# IFRS for SMEs, Third Edition: What Changes for Your Company

CertiFi micro-credential

1 course · 5 lessons · about 3 study hours · issued 28 Nov 2026

IFRS-02

## IFRS for SMEs, Third Edition: What Changes for Your Company

About 3 study hours · 5 lessons · pass mark 70% · AED 299

The third edition of the IFRS for SMEs Accounting Standard is effective for annual periods beginning on or after 1 January 2027, with early application permitted. Following an Abu Dhabi distributor, you will decide whether the Standard suits your company, apply the new five-step revenue model, work through the changes to consolidation, financial instruments, fair value and business combinations, and plan the transition. This is a CertiFi certificate of completion and is not a qualification of the IFRS Foundation.

### On completion, you will be able to:

- Decide whether a company can and should use the IFRS for SMEs Accounting Standard
- Apply the five-step revenue model in the revised Section 23
- Explain the changes to control, financial instruments, fair value measurement and business combinations
- List the main differences that remain between the SMEs Standard and full IFRS Accounting Standards
- Prepare a transition plan for the third edition

### Learning outcomes by lesson

**1. Who the Standard is for, and what the third edition is**

- Say who may use the IFRS for SMEs Accounting Standard
- Explain what the third edition is and when it applies
- Compare it with full IFRS at a high level
- Start the decision for the case company

**2. Revenue: the five-step model in Section 23**

- Apply the five steps to a sale of goods with delivery
- Estimate variable consideration
- Decide whether revenue is recognised over time or at a point in time
- Identify where the old approach gave a different answer

**3. Control, business combinations and fair value**

- Apply the single control model to decide what to consolidate
- Describe the main changes to business combinations
- Use the fair value hierarchy
- Recognise when these sections matter to a small group

**4. Financial instruments and the differences that remain**

- Describe the structure of the new Section 11
- Apply the incurred loss model to trade receivables
- List the main remaining differences from full IFRS
- Explain what those differences mean for the numbers

**5. Transition and your decision**

- Describe how the third edition is adopted
- Compare the SMEs Standard and full IFRS for a company
- Build a transition plan
- Record the decision