



EUROPEAN COMMISSION

Internal Market and Services DG

FREE MOVEMENT OF CAPITAL, COMPANY LAW AND CORPORATE GOVERNANCE
Financial reporting

DRAFT

SUMMARY REPORT

OF THE RESPONSES RECEIVED TO THE

**COMMISSION'S CONSULTATION ON
THE INTERNATIONAL FINANCIAL REPORTING STANDARD
FOR SMALL AND MEDIUM-SIZED ENTITIES**

**DIRECTORATE-GENERAL FOR
THE INTERNAL MARKET AND SERVICES**

MAY 2010

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1. EXECUTIVE SUMMARY

Following the publication of the International Financial Reporting Standard for Small and Medium-sized Entities (hereinafter IFRS for SMEs) in summer 2009, the Commission Services decided to seek the opinion of EU stakeholders on this Standard.

During the four-month consultation period the Commission received more than 200 responses from various stakeholders from almost all Member States and several pan-European organisations.

Overall, divergent opinions were expressed by respondents with regard to the potential application of the IFRS for SMEs in Europe. It appears clear that in certain Member States the linkage between taxation and capital maintenance rules could make application of IFRS for SMEs more burdensome for some companies by duplicating reporting requirements.

However, there was also considerable support for using this Standard, especially for companies with subsidiaries in different Member States, companies seeking international finance, and companies either listed on non-regulated markets or considering a future listing. Using the Standard for consolidated accounts was seen as a possible compromise in those jurisdictions where the linkage between accounting, taxation and capital maintenance rules would make application of the Standard problematic in company annual accounts.

Many respondents commented that accounts' users would benefit from widespread adoption of the Standard mainly due to an increased ability to analyse and compare financial statements prepared in different jurisdictions. Other reported potential benefits include expanded cross-border trade, increased international growth of companies, more foreign merger and acquisition activity, a lowering of the cost of capital and a broadened capital base.

Respondents from a majority of Member States also considered that the IFRS for SMEs should be provided for in the EU accounting framework. In that case Member State option was generally preferred to a company option.

Finally, a majority of respondents were of the opinion that the Accounting Directives have a crucial role to play in the EU accounting framework, and that they should provide a set of general accounting principles applicable across the EU. They also highlighted the need to modernise and simplify the Directives, whilst reducing the administrative burden, especially for small companies. The revised Directives should also ensure that the key information needs of SME stakeholders are met.

2. INTRODUCTION

The public consultation on the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) took place between 17 November 2009 and 12 March 2010¹.

The objective of this consultation was to gather the view of EU stakeholders on the IFRS for SMEs that was published by the International Accounting Standard Board on 9 July 2009².

This report summarises the comments received during the consultation. Such input will assist DG Internal Market and Services in its ongoing review of the Accounting Directives.

The consultation document consisted of 12 questions gauging initial reactions to the standard, its possible application in the EU and its impact on the role of the Accounting Directives³.

The Commission Services received 208 responses from 25 EU Member States (MS) and 4 non-EU countries (see Fig. 1). There were 46 responses from lobbyists registered in the European Register of Interest Representatives⁴ and 23 from EU-wide organisations⁵ (see Table 1). Responses from public authorities and accounting standard setters from 21 MS were also received.

All responses are available on the European Commission website⁶. According to the Commission rules responses from registered lobbyists are presented separately from other responses.

¹ The consultation document can be found at:
http://ec.europa.eu/internal_market/consultations/2009/ifrs_for_sme_en.htm

² IASB's IFRS for SMEs website: <http://www.iasb.org/IFRS+for+SMEs/IFRS+for+SMEs.htm>

³ Accounting Directives are:

