

# The Perceived Value of Implementing IFRS for SMEs: An Exploratory Study from the Point of View of Managers in Jordan

Khalid Ali Alduneibat (Corresponding author)

Associate Professor of Accounting

Accounting Department- Faculty of Business, Tafila Technical University, Tafila, Jordan

E-mail: draldoneibat.khaled@yahoo.com

Received: Oct. 7, 2023      Accepted: Dec. 2, 2023      Published: Dec. 21, 2023

doi:10.5296/bmh.v11i1.21421      URL: <https://doi.org/10.5296/bmh.v11i1.21421>

## **Abstract**

The purpose of this exploratory study is to add to the literature on the perceived value of applying IFRS for SMEs standard from the perspective of managers in Jordan's small and medium-sized enterprises (JSMEs). Based on previous literature and the Value-Based Model Theory, which incorporates the cost-benefit analysis principle, a questionnaire was developed, and 137 valid ones were used to test data regarding the perceived value of appropriateness, possibility, cost, and benefits of implementing IFRS for SMEs standard.

The study's major conclusion found a moderate level of positive consensus about implementation perception; the results also suggested that benefits marginally outweighed implementation costs.

The study's goal is to raise policymakers' and regulatory experts' attention to the potential benefits, costs, and obstacles of implementing the standard.

this study contributes to international accounting harmonization efforts by demonstrating how Jordanian managers assess the costs, benefits, and opportunities of IFRS for SMEs in JSMEs implementation. This study recommended the following: Expedite the application, conduct thorough IFRS for SMEs awareness and training programs at different levels, and provide financial data for these SMEs in the public interest.

Future studies should test new firm variables after the application of this standard and, the reasonable costs and benefits are known.

**Keywords:** SMEs, IFRS, Adoption, cost-benefit analysis

## 1. Introduction

Small and medium-sized entities in Jordan (hereafter referred to as JSMEs) play an important role in the economy. JSMEs are considered the backbone, essence, and real engines of growth that drive economic and social development, constitute nearly 98% of private sector entities and occupy approximately 50–60 % of the total manpower. Thus, JSMEs provide more than half of the job opportunities annually (Jordan Chamber of Industry, 2022). According to the Jordanian Central Bank, the real economic growth rate for the year 2021 in Jordan was 2.9%, which is considered good taking into account the global economic difficulties, especially the consequences of the coronavirus pandemic. At the sectoral distribution level, JSMEs represent 80% of commercial and service projects, whereas industrial and agricultural projects represent 15% and 5%, respectively (Department of Statistics, Jordan, 2018).

Although the discriminatory contribution of JSMEs in providing job opportunities, their contribution to the gross domestic product (GDP) is not exceeding 30%, and their national export is less than 10% of the total export (World Trade Center, 2021). This weakness comes as a result of many reasons; the most prominent of these obstacles are the lack of International integration, the difficulty of accessing new markets, the difficulty of funding resources, and the low deployment of new technologies. Funding granted to JSMEs did not exceed 10% of the total credit facilities granted by licensed banks in Jordan during 2019, compared to the global rate of nearly 25%. Indeed, commercial banks in Jordan attribute the problem of funding to the lack of necessary guarantees and the lack of reliable financial statements from JSMEs in Jordan (Chamber of Industry, 2023; CFA Institute, 2013).

The government of Jordan supports JSMEs by many means: first, by issuing several regulations (e.g., Ministry of Industry and Trade Law 18/1998, Chamber of Industry Law 10/2005, Jordan Investment Board Law 18/1991, and Investment Law 68/2003). Second, it formed several public and private financing organizations (i.e., JEDCO, NAFES) and finally adopted IFRS for SMEs standard. In this regard, Jordan is one of more than 85 countries that have adopted IFRS for SMEs (Pais & Bonito, 2018).

The first edition of the IFRS for SMEs accounting standard was issued by the International Accounting Standard Board (IASB) in 2009 after years of debate and several amendments; the latest was the third amendment in 2023 (IASB, 2023). The Jordanian Association of Certified Public Accountants (JACPA) proposed the adoption of IFRS for SMEs, and the Amman Stock Commission (ASC) approved the adoption in 2023. This adoption may benefit JSMEs in many ways despite the obstacles that they may face. Self and Schraeder (2007) and Zahid and Simga-Mugan (2019) argued that particular organizational circumstances influence individuals' beliefs, attitudes, and behaviors to adopt the new standard.

The importance of this study stems from the importance of JSMEs in the economy and the general acceptance of the IFRS for SMEs adoption by these firms. Furthermore, many previous studies have considered the opinions or perceptions of others other than managers or preparers of financial statements. Thus, the objective of the current study is to explore the level of awareness and perceived value of implementing IFRS for SMEs from the point of view of managers in Jordan.

Kaya and Koch (2015) state that there is a lack of studies on the adoption of IFRS for SMEs. Indeed, the lack of evidence on the expected benefits of the adoption of IFRS for (JSMEs) represents the main motivation of the current study, especially when discussing the subject from the point of view of managers, taking into consideration that adoption in Jordan will take place in 2023 in a mandatory form.

