 39.10) and their handling in the context of financial statements. However, this is not necessary in the IFRSs for SMEs. The non-financial contracts including embedded derivatives are simply accounted at their fair value (IFRS for SMEs BC 101 (d)).

4.2.5 Consolidated financial statements
Consolidated financial statements are a part of the full IFRS and the IFRS for SMEs as well. In IAS 27.4 there is the official definition of them designed by the IASB: “Consolidated financial statements are the financial statements of a group presented as those of a single economic entity.” Therefore a parent company has to create consolidated financial statements. Thus all the investments and subsidiaries, demanded from the standard IAS 27 are presented (full IFRS IAS 27.9). Small and medium-sized entities shall also illustrate the combination of entities or investments, regulated in IFRS for SMEs 9. The only main difference between the standards is,
that the small and medium-sized entities can present so called “combined financial statements”. They are only part of the IFRS for SMEs and irrelevant for the entities using full IFRS (IFRS for SMEs BC 151). These statements can be presented, if there are at least two entities controlled by a single investor. This regulation is not compulsory, it is an option (IFRS for SMEs 9.28). If this controlling investor is going to establish combined financial statements, the transactions and balances between the two combined entities have to be eliminated plus the principles of accounting and the reporting date have to be equal (IFRS for SMEs 9.29) This option may be a good possibility for entities under common control.

### 4.2.6 Deferred Taxes

Deferred tax liabilities or assets are the amounts of income tax payable or recoverable in future periods in respect of taxable temporary differences (full IFRS IAS 12.5). The IASB was thinking, that the principle of the deferred taxes should be simplified for small and medium-sized entities (IFRS for SMEs BC 122) because it could be hard for them to prepare an annually “tax balance sheet” or tracking the tax bases of a lot of assets (IFRS for SMEs BC 121). So they decided to make even another systematic for deferred taxes in comparison to the full IFRS IAS 12. Deferred taxes shall be capitalized if:

- There is an amount of taxes unpaid for current or prior taxes (tax liability) (full IFRS IAS 12.13)
- There is a benefit relating to a tax loss that can be carried back (tax asset) (full IFRS IAS 12.14)

The differences can happen because of differences between the “tax balance sheet” and the “IFRS balance sheet” in depreciation, different valuation of assets and liabilities etc. (full IFRS IAS 12.17 & 12.18). They shall be measured at their expected amount, the entity has to pay to the tax authorities with the tax rate valid at the end of the reporting period (full IFRS IAS 12.46).

In the IFRS for SMEs the definition is the same (IFRS for SMEs 29.2) and also most of the recognition criteria. But there is a simplification for the SMEs. IFRS for SMEs 29.28 stipulates the equal handling of deferred and current assets. There is no differentiation according to the asset or liability the tax is based on (IFRS for SMEs 29.28, IFRS for SMEs BC 155 (b)). Entities using full IFRS have to define this differentiation and according to that, the recognition and measurement of deferred and current taxes are different. (full IFRS IAS 12.46 & 12.47)

### 4.2.7 Employee benefits

There have also been made some modifications concerning the employee benefits, especially the post-employment benefits. Entities using full IFRS are forced to measure their defined benefit plan (other than defined contribution plans, therefore
no plans, the entity paying contributions to another entity, which pays the pensions for the employees) (full IFRS IAS 19.7) with the projected unit credit method (full IFRS IAS 19.64). It is “known as the accrued benefit method pro-rated on service or as the benefit/years of service method” (full IFRS IAS 19.64). If this method caused the small and medium-sized entity undue cost or effort, it would be allowed to measure their defined benefit plan with a simplified calculation method (IFRS for SMEs,28.19, IFRS for SMEs BC 34 (cc)). There is also a difference at the unvested past service cost. They result from a defined benefit plan “that attributes benefits to past service or changes the benefits payable for past service under an existing defined benefit plan.” (full IFRS IAS 19.97). Entities using the full IFRS have to amortize these costs using a straight-line method, until the benefits become vested (full IFRS IAS 19.96) and small and medium-sized entities may assert the whole costs in profit or loss immediately (IFRS for SMEs BC 68 (b)). But when the small and medium-sized entity uses the projected unit credit method, they may handle the actuarial gains or losses different than in the full IFRS stipulated. Actuarial gains or losses can be seen as experience adjustments and effects of changes in actuarial assumptions (full IFRS IAS 19.7). While IFRS for SMEs allows the recognition of the actuarial gains or losses immediately either in profit or loss or in other comprehensive income, full IFRS regulated, that public entities have to use the ten-percent corridor method. They may just recognize 10 percent exceeding the higher of:

- The present value the defined benefit obligation reaches at that reporting date
- Of the fair value of the plan assets at that reporting date (full IFRS IAS 19.92).

In order to obey the cost-benefit ratio, these simplifications were necessary and prevent the small and medium-sized entity from undue cost or effort.

4.2.8 Summary
The conclusion of the above mentioned should be obvious. The IASB tried to make the accounting easier for the small and medium-sized entities. It seemed to be an important fact for them to keep the cost – benefit ratio in mind and tried to give it a higher significance than maybe they did in the full IFRS. They also tried to avoid options in the IFRS for SMEs and chose often the simpler opportunity from the full IFRS for the small and medium-sized entities. That is, because they chose this option in the past anyway, for financial and time-consuming reasons. Further arguments and advantages for SMEs using the “new” IFRS are that the share- and stakeholders will gain a better insight into the financial situation and profitability of the entity, because it is more comprehensible and more understandable for “non professionals”, probably mostly owners of small and medium-sized entities in comparison to the full IFRS. A disadvantage for the SMEs could be the lack of comparability with the entities using full IFRS. These two standards pursue a two-fold strategy and can even make it hard to “read” the financial statements of two different entities properly. On the
other hand, it is not always necessary to be comparable with public entities for small and medium-sized entities. They are often “local players”, means they just perform on local or domestic markets.

5 Conclusion
The IASB was showing an effective “due process” in developing this new standard. Because there are nearly no links or references to the full IFRS, the IFRS for SMEs can be seen as a complete stand alone standard, despite the “top-down-approach”. With all the simplifications and easements in the new standard, there may probably be a great rush on it by the SMEs and it will gain great acceptance. Unfortunately, the new standard will possibly never be endorsed by the European Union. The regulations of generating a financial statement according to the IFRS are just for companies orientated towards the capital market. But the IFRS for SMEs is explicitly not for these companies. To reach the aim of getting this standard endorsed, the European Union would have to change the established EU regulations and that is quite improbable (Beiersdorf 2006). So this standard will perhaps stay a voluntary issue for the small and medium sized entities, but they will make use of this option quite likely.
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- International Financial Reporting Standards for Small and Medium-Sized Entities – Basis for Conclusion

Internet