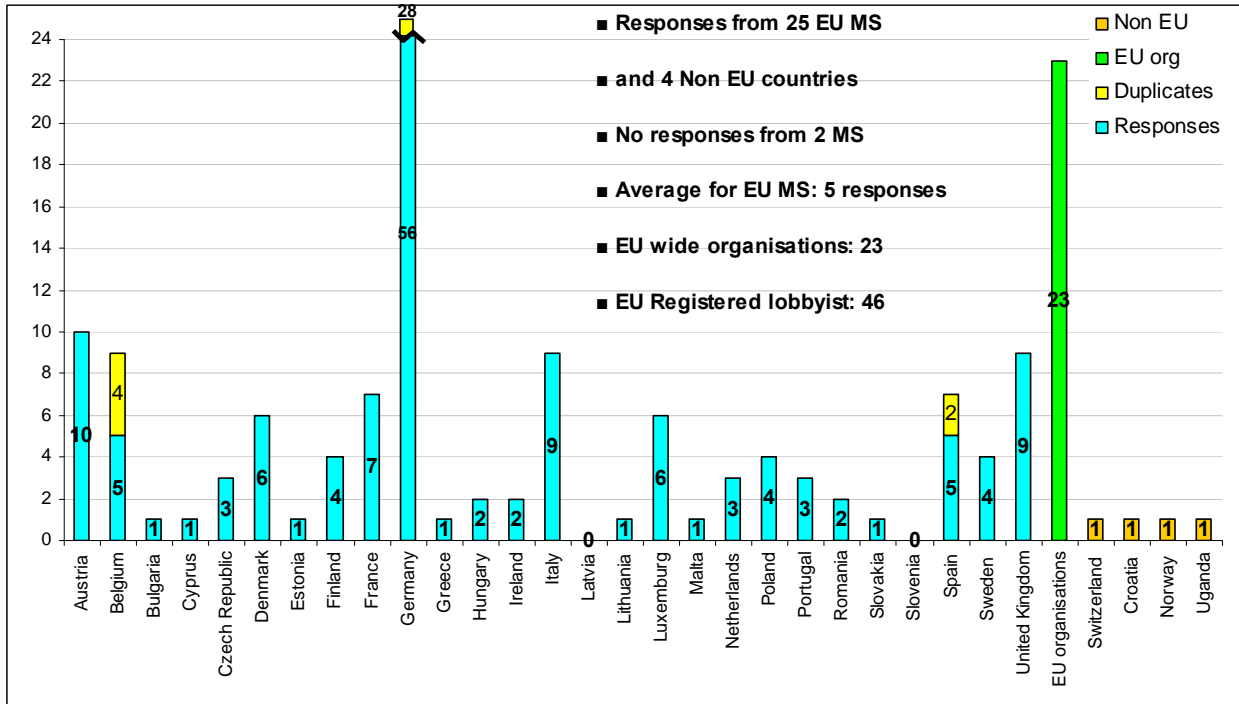
- Fourth Council Directive of 25 July 1978 based on Article 54 (3) (g) of the Treaty on the annual accounts of certain types of companies ([78/660/EEC](#))
- Seventh Council Directive of 13 June 1983 based on the Article 54 (3) (g) of the Treaty on consolidated accounts ([83/349/EEC](#))

⁴ European Commission. Register of Interest Representatives.
<https://webgate.ec.europa.eu/transparency/regrin/welcome.do>

⁵ Elsewhere in the document referred to as "EU-wide organisations"

⁶ Please see the responses to the Consultation at:
http://circa.europa.eu/Public/irc/markt/markt_consultations/library?l=/accounting/2010_consultation&vm=detailed&sb=Title

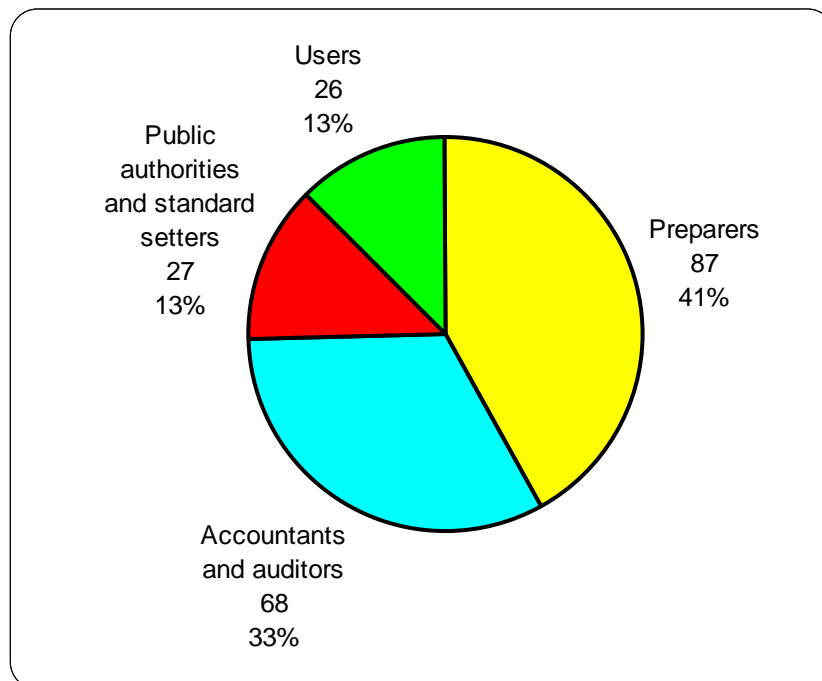
Fig. 1. Overview of responses per country.



Source: European Commission

Respondents were classified as preparers, users, public authorities and national accounting standard setters, and accountants and auditors. The highest number of responses came from preparers, followed (in descending order) by accountants and auditors, public authorities and national accounting standard setters and users (see Fig. 2).

Fig. 2. Overview of responses per classification.



Source: European Commission

Table 1. Breakdown of responses from registered lobbyists and EU-wide organisations by classification.

Classification	Lobbyist	% of Lobbyist	EU Org.	% of EU org
Preparer	24	52%	4	17%
User	11	24%	7	31%
Accountants and auditors	11	24%	12	52%
Total	46	100%	23	100%

Source: European Commission

The key findings of the consultation are summarized below. A detailed numerical analysis is included in the annex to this report.

The results of this consultation should not be read as a vote on questions asked, but as an indication of views expressed by stakeholders who decided to participate.