In a short time, SMEs in Jordan will start applying IFRS for SMEs to prepare their financial statements for the first time. There is a state of uncertainty about two issues: first, the possibility of real implementing this standard, lack of knowledge, experience, and trained accountants in IFRS. Furthermore, most JSMEs depend on accounting and auditing offices (outsourced) to prepare their financial statements, and most of them are family or concentrated ownership. Second, is that little is known about the expected or perceived benefits and costs of applying IFRS for SMEs through Jordanian managers who prepare financial statements. The main study problem can be presented as follows: What is the Perceived value of implementing IFRS for SMEs by the management of JSMEs? Further, this study attempt to answer the following sub-questions:

Are JSMEs ready to apply IFRS for SMEs?

What benefits are perceived by the management of JSMEs from applying IFRS?

What costs or obstructions that could prevent or limit applying IFRS for SMEs are perceived by the management of JSMEs?

To the best of my knowledge, only one study (Suwaidan et al., 2018) has taken place in Jordan and revealed Jordanian auditors' opinions of the about the advantages of applying IFRS for SMEs. For that reason, this study makes the following contributions and adds value: First, it will provide evidence about how managers in Jordan perceive the costs, benefits, and opportunities of implementing IFRS for SMEs in JSMEs as an emergent country; indeed, managers have better judgments and ability to expect and estimate benefits, costs, needs, and readiness for their entities in economic essence than auditors and analysts (Gonçalves et al., 2022). Second, the study will provide policymakers and professionals with information on what obstacles may face SMEs implementation. Third, it may provide answers to the questions related to how the managers in JSMEs recognized the potential benefits of the implementation of IFRS for SMEs and how it contributes to improving JSMEs' financial reporting. Further, the result of the current study may help and provide policymakers with more understanding of the process of adoption and implementation of the new standard.

The current study has the following structure: Section 2 reviews the previous literature related to IFRS for SMEs implementation, costs, and benefits of adaptation in addition to the main hypotheses. Section 3 describes the study methodology and research design, whereas Section 4 presents the main results. Finally, Section 5 concludes the study, and presents the limitations of the study as well as recommendations and future studies.

## 2. Literature Review and Hypothesis Development

### 2.1 IFRS for SMEs in General

The IFRS for SMEs accounting standard is a result of rapid globalization (Mahmood et al., 2018); further, it came as a response to the increasing international demand, especially from emerging economies, to replace the full international standards, which are devoted to a listed company, difficult to apply, costly, and complex (IFRS Foundation, 2017; Kılıç & Ataman, 2014; Jermakowicz, 2006). Furthermore, it represents a solution to the problem of diversity in accounting practices all over the world due to differences in cultural, structural, and economic factors that lead to more comparability and economic integration (Cai & Wong, 2010; Haverty, 2006; Sithole, 2015).

IFRS for SMEs is a special simplified language and explanations, smoother version of IFRS is globally accepted standards, is easy to apply, and fits the characteristics of non-listed entities or SMEs (Uyar & Güngörmüş, 2013). Indeed, the users of SMEs' financial statements, as stated by the IASB consist of lenders like banks and other institutions that provide loans and credit, credit rating agencies, suppliers, customers, investors, potential investors, and tax authorities, they are particularly interested in simpler reports that provide information about SMEs: short-term cash flow; ability to repay debt (liquidity information), accounting policy choices, liquidity, profitability, and solvency, and risks to which it is exposed, this information represents SMEs' financial health and is important to understand the sustainability of SMEs business models.

Handley et al. (2018), Ravelli and Sansom (2021), and Khelif et al. (2020) argue that developing economies are misrepresented in the international scenario. Kaya and Koch (2015) suggested that developing economies, by deciding to adopt IFRS for SMEs, send a credible signal to lending institutions and international investors that they are willing to introduce an internationally acceptable set of high-quality financial statements. Despite little evidence of the benefits of implementing IFRS for SMEs and the fact that it could have significantly different implications in less developed economies, firms in these countries were mandated to implement it (Gonçalves et al., 2022).

By applying the signaling theory presented by (Spence, 1973), Tarca (2004) argued that firms that prepare accounting information based on international standards can signal their commitment to disclose more information to market participants.

The simplifications made to the full IFRS encompass relaxation in recognition, measurement principles, and disclosure to commensurate the cost-benefit concept by eliminating the number of standards or replacing them with simple ones or alternative methods, for example, a revaluation model for PPE is not allowed, the cost model is permitted for investments in associates, impairment of intangible assets such as goodwill is not required but amortized over the indefinite useful life otherwise 10 years, and simplified calculation for defined benefit pension plan obligations.

Further, some items were omitted since these items are not relevant to SMEs according to the definition of SMEs (i.e., earnings per share IAS 33; segment reporting IAS 14; insurance

IFRS 17); moreover, some difficult treatments in full IFRS are not allowable in SMEs (eliminates the ‘available-for-sale IFRS 5’ and ‘held-to-maturity’ classifications of IAS 39; borrowing cost does not capitalize but is expensed in the income statement when it occurs).

Moreover, the disclosure requirements in the *IFRS for SMEs* are also substantially reduced and lowered (Jain & Gandhi, 2015; Suwaidan et al., 2018); as a result, SMEs’ size is about 10 percent of the full IFRS (ACCA, 2018).