We would like to express our gratitude to all participants to this consultation.

3. INITIAL REACTION TO THE STANDARD (CHAPTER 4.1 OF THE CONSULTATION DOCUMENT⁷)

In this chapter general questions on the suitability of the IFRS for SME for EU preparers and users were asked.

Question 1. Do you think the IFRS for SMEs is suitable for widespread use within Europe?

	MS with majority YES	MS with majority NO
All responses from EU	13	8
Public authorities and standard setters	9	10
	No. of responses	
	YES	NO
Lobbyist	17 (40%)	26 (60%)
EU wide organisations	17 (77%)	5 (23%)
	No. of responses	
For		
Small	35	
Medium-sized	58	
Large	70	
Other	42	

The majority of respondents from 13 EU Member States (MS) (CY, CZ, DK, EE, EL, ES, IE, MT, NL, PL, PT, SE, UK) answered "yes" while the majority of respondents from other 8 MS (AT, BE, BG, DE, FI, FR, IT, SK) answered "no" to this question. Public authorities from 9 MS answered "yes" and from 10 MS "no".

⁷ Please see footnote: 1

Supporters of widespread use of IFRS for SMEs in Europe argued that the standard is best suited for Large and Medium-sized companies, for international groups and subsidiaries of companies reporting under full IFRS as well as for companies active internationally, listed on non-regulated markets, seeking foreign financing or "non-publicly accountable" (as defined in the IFRS for SMEs). Some respondents, however, also thought that IFRS for SMEs might not be considered appropriate for some large unlisted companies.

Enhanced harmonisation and comparability were mentioned amongst the main arguments in favour of the Standard. It was noted that a common accounting standard can facilitate cross border trade, foreign mergers and acquisitions and international growth of companies. A universal accounting code was also seen as essential in attracting foreign investors and thus lowering the cost of capital. Some mentioned that preparation of consolidated accounts in multi-national groups would be easier as the need for reconciliation from different local GAAPs would disappear, this could lower the cost of audit too.

Those opposed to IFRS for SMEs highlighted its complexity for SMEs, especially as regards the smallest companies. Rather than reducing administrative burdens, they argued that the standard would increase them, and increase the cost of preparation and audit of individual company accounts. The extensive disclosure requirements were also seen as potentially creating a competitive disadvantage vis-à-vis companies that follow less stringent rules.

Opponents also questioned the actual benefits that the Standard could bring to companies operating only locally and having a limited number of shareholders. It was also argued that the close link between tax, profit distribution and accounting regimes in several MS would result in the preparation of an additional set of accounts and the IFRS for SMEs is not suitable for internal management. Finally, the need for introducing another accounting framework in the EU (besides national GAAP derived from the Directives and full EU IFRS) was also generally questioned.

Question 2. (First part) If you are a preparer of company accounts can you indicate any costs (both one-off and recurring) or benefits, and any other effects of adopting the IFRS for SMEs?

Respondents to this question underlined the need for a thorough cost/benefit analysis before any decision on the Standard is taken, pointing out that cost/benefits could significantly vary between companies and MS.

Redesign of internal processes, training staff on new accounting systems as well as the restatement of comparative information were listed as major initial costs associated with the introduction of the IFRS for SMEs. It was noted that SMEs lack expertise and may require professional advice on applying the new standard. Moreover, some of these costs would re-occur every time a major revision to IFRS for SMEs is made.

Similarly, the need to prepare a second set of accounts for tax purposes, increased disclosure and the need to exercise judgement relating to fair value items or post employment benefits were mentioned as giving rise to recurring costs of application. Increased disclosure was also seen as potentially bringing a competitive disadvantage

compared to companies with no such requirements, whilst increased complexity would raise the cost of audit.

As regards the benefits, respondents considered that more harmonised information and ease of comparison should benefit foreign users of accounts such as investors, business partners and creditors and could result in lower costs of capital. There were comments that the standard would bring cost reductions in the preparation and audit of consolidated statements for multinational groups as the need for reconciliation from different national standards would disappear. The standard is also seen as opening more possibilities for attracting foreign capital and will facilitate cross border expansion, while cross border trade, mergers and acquisition should also benefit from a common accounting language. It was said that IFRS for SMEs is easier to follow than full EU IFRS and companies may wish to adopt it in the years leading up to a public listing.

The development of a common educational framework for accountants was also mentioned as an additional benefit of having one common standard, potentially facilitating the mobility of accounting and audit services within the EU.

Question 2. (Second part) In particular, do you think increased international comparability of accounts prepared under the IFRS for SMEs will benefit your business?

	MS with majority YES	MS with majority NO
All responses from EU	7	6
	No. of responses	
	YES	NO
Lobbyist	7 (39%)	11 (61%)
EU wide organisations	3 (60%)	2 (40%)

The majority of respondents from 7 EU MS (CY, DK, IE, IT, PT, RO, SE) answered "yes" while the majority of respondents from other 6 MS (AT, BE, DE, FR, LU, SK) answered "no" to this question.

Respondents noted that a common accounting language such as IFRS for SMEs would improve communication with business partners, investors and creditors located abroad, which could result in increase in international trade, better access to international finance and lower costs of capital. It was also noted that to bring true benefits from using the standard its widespread use and uniform application would be necessary.

Those responding "no" commented that the standard is too complex and not suitable for the accounts of small, local businesses for which harmonisation under the current framework is sufficient. The large scope for judgement required by the IFRS for SMEs was also seen as an obstacle to comparability as well as the remaining differences between MS legal frameworks. They also questioned the potential benefits in terms of comparability between full EU IFRS and IFRS for SMEs.

Question 3. If you are a user of accounts (for example a bank) do you think the IFRS for SMEs will provide more useful information than national GAAP accounts?

	MS with majority YES	MS with majority NO
All responses from EU	3	10

	No. of responses	
	YES	NO
Lobbyist	4 (20%)	16 (80%)
EU wide organisations	4 (40%)	6 (60%)

A majority of respondents established in three MS (IE, LU, SE) answered "yes" while a majority of respondents from other 10 MS (AT, BE, BG, CY, DE, DK, ES, FR, IT, SK) answered "no" to this question.

Those answering "yes" thought that the increased information disclosed under the IFRS for SMEs will benefit foreign users particularly as they will no longer have to be familiar with the peculiarities of national GAAPs of different MS. The cross border comparability of accounts would be expected to bring increased trade and lower the cost of capital. The materialisation of these benefits will depend on widespread use of the standard.

Those opposed stated that the IFRS for SMEs is mainly targeted at share capital providers rather than for other SME core user groups such as trade creditors, tax authorities, owners and employees, who would be more familiar with current national regimes. It was also mentioned that the complexity of IFRS for SMEs in areas such as fair value measurement, deferred tax etc. would make financial statements less comprehensible for the ordinary reader.

Finally, almost all banks that responded to this consultation argued that accounts constitute only one of several aspects taken into consideration in the credit granting process and that risk can already be efficiently assessed within the current accounting framework. The advancement of credit is seen as a standard process, and an IFRS for SMEs regime would provide no additional benefit to local GAAP. The lack of prescriptive formats is also seen as disadvantage that could undermine comparability. Furthermore, it was pointed out that banks disregard deferred tax items (major burden in preparation of accounts) in order to assess creditworthiness.

Question 4. Does increased international comparability of accounts prepared under the IFRS for SMEs benefit users?

	MS with majority YES	MS with majority NO
All responses from EU	15	8
	No. of responses	
	YES	NO
Lobbyist	16 (44%)	20 (56%)
EU wide organisations	17 (77%)	5 (23%)

The majority of respondents from 15 EU MS (AT, CY, CZ, DK, EE, EL, FI, IE, LT, MT, NL, PL, PT, SE, UK) answered "yes" while the majority of respondents from other 8 MS (BE, BG, DE, ES, FR, IT, LU, SK) answered "no" to this question.

According to respondents who answered positively, increased international comparability would make it easier to analyse financial statements from other Member States, reducing potential mistakes and misunderstandings, would benefit overseas trading partners, investors and credit rating agencies and should contribute to improved decision making and allocation of capital.

"No" responses stated that their experience with full EU IFRS showed that comparability is still difficult, adding that the current level of comparability is sufficient. The need for international comparability was specifically questioned for companies operating only locally. It was said that comparability within MS is of greater importance. Finally, the differences between full EU IFRS and IFRS for SMEs as well as different national legal environments were quoted as obstacles to full comparability.

4. POSSIBLE USE IN EUROPE (CHAPTER 4.2 OF THE CONSULTATION DOCUMENT⁸)

This chapter questioned whether the IFRS for SMEs should be adopted in EU, in what form and for what kind of companies.

Question 5. Do you think adoption of the IFRS for SMEs should be provided for within the EU accounting legal framework?

	MS with majority YES	MS with majority NO
All responses from EU	18	6
Public authorities and standard setters	13	6

	No. of responses	
	YES	NO
Lobbyist	19 (48%)	21 (52%)
EU wide organisations	17 (81%)	4 (19%)

The majority of respondents from 18 EU MS (BG, CY, CZ, DK, EE, EL, ES, HU, IE, LT, LU, MT, NL, PL, PT, RO, SE, UK) answered "yes" while the majority of respondents from other 6 MS (AT, BE, DE, FR, IT, SK) answered "no" to this question. Public authorities from 13 MS were in favour and from 6 MS opposed EU adoption of IFRS for SMEs.

Supporters of adoption argued that it would increase harmonisation of the single market, allow for better allocation of capital and lower its cost. Some noted that some form of endorsement mechanism may be necessary in order to ensure that IFRS for SMEs would remain in conformity with the Accounting Directives and allow potential future amendments, whilst others were against any such mechanism.