Using an alignment approach (IASB, 2023), the issuance of IFRS for SMEs in 2009 is considered a vital milestone in global accounting (Mahmood et al., 2018) for that, IFRS for SMEs represents a practical application of the supportive authoritarian approach in accounting theory, which is based on the existing accounting practice or positive theory of accounting “accounting as it is actually” and amending these practices to comply with the new requirements and conditions of “accounting as it should be done,” or what is called “normative theory”.

The above procedure led to and culminated in adding a special section for companies that are eligible to apply IFRS for SMEs. IASB modified, optimized, and simplified full IFRS to fulfill SMEs’ needs and requirements. The last version of IFRS for SMEs as part of the full IFRS involves 35 sections and 230 pages, addressing all the requirements for SMEs as well as the needs of public capital markets and securities regulators (Deloitte, 2010).

the fact that, no specific, comprehensive, and internationally agreed definition applies to all SMEs is due to their different characteristics as entities: size, number of employees, capital, the volume of sales, or any other factors: financial, cultural, economic, social, political structures, level of country development (Mahmood et al., 2018).

The criteria for firms to be small or medium are different from one country to another, even in the same country. To solve these problems, (IASB 2023) defined “SMEs” in the first section of the standard as private firms or nonprofit firms that publish general-purpose financial statements and are not publicly accountable (listed companies’ debt or equity instruments are publicly traded, financial entities). This definition corresponds with the revised Accounting Conceptual Framework 2018 section “reporting entity,” which identifies criteria for entities that may use IFRS for SMEs and are considered to conform to it.

The IASB definition is general, which means that it contains no quantitative measures (e.g., revenue, asset values, employee numbers), and broad, which can provide a base for international acceptance, more comparability (Rezaee et al., 2010), relevance (make a difference to users’ decisions), convergence, and harmonization (Joshi & Ramadhan, 2002; Uyar & Güngörmüş, 2013; Pais, & Bonito, 2018).

Thus, if the law or regulations in the specific country allow or require some entities (small listed companies or financial institutions) based on local criteria (revenues, assets, number of employees) to prepare financial statements according to IFRS for SMEs, this will encounter IASB intention, and the financial statement cannot be considered in conformity with IFRS for SMEs (Deloitte, 2010). Pais and Bonito (2018) argued that countries already applying IFRS are expected to adopt IFRS for SMEs due to their knowledge, awareness, and experience of

IFRS. In Jordan, we have more than one criterion for SMEs depending on the body that issued the standard, but the common one is presented in Table 1.

Table 1. Classification Standard for SMEs in Jordan

Activity	Classification standard	Micro	Small	Medium
Industrial	No. of Workers	≥5	≥20	≥100
	Sales value (JOD)	≥100,000	≥1 MILLION	≥3 MILLION
Commercial	No. of Workers	≥5	≥10	≥50
	Sales value (JOD)	≥120,000	≥150,000	≥1 MILLION
Services	No. of Workers	≥5	≥25	≥50
	Sales value (JOD)	≥200,000	≥500,000	≥1 MILLION

Source: Jordan Chamber of Industry, 2023.

The current study deals with the perceived value of IFRS for SMEs implementation in Jordan. The concept of perceived value will be assessed in the context of costs, obstacles, and benefits from the point of view of managers. Analyzing the cost and benefit of IFRS for SMEs implementation will play an essential role in the successful adoption procedure. Perception, according to Gordon (1993), means that each person comes to a different understanding or view of the same event due to their sense of reality. Jermias (2001) argued that individuals' perceptions of change will help recognize possible obstacles to change or whether a change effort will succeed or fail (Jimmieson & Zajdlewicz, 2009).

The perceived value, as derived from a theory of Value-Based modeling that encompasses the cost-benefit analysis principle, is the difference between total benefits and total costs or sacrifices. The concept of perceived value reflects managers' perceptions of the positive or negative value of a new financial reporting system. This implies that managers will hold positive perceptions of a new system (and will be prone to support it) if they believe that the benefits of adopting the new system exceed the inherent costs or sacrifices (Fontes et al., 2016), or at least balance the costs and benefits.

A cost-benefit analysis approach reduces the costs of compliance for firms where the benefits of complying do not appear to justify the costs associated with compliance (Samujh, 2007); the results of Litjens et al. (2012) study in the Netherlands showed that a voluntary adoption decision depends on the manager's perception associated with the perceived suitability of IFRS; therefore, the following hypothesis is:

***H01: managers of JSMEs have a negative perception towards the adoption of IFRS for SMEs.***

## *2.2 Benefit of IFRS for SMEs*

It's been noticed that IFRS for SMEs is increasingly being adopted in more than 85 countries, including Jordan, while other countries like Brazil, Italy, and Australia have rejected its

adoption due to inherent problems or because it has its standard (IASB, 2023; Chand et al., 2015). Most of the previous research concerned with the perceptions of auditors, professionals, experts, and academicians regarding full IFRS or IFRS for SMEs implementation is limited to countries in developed markets, whereas only a very few studies were conducted to evaluate the point of view of emerging economies (Gassen, 2017; Suwaidan et al., 2018); furthermore, the point of view of managers is rare.

Pais and Bonito (2018) argued that countries already applying IFRS are expected to adopt IFRS for SMEs due to their knowledge, awareness, and experience of IFRS. The result of the Albu et al. (2013) study showed that users of SMEs' financial statements in four developing countries, including Turkey, prefer a mandatory approach to the convergence approach in the implementation of IRES for SMEs. Indeed, as Gonçalves et al. (2022) and De Moura et al. (2020) stated, the incentive for SMEs to implement IFRS is less than that for listed companies; the reason refers to the fund resource, nature of oversight, and users.

With the current reality that the financial statements of private firms are not publicly available, the primary purpose of preparing financial reports is to meet the information needs of users. Many previous studies showed the benefit of IFRS for SMEs (IASB, 2023), which stated that IFRS for SMEs provides the overall picture of SMEs through faithful representation since it represents the substance of economic phenomena. Further, it enhances the reliability of the financial statement (Ballas et al., 2010), provides more transparency (Tyrrall et al., 2007), increases accountability (Kaya & Koch, 2015), and decreases the diversity of accounting practices (Cai & Wong, 2010). Moreover, Okpala (2012) believes that the adoption of IFRS for SMEs will increase the level of confidence in financial statements among investors, creditors, and financial statement analysts internationally.

The result of the Albu et al. (2013) study showed that users of SMEs financial statements in four developing countries, including Turkey, prefer a mandatory approach to the convergence approach in the implementation of IRES for SMEs. We assume that developing countries find it beneficial to adopt IFRS for SMEs to attract external funds (Gordon et al., 2012). The evidence regarding the impact of IFRS for SMEs on accounting quality and its usefulness in developed economies is mixed and not clear (Gonçalves et al., 2022). According to the above debate, the following hypothesis is valid:

***H02: Managers of JSMEs perceive that the adoption of IFRS for SMEs will not benefit their entities.***

### *2.3 Costs/obstacles of IFRS for SMEs Implementation*

Previous literature indicated many factors associated with the non-implementation of IFRS for SMEs. On one hand, the cost of implementing a new standard is considered by SMEs to be an important barrier to implementing the standard (Bar-Yosef et al., 2019). Moreover, Gonçalves et al. (2022) argued that companies that did not implement the standard perceived challenges or costs that outweighed their benefits. Further, Hussain and Rani (2012) stated that the adoption of any new reporting framework is likely to bring about complications and challenges in financial reporting for practitioners, especially smaller businesses. Kaya and

Koch (2015) and Gassen (2017) stated that the rules of IFRS for SMEs are too complex. Poli et al. (2017) and Gonçalves et al. (2022) mentioned that a lack of knowledge about the standard is the leading factor in not implementing it.

Melgarejo and Arcelus (2010) inferred that while IFRS for SMEs is a vast improvement from full IFRS, it is still not ideal for SMEs. The IASB (2004) stated that the adoption of any new reporting framework would at first cost huge amounts, both to the profession and the reporting entities. These costs are usually a hindrance to the adaptation of international standards by emerging economies. Hussain and Rani (2012) stated that the profession would incur costs in disseminating the standards and providing training and educational support to its members; small and medium-sized entities would also incur costs. Gassen (2017) showed that these include costs for training employees, updating information systems, and meeting increased auditing costs, as audit fees are likely to increase after the adaptation. Further, Hope et al. (2006); Kaya and Koch (2015) indicated that costs can also necessitate legal and professional fees to address the impacts on existing contracts and agreements.

The study by Suwaidan et al. (2018) found that the weakness or absence of internal control systems in JSMEs is one of the biggest obstacles to implementing IFRS for SMEs. The growing challenge of keeping abreast of changing accounting standards Hussain and Rani (2012) and Gassen (2017) find that, in principle, SMEs are viewed as being less open to financial transparency than public firms. Indeed, implementing IRES for SMEs shouldn't cause them unjustified suffering (Mahmood et al., 2018). Samujh and Devi (2015), Mahmood et al. (2018), and Adekoya (2011) stated that SMEs are short on capital and may bear enormous compliance costs and time for hiring consultants or experts or outsourcing professional accountants, training accountants on the adoption of IFRS for SMEs, audit and the reporting requirement of the additional disclosures cannot validate this adoption.

In addition, although several studies considered taxes an obstacle to the adaptation of IFRS for SMEs; Sellami and Gafsi (2018); Bonito and Pais (2018), Kaya and Koch (2015), Shima and Yang (2012), and Damak and Bahri (2020) showed no relation between tax and adoption. Ghio and Verona (2018) and Gonçalves et al. (2022) indicated that IFRS for SMEs is complex and users do not fully perceive its benefits, potentially leading to a situation in which implementation costs surpass the benefits. Therefore, the third hypothesis is:

***H03: Managers of JSMEs perceived that the adaptation of IFRS for SMEs would not incur costs for their entities.***

### **3. Study Methodology**

#### ***3.1 Population and Data Collection Methods***

To achieve the study goals and test its hypotheses, the current study used the descriptive-analytical approach. Following Eierle and Helduser (2018), this study was carried out as a questionnaire survey designed and distributed to a target sample of 200 managers who were concerned with preparing JSMEs' financial statements. The study population consists of managers of JSMEs, and the necessary data was collected by the questionnaire based on each of the previous studies and the theoretical framework, in addition to consulting

with experts and specialists in this domain.