Those against would prefer amendments being made to the Accounting Directives that would align them where appropriate with international developments in accounting. They pointed out that IFRS for SMEs would bring no particular benefits especially to companies active only locally, and that the standard would result in an increase in complexity and administrative burden. Uncertainty about the future development of the IFRS for SMEs, compared to the relative stability of the Accounting Directives, was also mentioned.

Some of those opposed to provision for the standard in the EU framework were willing to accept the use of the Standard for consolidated accounts only, as individual accounts are often interlinked with national tax and capital maintenance laws.

⁸ Please see footnote: 1

Question 6. If yes, should such an option be limited to a Member State option (i.e. that each Member States would have a possibility but no obligation to accept IFRS for SME)?

	MS with majority YES	MS with majority NO
All responses from EU	11	8
Public authorities and standard setters	11	5

	No. of responses	
	YES	NO
Lobbyist	16 (57%)	12 (43%)
EU wide organisations	10 (67%)	5 (33%)

The majority of respondents from 11 EU MS (AT, BG, CY, CZ, EE, HU, LT, MT, PT, SK, UK) answered "yes" while a majority of respondents from other 8 MS (BE, DE, DK, EL, ES, FR, IT, NL) answered "no" to this question. Public authorities from 11 MS were in favour and from 5 MS were against MS option.

The MS option was favoured as it would allow MS to take national economic and legal environment into consideration in deciding on the use of the Standard. For instance it would allow MS to choose appropriate size criteria for adoption, decide whether only consolidated or also individual financial statements could be prepared according to the IFRS for SMEs, etc. It would also provide a solution on the inter connection between accounting rules and tax and/or capital maintenance laws in some MS. Both explicit and implicit options (i.e. one where the Directives would not form an obstacle to implementation of the IFRS for SMEs) had support.

Opponents claimed that in order to benefit from adoption of the IFRS for SMEs, a uniform and world-wide application would be necessary and thus called for the obligatory application of the Standard, at least for consolidated statements. A MS option could be seen as fragmenting the European reporting framework and a major obstacle to creating a "level playing field". Some commented that companies, and not MS, are best suited to decide whether they would benefit from applying the IFRS for SMEs.

Question 7. Do you have other views on the possible adoption of the IFRS for SMEs within the EU accounting framework?

Responses to this question pointed out the possibility of using explicit or implicit options for the adoption of IFRS for SMEs. The implicit option would be brought about by ensuring the revised Accounting Directives would not be in conflict with the IFRS for SMEs. They saw the current review process as an opportunity to eliminate any differences between the two frameworks. Some cautioned however, that convergence of the Directives with the IFRS for SMEs should take the form of evolutionary rather than radical change and that the way in which MS have transposed the Directives should also be analysed to identify possible conflicts.

There were some calls for an EU endorsement mechanism to deal with the future revisions to the standard. Respondents called on the Commission to consider the experience of applying the endorsement regime within the IAS Regulation. Others cautioned against creating carve-outs and supported only full adoption. It was also noted

that in the event of the adoption of IFRS for SMEs into the EU framework an appropriate transition period should be provided so that both companies and users can move to the new regime without undue effort. The need for interpretations of the new standard was also raised.

There was a suggestion that the new European Private Entity (SPE) as an EU wide legal company form should be allowed to use one standard - IFRS for SMEs.

The top-down approach of IASB in creating IFRS for SMEs by simplifying full IFRS was criticised, as opposed to the bottom-up approach being taken to the revision of the Accounting Directives. Concerns were raised as regards the frequent and substantial changes that may be made to the IFRS for SMEs, as these could bring significant costs both to SMEs and accounts' users. There were also comments that the EU should not cede its legislative powers to regulate SME accounting to a private organisation not accountable to EU citizens.

The provisions of the IFRS for SMEs were considered inappropriate for cooperatives (a problem with the definition of equity exists), for German partnerships without limited liability (there is a problem with the distinction between equity and liabilities) and for the German hotel industry (problem with the rules on leasing). Conversely credit union associations (small credit providers) would welcome the possibility of using the IFRS for SMEs rather than full IFRS which they consider too onerous and complex for their members.

Question 8. Is there a case for giving companies, at EU level, an option to adopt the IFRS for SMEs?

	MS with majority YES	MS with majority NO
All responses from EU	9	11
Public authorities and standard setters	6	13

	No. of responses	
	YES	NO
Lobbyist	15 (36%)	27 (64%)
EU wide organisations	7 (35%)	13 (65%)

For	No. of responses
Small	59
Medium-sized	62
Large	45
Other	35

The majority of respondents from 9 EU MS (AT, DE, DK, EE, EL, LU, NL, RO, SK) answered "yes" while majority of respondents from other 11 MS (BE, BG, CY, ES, FR, HU, IT, LT, MT, PL, PT) answered "no" to this question. Public authorities from 6 MS were in favour and from 13 MS opposed a company option.

There was more or less even support for granting an option to companies of all sizes. Some considered that an option should be granted for the annual accounts of multinational groups and their subsidiaries, or failing that only for their consolidated

accounts. Many commented that the IASB non-publicly accountable criteria for using the Standard is the most sensible application basis, and that size criteria are inappropriate.