The questionnaire was originally prepared in English, then translated to Arabic to be understood by all of the sample members. Many amendments from experts have been incorporated into the final form of the questionnaire. This questionnaire was formed of four parts: The first part, shown in Table 4 is concerned with personal data and information for individuals in the study sample, which includes educational qualifications, scientific specialization, years of experience, and professional certificates. The second part of the questionnaire shown in Table 5 contains (16) general questions measuring the preparedness and perception of JSMEs toward the implementation of IFRS for SMEs. The third part presented in Table 6 consists of (14) questions regarding the benefits of the implementation of this standard. The fourth part depicted in Table 7 contains (21) questions regarding cost, obstacles, or challenges that limit the adaptation. Indeed, the researcher defined and explained the concepts and abbreviations of IFRS and SMEs in the first section of the questionnaire. The questionnaire was designed and distributed electronically; the link was sent to the e-mail of the JSMEs. The responses and answers on the questionnaire were received in the same manner.

### 3.2 Analysis Scale

A five-point Likert scale was used for the interpretation of the answers of the study sample members to the paragraphs of the study tool, so that 5 = strongly agree/very much; 4 = agree/great; 3 = agree with a degree of medium/moderate; 2 = disagree/a little; and 1 = strongly disagree/very little.

The arithmetic averages shown in Table 2 were used for the data results analysis to interpret the data as follows:

Table 2. Arithmetic averages and degree of importance

Arithmetical average	Degree of importance
1.00–2.49	Low
2.50–3.49	Moderate
3.50–5.00	High

Table 3.

Distributed questionnaires	200
retrieved questionnaires	160
Rejected questionnaires*	22
Valid questionnaires	138
Response rate	69%

Note. \*not complete answers.

## 4. Results of the Study and Test of Hypothesis

### 4.1 Descriptive Analysis

The questionnaire was e-mailed to 200 respondents, of whom 160 questionnaires were retrieved, including 138 valid and usable questionnaires with a response rate of 69%. Table 4 summarizes the main characteristics of the study respondents. In general, the majority of the study sample is aware of the subject of the current study since 58% of the respondents have a bachelor's degree and 67% of them specialize in accounting. 83% of the respondents have more than 3 years of experience. 36% of the respondents have professional certificates in accounting and auditing (CPA, JCPA, or CMA). These characteristics are essential to recognize that the collected data in the current study are reliable and objective and lead to precise results to some extent.

Table 4. Characteristics and background of the participant

Variable		frequency	Percentage
Qualification	Diploma	43	.22
	Bachelor	116	.58
	Master	22	.11
	Others	19	.09
Specialization	Accounting	132	.67
	Business Administration	38	.20
	Finance	13	.07
	Others	11	.06
Years of experience	Less than 3	13	.07
	3–6 years	81	.40
	7–10 years	71	.35
	More than 10 years	35	.18
professional certificates	JCPA	20	.10
	CPA	8	.04
	CMA	16	.08
	JCPA	28	.14
	Others	60	.30
	Non	68	.34

The second section of the questionnaire concerns the level of awareness, preparedness, and perceived value of the adoption of IFRS for SMEs in Jordan from the perspective of managers. Table 5 shows the mean and standard deviation of the answers from the sample responses for each (16) paragraph of the second section, furthermore, It is noted from the table that the answers of the respondents were close and indicate positive trends, as the average (3.11) as compared to the study average of (3) which indicates that the majority of the sample the study supports the adoption of international standards for small enterprises and

medium-sized, it is noted from the standard deviation values that there is a consensus among the respondents that they have positive perceived value towards the adaption of IFRS for SMEs in Jordan and it is possible in general to adopt it since most of the paragraph has moderate average and degree of importance except paragraph (12; 13) which have a low average (2.32; 2.21) respectively, these two paragraph deal with the upgrading of software programs and the training of the personnel and management of the entities, this seems to be logical since the adoption is new. Three of the paragraphs (9; 15; 16) have a high average and importance, with an average of (3.96; 3.70; 4.22), respectively. The answers indicate the high perceived value of the IFRS for SMEs, and the amendment of the standard makes it easier for the SMEs even though they know it is mandated adoption and they are self-financed.

Table 5. The mean, standard deviation, and importance of the second section-perceived implementation.

Q. No.	Paragraph	Mean	S.D	Importance degree
1.	It is possible to adopt IFRS for SMEs in my entity.	3.45	0.69	Moderate
2.	There is a need for IFRS for SMEs.	2.90	0.71	Moderate
3.	The new standards meet the needs of users in Jordan.	3.26	0.71	Moderate
4.	IFRS for SMEs takes into account Benefits and costs considerations.	2.62	0.74	Moderate
5.	IFRS for SMEs is accepted, simple, and easy to use.	3.49	0.75	Moderate
6.	My entity is ready and prepared to apply IFRS for SMEs.	2.66	0.78	Moderate
7.	There are no anticipated problems with applying IFRS for SMEs.	3.22	0.79	Moderate
8.	My entity is aware enough of IFRS for SMEs.	2.50	0.83	Moderate
9.	The amendment to the full IFRS makes it suitable for my entity	3.96	0.79	High
10.	My entity is reluctant to adopt IFRS for SMEs.	3.24	0.81	Moderate
11.	The staff have adequate training and education on IFRS for SMEs.	2.66	0.85	Moderate
12.	My entity upgraded its accounting software programs to meet the needs of IFRS for SMEs.	2.32	0.89	Low
13.	The professional institution conducted training workshops and seminars for personnel and management to adopt IFRS for SMEs.	2.21	0.83	Low
14.	A High level of accounting education and training is required to adopt and implement the IFRS for SMEs.	3.45	0.43	Moderate
15.	My firm is mandated to implement IFRS for SMEs.	3.70	0.52	High
16.	My firm is a self-financing project.	4.22	0.70	High
	Total	3.11	0.46	Moderate