Supporters of the company option argued that companies are best placed to decide whether application of IFRS for SMEs standard would benefit them. It was pointed out that companies with international operations or those seeking foreign capital have a special case to use the standard. Some argued that this option should at the very least consider an option for consolidated accounts.

Others pointed out that the company option would destroy harmonisation and comparability within the EU would diminish with an increased number of accounting frameworks, potentially causing confusion amongst users. Moreover respondents believed that internal comparability within a MS is of great importance and would be endangered by this option. Thus they concluded that it should be the MS that decides on the use of IFRS for SMEs within its borders.

Question 9. What should be done, in your view, where there is incompatibility between the Directives and the IFRS for SMEs?

Respondents held a wide range of views on how to deal with incompatibilities between the Accounting Directives and the IFRS for SMEs.

Some considered that in case of incompatibility the Directives should be amended so as to preserve international comparability and allow full application of the IFRS for SMEs. They observed that the current Directives' revision project is an opportunity to align both frameworks.

Others suggested that conflicts should be resolved on a case by case basis by national authorities, or that priorities should be established in the framework of the Directives. There were proposals that differences could be tolerated but should be disclosed in the notes to the accounts.

Some respondents favoured a parallel existence of both the Directives and IFRS for SMEs, where a company could follow either one or the other framework.

Finally some respondents considered that the IFRS for SMEs should not be applied in case of incompatibility or that it should be amended so that it is in accordance with the Directives.

5. THE ROLE AND CONTENT OF THE DIRECTIVES (CHAPTER 4.3 OF THE CONSULTATION DOCUMENT⁹)

This chapter dealt with the implications of the IFRS for SMEs publication on the review process of the Accounting Directives

Question 10. In the light of the publication of the IFRS for SMEs, do you see a need for "rules-based" Accounting Directives in the future?

	MS with majority YES	MS with majority NO
All responses from EU	7	14
Public authorities and standard setters	8	10
	No. of responses	
	YES	NO
Lobbyist	15 (36%)	27 (64%)
EU wide organisations	1 (5%)	20 (95%)
	No. of responses	
For		
Small	37	
Medium-sized	40	
Large	70	
Other	27	

The majority of respondents from 7 EU MS (AT, BG, CZ, DE, EL, ES, LU) answered "yes" while a majority of respondents from another 14 MS (BE, CY, DK, EE, FR, IE, IT, LT, MT, NL, PT, SE, SK, UK) answered "no" to this question. Public authorities from 8 MS were in favour and from 10 MS opposed rule based Directives.

Supporters of the rule-based approach wanted to keep the Directives as the basis of European harmonisation, especially for small company reporting. They stressed the need for modernisation and simplification, and criticised the lack of legitimacy of the IASB.

Others argued for a principles-based Directive, which would provide a general framework and allow MS to decide on detail requirements. With this approach the Directives would act as a "transparency benchmark" for application of national or international standards. It was noted that the process of introducing changes to the Directives is time consuming and it is challenging to keep them up to date with developments in accounting thinking.

The second part of question 10 asked stakeholders whether they considered that any specific issues, other than the five main principles listed in the consultation document¹⁰, should also be covered. Respondents suggested additional detailed layouts, further

⁹ Please see footnote: 1

¹⁰ In the Consultation document the Commission proposed that the new Directives could potentially contain the following main principles: (1) Fundamental principles; (2) The primary financial Statements to be produced, and basic layouts; (3) The content of the annual/management report and governance disclosures; (4) Publication requirements; (5) The requirement for audit

valuation rules, minimum notes' content, a requirement for cash flow statements with a prescribed layouts and harmonised filing and publication requirements.

Question 11. Are there any elements of the IFRS for SMEs that should be incorporated within revised Directives?

The respondents suggested including further fundamental principles, definitions, IFRS terminology and language, and any changes necessary to allow MS to adopt IFRS for SMEs as their national GAAP. Specific suggestions included cash flow statements, leasing guidance, the percentage of completion method and guidance on accounting for events after the balance sheet date.

Others stressed that the Directives should be principles based with detailed rules left to national standard setters. Some respondents expressed their opposition to any influence of the IFRS for SMEs on the revised Accounting Directives.

Question 12. Do you have any other observations or comments on the IFRS for SMEs or the project to overhaul the Accounting Directives?

Respondents to this question reaffirmed their support for the Accounting Directives as the basis of the EU accounting framework, stressing the need for modernisation and simplification. There were also calls for the EU to take the lead in the international harmonisation efforts by adopting the IFRS for SMEs.

The principles-based approach, a focus on small companies, simplification and burden reduction objectives of the revision received broad support. The specific needs of various accounts' users should also be reflected in the Directives.

There were also calls for the EU to play a more active role in the international standard setting process.

ANNEX 1. NUMERICAL ANALYSIS OF ANSWERS.

Number of responses received is indicated in each cell, only "yes" and "no" answers are presented. Public authorities are presented together with national standard setters.

Legend: Y: "Yes", N: "No", EU Org.: "EU wide organisation"

Question 1. Do you think the IFRS for SMEs is suitable for widespread use within Europe?

	AT		BE		BG		CY		CZ		DE		DK		EE		EL		ES		FI		FR		HU		IE		IT		LT			
type	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N
Preparers	1	5		3							2	50	2	1			1				1		2						2					
Users		1		1							1	3							3	1									1					
Accountants and auditors		1	1	1			1		2		1	22	2						1		1		3	1	2		2		3	2				
Public authorities	1			3		1				1	1	2	1		1				1		1		1		1				1					
Total	2	7	1	8		1	1		2	1	5	77	5	1	1		1		5	1		3		6	1	1	2		3	6				

	LU		MT		NL		PL		PT		RO		SE		SK		UK		CH		HR		NO		UG		EU Org.		Lobbyist					
type	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N
Preparers		2			1			1	1				1				2	1											3	3	18			
Users	1						1						1			1					1					1			5	2	6	5		
Accountants and auditors	1	1			1		1		1		1		1				2				1								12		8	3		
Public authorities	1		1			1			1			1	1				1																	
Total	3	3	1		2	1	2	1	3		1	1	4			1	5	1	1	1						1			17	5	17	26		

Question 2. (Second part) In particular, do you think increased international comparability of accounts prepared under the IFRS for SMEs will benefit your business?

	AT		BE		BG		CY		CZ		DE		DK		EE		EL		ES		FI		FR		HU		IE		IT		LT			
type	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N
Preparers	1	5		1							2	33	2										1											
Users				1								1								1														
Accountants and auditors			1	1			1					7							1								1		4					
Public authorities	1			3							1																							
Total	2	5	1	6			1				3	41	2						1	1				1			1		4					

	LU		MT		NL		PL		PT		RO		SE		SK		UK		CH		HR		NO		UG		EU Org.		Lobbyist					
type	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N
Preparers		2						1	1								2	2											1	3	9			
Users							1									1					1					1			1		1			
Accountants and auditors	1											1	1								1								3		4	1		
Public authorities																																		
Total	1	2					1	1	1		1		1			1	2	2	1	1				1		1			3	2	7	11		

Question 3. If you are a user of accounts (for example a bank) do you think the IFRS for SMEs will provide more useful information than national GAAP accounts?

type	AT		BE		BG		CY		CZ		DE		DK		EE		EL		ES		FI		FR		HU		IE		IT		LT		
	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y
Preparers	1	1		1							2	14		1										2						2			
Users		1		1								4								3										1			
Accountants and auditors		1	1	1				1		1		17								1				1				2		2	2	2	
Public authorities	1			3		1				1		1								1													
Total	2	3	1	6		1		1	1	1	2	36		1										3			2		2	5			

type	LU		MT		NL		PL		PT		RO		SE		SK		UK		CH		HR		NO		UG		EU Org.		Lobbyist				
	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y
Preparers						1		1																				2	1	6			
Users	1							1						1		1										1		2	3	1	7		
Accountants and auditors																												2	1	2	3		
Public authorities						1																											
Total	1				1	1	1	1					1			1										1		4	6	4	16		

Question 4. Does increased international comparability of accounts prepared under the IFRS for SMEs benefit users?

type	AT		BE		BG		CY		CZ		DE		DK		EE		EL		ES		FI		FR		HU		IE		IT		LT		
	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y
Preparers	2	3	1	1							1	19	2	1				1				1		2						2			
Users				1								1	3								3										1		
Accountants and auditors	1		1	1				1		2		8	1								1		1		2	1		2		2	1		
Public authorities	1			3		1				1	1	1	1	1		1				1						1				1	1		
Total	4	3	2	6		1	1		2	1	3	31	4	1	1		1				2	3	2		4	1	1	2		2	5	1	

type	LU		MT		NL		PL		PT		RO		SE		SK		UK		CH		HR		NO		UG		EU Org.		Lobbyist				
	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y
Preparers		2				1		1						1				1										3	3	13			
Users	1							1						1		1						1				1		5	2	5	4		
Accountants and auditors						1		1		1		1		1										1				12		8	3		
Public authorities				1				1		1		1		1																			
Total	1	2	1		2		3	1	2		1	1	4			1	4					1		1		1		17	5	16	20		

Question 5. Do you think adoption of the IFRS for SMEs should be provided for within the EU accounting legal framework?

	AT		BE		BG		CY		CZ		DE		DK		EE		EL		ES		FI		FR		HU		IE		IT		LT			
type	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N
Preparers	2	5	1	2							4	46	2	1			1				1	1	1	2					2					
Users			1								2	2							3	1									1					
Accountants and auditors	1		1	1			1		2		1	22	2						1				3	1			2		3	1				
Public authorities	1		3	1					1		1	2	1	1	1				1	1	1		1						1	1				
Total	4	5	2	7	1		1		2	1	8	72	5	1	1		1		5	2	1	1	1	6	1		2		3	5	1			

	LU		MT		NL		PL		PT		RO		SE		SK		UK		CH		HR		NO		UG		EU Org.		Lobbyist					
type	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N
Preparers		2			1		1		1				1				2	1											3	5	16			
Users	1				1						1		1		1						1								6	1	7	2		
Accountants and auditors	2				1		1		1		1		1				1						1						11		7	3		
Public authorities	1		1		1		1		1		1		1				2																	
Total	4	2	1		3		3	1	3		2		4		1		5	1					1		1				17	4	19	21		

Question 6. If yes, should such an option be limited to a Member State option (i.e. that each Member States would have a possibility but no obligation to accept IFRS for SME)?