The benefit of adopting IFRS for SMEs in Jordan is discussed in the third section of the questionnaire from the managers' perspective. Table 6 shows the mean and standard deviation of the answers of the sample responses to each of the 14 paragraphs of the third section. It is noted from the table that the answers of the respondents were close and show strong positive patterns, furthermore, as compared to the study average of (3), the average of (3.62) indicates

that the majority of the study sample considered that JSMEs will benefit from the adoption of IFRS for SMEs; additionally, the standard deviation values showed that there is agreement among the respondents that they have a high positive perceived value towards the benefits of IFRS for SMEs in Jordan since most of the paragraphs have a high average and degree of importance except in 5 paragraphs (3; 4; 7; 9; 10), which have a moderate average (3.38; 3.41; 2.58; 3.64; 2.64) respectively, these five paragraphs deal with economic use, transparency, market efficiency, competitive advantage, and attracting foreign direct investment. These items appear to be long-term and not perceived as moderate benefits. It is important to note also that no answer has a low value which enhances the positive trend and high perceived value about benefits from the adoption.

Table 6. The mean, standard deviation, and importance of the third section paragraphs (benefits)

Question No.	Paragraph	Mean	S.D	Importance degree
1.	The adoption of IFRS for SMEs will improve financial reporting.	4.1	.89	High
2.	My entity will benefit from adopting IFRS for SMEs.	3.56	.69	High
3.	It will be economically favorable for SMEs to use IFRS for SMEs in preparing financial statements.	3.38	.57	Moderate
4.	IFRS for SMEs will bring transparency to the financial statements.	3.41	.68	Moderate
5.	IFRS for SMEs will enhance the quality of the financial statements.	4.15	.99	High
6.	Investors will have more confidence in entities that adopt IFRS for SMEs.	4.12	.89	High
7.	The adoption of IFRS for SMEs increases market efficiency.	2.58	.74	Moderate
8.	The adoption of IFRS for SMEs reduces the cost of raising capital.	3.88	1.12	High
9.	The adoption of IFRS for SMEs will enhance SMEs' competitive advantage, potential for growth, and sustainability.	3.46	1.09	Moderate
10.	IFRS for SMEs reports attracts foreign direct investment and provides greater access to external funds.	2.66	.58	Moderate
11.	IFRS for SMEs provides the overall picture of SMEs through faithful representation	3.68	.84	High
12.	IFRS for SMEs enhancing the reliability of financial statement.	3.96	.48	High
13.	I think that benefits accrue in the long run, but not in the short run.	3.78	1.13	High
14.	IFRS for SMEs provides the overall picture of SMEs through faithful representation	3.98	.79	High
	Total	3.62	.35	High

The fourth section of the questionnaire concerns the perceived value of cost or obstacles to adaptation of IFRS for SMEs in Jordan from the point of view of preparers of financial statements. Table 7 shows the mean and standard deviation of the answers from the sample responses for each of the 21 paragraphs in the fourth section. It is noted from the table that the answers of the respondents were close to and above the moderate with an average (of 3.49)

as compared to the study average of (3), which indicates that the majority of the sample of the study perceived that there are obstacles to the adoption of IFRS for SMEs by JSMEs due to the cost that is expected to incur. In addition, it's noted that the answers have high and moderate values and no low answer values. The overall average is moderate and less than the perceived value of the benefits, which in turn makes adoption possible, but moderate values, as shown in the second section.

Table 7. The mean, standard deviation, and importance of the fourth section paragraphs (costs and obstacles)

Q. No.	Paragraph	Mean	S.D	Importance degree
1.	New IFRS for SMEs need more training cost	3.11	.58	Moderate
2.	I think that the costs of complying with IFRS are greater than the corresponding benefits.	3.22	.45	Moderate
3.	there are various costs associated with the adoption and implementation of IFRS for SMEs	3.18	.97	Moderate
4.	Accounting consulting services will be required at a cost	3.28	.56	Moderate
5.	IFRS for SMEs is an interfere in the privacy of entities	4.13	.48	Moderate
6.	There will be cost of compliance with IFRS for SMEs	3.56	.59	High
7.	Cost of updating information systems may incurred	3.18	.68	Moderate
8.	audit fees is likely to increase after the adoption of IFRS for SMEs	3.51	.64	High
9.	Weaknesses of internal control and absence of it in many entities	3.68	.72	High
10.	The lack of experience and knowledge among human cadres working in these areas is established in the field of accounting.	3.32	.88	High
11.	Limited financial resources to apply IFRS for SMEs.	3.22	.77	Moderate
12.	Unwillingness of the owners of the entities to disclose its real income	4.11	.56	High
13.	The different economic conditions in which SMEs operate in Jordan compared to countries that develop these Standards	3.05	.68	High
14.	Accounting as a tax tool is considered one of the most important barriers to disclosure among JSMEs.	4.06	.56	High
15.	I believe that SMEs will beer some hidden cost.	3.25	.86	High
16.	complexity of requirements for this standard.	3.25	.83	Moderate
17.	High application cost.	3.97	.87	High
18.	Not commensurate with facility capabilities	3.55	.68	High
19.	Lack of clarity in the terminology used.	3.75	.86	High
20.	The management or the owner is not convinced of the feasibility of applying it.	3.79	.75	High
21.	The privacy of the facility's business and the preservation of Confidentiality of information.	3.32	.57	Moderate
	Total	3.49	.46	Moderate