	AT		BE		BG		CY		CZ		DE		DK		EE		EL		ES		FI		FR		HU		IE		IT		LT					
type	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N
Preparers	3	1		2							8	9	3				1				1	1														
Users											4								3										1							
Accountants and auditors		1	1				1		2		3	15	1						1	1	1	1	1	1	1	1	1	1	4							
Public authorities	1				1						1		1	1	1				1	1			1		1				1	1						
Total	4	2	1	2	1		1		2		15	25	5	1			1		2	4	1	1	1	2	1		1	1	6	1						

	LU		MT		NL		PL		PT		RO		SE		SK		UK		CH		HR		NO		UG		EU Org.		Lobbyist					
type	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N
Preparers					1		1		1				1				3	1											1	6	7			
Users		1					1						1	1							1								4	2	6	3		
Accountants and auditors	1	1			1		1		1			1	1				2						1						6	2	4	2		
Public authorities	1		1		1		1		1		1		1				2																	
Total	2	2	1		3		2	2	3		1	1	2	2	1		7	1					1		1				10	5	16	12		

Question 8. Is there a case for giving companies, at EU level, an option to adopt the IFRS for SMEs?

type	AT		BE		BG		CY		CZ		DE		DK		EE		EL		ES		FI		FR		HU		IE		IT		LT		
	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y
Preparers	6		1	2							31	19	2	1			1				1		1	2							2		
Users				1							2	3							3												1		
Accountants and auditors	1			2			1		1		14	8	1						1		1		1		1	1	1	1	2	3			
Public authorities		1		3		1				1	2	1	1		1				2					1		1			1		1		
Total	7	1	1	8		1	1	1	1	1	49	31	4	1	1		1		6		1	1	1	4		2	1	1	2	7		1	

type	LU		MT		NL		PL		PT		RO		SE		SK		UK		CH		HR		NO		UG		EU Org.		Lobbyist				
	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y
Preparers	2				1		1		1				1				3	1											3	9	13		
Users		1					1						1	1							1				1				2	4	2	7	
Accountants and auditors	2				1		1		1		1		1										1						5	6	4	7	
Public authorities	1			1	1		1		1		1		1				1	1															
Total	5	1		1	3		4		3		2		2	2	1		4	4			1			1	1		7	13	15	27			

Question 10. In the light of the publication of the IFRS for SMEs, do you see a need for "rules-based" Accounting Directives in the future?

type	AT		BE		BG		CY		CZ		DE		DK		EE		EL		ES		FI		FR		HU		IE		IT		LT		
	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y
Preparers	4		1	2							39	5	3				1				1		1	1					2				
Users				1							3	2							3										1				
Accountants and auditors		1		2			1	2			19	2	1						1		1				1		2	2	3				
Public authorities	1			3	1						2	1			1				2					1	1				1		1		
Total	5	1	1	8	1		1	2			63	10	4		1		1		5	1	1	1	1	2	1	1	2	2	7		1		

type	LU		MT		NL		PL		PT		RO		SE		SK		UK		CH		HR		NO		UG		EU Org.		Lobbyist				
	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y
Preparers	2				1		1		1				1				4												4	12	11		
Users		1					1						1	1							1				1				6	2	8		
Accountants and auditors	1	1			1		1		1		1		1						1				1						1	10	1	8	
Public authorities	1			1	1		1		1		1		1																				
Total	4	2		1	3		2	2	3		3	1	1	4	1		8		1		1		1	1	1		1	20	15	27			

ANNEX 2. ABBREVIATIONS

EU	European Union
EU Org.	EU wide organisations
IAS	International Accounting Standard
IFRS	International Financial Reporting Standard
IFRS for SME	International Financial Reporting Standard for Small and Medium-sized Entities
MS	EU Member State
SMEs	Small and Medium-sized Entities

Country Names Abbreviations:

AT	Austria	IT	Italy
BE	Belgium	LT	Lithuania
BG	Bulgaria	LU	Luxemburg
CH	Switzerland	LV	Latvia
CY	Cyprus	MT	Malta
CZ	Czech Republic	NL	Netherlands
DE	Germany	NO	Norway
DK	Denmark	PL	Poland
EE	Estonia	PT	Portugal
EL	Greece	RO	Romania
ES	Spain	SE	Sweden
FI	Finland	SK	Slovakia
FR	France	SL	Slovenia
HR	Croatia	UG	Uganda
HU	Hungary	UK	United Kingdom
IE	Ireland		