#### 4.2 Test of Hypotheses

The first hypothesis stated that *managers of JSMEs have a negative perception towards the adoption of IFRS for SMEs*. To test this hypothesis (one sample-t-test) used, Table 8 shows results of the test. The table shows that there are statistically significant differences at the 5% level between the average of the study respondents' answers and the compared value of 3. Thus, we reject the null hypotheses and accept the alternative hypotheses, which state that *managers of JSMEs have a positive perception towards the adoption of IFRS for SMEs*.

Table 8. One sample T –Test for the first hypotheses

Mean	Std. Deviation	Computed T-value	Tabulated T-Value	Df	Sig (one-tailed)	Result
3.24	.54	16.58	1.96	137	.000	Reject

Note. Significant at 0.05 level.

Test of the second hypothesis “*Managers of JSMEs perceive that the adoption of IFRS for SMEs will not benefit their entities*” to test this hypothesis, a one-sample t-test was used. The table below shows the test result. The table shows that there are statistically significant differences at the level of 5% between the average of the study respondents’ answers and the compared value of 3. Thus, we reject the null hypothesis and accept the alternative hypothesis, which states “*Managers of JSMEs perceive that the adoption of IFRS for SMEs will benefit their entities*”.

Table 9. One sample T –Test for the second hypotheses

Mean	Std. Deviation	Computed T-value	Tabulated T-Value	Df	Sig (one-tailed)	Result
3.58	.90	14.35	1.96	137	.000	reject

Note. Significant at 0.05 level.

Test of the third hypothesis: “*Managers of JSMEs perceived that the adaptation of IFRS for SMEs would not incur costs for their entities*”. To test this hypothesis, a one-sample t-test was used. Table 10 shows the test result. The table shows that there are no statistically significant differences at the level of 5% between the average of the respondent's answers and the compared value of (3). Thus, we accept the null hypothesis and reject the alternative hypothesis that states that *Managers of JSMEs perceived that the adaptation of IFRS for SMEs would incur costs for their entities*.

Table 10. One sample T-Test for the third hypothesis

Mean	Std. Deviation	Computed T-value	Tabulated T-Value	D.f	Sig (one-tailed)	Result
3.49	.96	16.78	1.96	137	.681	accept

*Note.* Significant at 0.05 level.

## 5. Conclusion

This study tried to fill the gap and extend the literature on IFRS for SMEs, especially in developing countries and, in particular, Jordan. The purpose of the current study is to know the perceived value of the implementation of IFRS for SMEs, specifically the possibility, readiness, benefits, cost, and constraints. Using the questionnaires as a tool for the study, the findings revealed that managers, accountants, or those who prepare financial statements in JSMEs perceived with consensus that the implementation of IFRS for SMEs is possible, even though they perceive that benefits will come in the long run and hidden costs may occur.

Indeed, even though this standard is new, as we know it is based on full IFRS, which is already adopted in Jordan, and the financial system has applied it; thus, it is easy to absorb and adapt. The results of this study provide an initial impression since the actual applications, benefits, and costs have not yet been completed or revealed. Furthermore, the level of perceived value is moderate compared with that of public companies; this can be explained by the fact that public companies will signal to the investors the quality of their equity (Spence, 1973; De Moura et al., 2020), but SMEs in Jordan did not see that matter as important.

The results of this study are in line with the concept of costs and benefits analysis, which is derived from the Value-based Model theory (Fontes et al., 2016), this theory states that when potential benefits surpass costs, or at least in balance, the individual will have positive perceptions. This result is consistent with Suwaidan et al. (2018), Pais and Bonito (2018), and Litjens et al. (2012), who showed that the implementation of IFRS for SMEs in developing countries is possible. but not consistent with those reported by Ghio and Verona (2018), Gonçalves et al. (2022), Hussain and Rani (2012), Melgarejo and Arcelus (2010), who found negative perceptions of adopting IFRS for SMEAs and stated that IFRS is still not ideal for SMEs.

Moreover, the findings of the study revealed that Managers of JSMEs believe that the adaptation of IFRS for SMEs will benefit their entities in general. The explanation for this is the willingness to achieve the advantages of preparing financial statements since this will make them acceptable internally, externally and reliably, which in turn makes them qualified to gain the expected benefit even in the long run. This result is in line with Okpala (2012) but not in agreement with Kaya and Koch (2015) or Mahmood et al. (2018). In addition, the results of the study indicate that managers perceived that their entities would incur costs as a consequence of the adaptation of the new standard in the short and long run. For instance, the cost of a new accounting system, consulting, financial and tax advice, disclosures, continued change, and staff training. Finally, this matter may explain the unwillingness of JSMEs

owners to disclose their real income; they considered IFRS for SMEs an interfere with the privacy of their entities; this result is consistent with Suwaidan et al. (2018).

## 6. Recommendations, Limitations, and Contributions

The results of the current study have certain implications for regulatory bodies, it recommends academicians, managers, and professionals to work toward improving the standard to fulfill the needs of SMEs. Further, the study recommends that professional institutions should provide a unified definition for JSMEs, accelerate the application of the standard, and provide financial data for these SMEs for the public interest.

Further, this study suggests that thorough IFRS awareness and training programs must be conducted at different levels, and universities should include this standard in their curricula. Further, auditors, managers, practitioners should have educational and training programs also. This study is based on a questionnaire survey to collect data, and there is a lack of data concerning SMEs.

Thus, this study is limited to exploring only the possibility, benefits, and costs of implementation; it does not deal with variables related to SMEs characteristics (e.g., revenues, size, leverage, capital, production, and sales volume). The current study went directly to ask for potential benefits and costs without asking for opinions regarding the key differences between full IFRS and IFRS for SMEs, simplifications made, or details of the standard itself because managers are not specialized in this issue.

Moreover, future studies may focus again on perceived value after implantation take place when the actual cost and benefits become well known. However, future studies should examine other variables. (revenues, size, leverage, capital, production, and sales volume) and show its influence on the degree of compliance with implementation as beliefs and perceptions may change at that time.

## References

- Adekoya, O. (2011). *Similarities and differences, IFRS and Nigerian GAAP*. Lagos: Pricewater House Coopers International Limited (PWCIL).
- Albu, C. N., Albu, N., Pali-Pista, S. F., Gîrbină, M. M., Selimoglu, S. K., Kovács, D. M., & Strouhal, J. (2013). Implementation of IFRS for SME s in emerging economies: stakeholder perceptions in the Czech Republic, Hungary, Romania and Turkey. *Journal of International Financial Management & Accounting*, 24(2), 140–175. <https://doi.org/10.1111/jifm.12008>
- Association of Chartered Certified Accountants (ACCA). (2018). Retrieved from <https://www.accaglobal.com/gb/en/member/disco>
- Ballas, A. A., Skoutela, D., & Tzovas, C. A. (2010). The relevance of IFRS to an emerging market: evidence from Greece. *Managerial Finance*, 36(11), 931–948. <https://doi.org/10.1108/03074351011081259>
- Bar-Yosef, S., D'Augusta, C., & Prencipe, A. (2019). Accounting research on private firms: state of the art and future directions. *The International Journal of Accounting*, 54, 1–75.

<https://doi.org/10.1142/S1094406019500070>

Cai, F., & Wong, H. (2010). The effect of IFRS adoption on global market integration. *International Business & Economics Research Journal (IBER)*, 9(10). <https://doi.org/10.19030/iber.v9i10.636>

CFA Institute. (2013). *Helping SME's access funding survey report*. Retrieved from <https://www.cfainstitute.org/-/media/5690E2E9C18047C1A5979D49252EDDC2.ashx>

Chand, P., Patel, A., & White, M. (2015). Adopting international financial reporting standards for small and medium-sized enterprises. *Australian Accounting Review*, 25, 139–154. <https://doi.org/10.1111/auar.12067>

Coram, P. J. (2018). Discussion of “accounting practitioners” attitudes toward accounting harmonization: adoption of IFRS for SMEs in Italy. *Journal of International Accounting Research*, 17, 123–126. <https://doi.org/10.2308/jiar-10630>

Damak-Ayadi, S., Sassi, N., & Bahri, M. (2020). Cross-country determinants of IFRS for SMEs adoption. *Journal of Financial Reporting and Accounting*, 18(1), 147–168. <https://doi.org/10.1108/JFRA-12-2018-0118>

de Moura, A. A. F., Altuwaijri, A., & Gupta, J. (2020). Did mandatory IFRS adoption affect the cost of capital in Latin American countries? *Journal of International Accounting, Auditing and Taxation*, 38, 1–18. <https://doi.org/10.1016/j.intaccudtax.2020.100301>

Deloitte. (2010). *IFRS for SMEs in your pocket*. Retrieved from <http://www.deloitte.com>

DiMaggio, P. (1998). The New Institutionalisms: Avenues of Collaboration. *Journal of Institutional and Theoretical Economics (JITE)*, 154(4), 696–705.

Eierle, B., Shirkhani, D., & Helduser, C. (2018). The need to provide internationally comparable accounting information and the application of IFRS: Empirical evidence from German private firms. *Accounting in Europe*, 15(3), 323–346. <https://doi.org/10.1080/17449480.2018.1445869>

Fontes, A., Rodrigues, L. L., & Craig, R. (2016, December). A theoretical model of stakeholder perceptions of a new financial reporting system. *Accounting Forum*. <https://doi.org/10.1016/j.accfor.2016.10.002>

Gassen, J. (2017). The effect of IFRS for SMEs on the financial reporting environment of private firms: an exploratory interview study. *Accounting and Business Research*, 47(5), 540–563. <https://doi.org/10.1080/00014788.2017.1314105>

Ghio, A., & Verona, R. (2018). Accounting practitioners' attitudes toward accounting harmonization: adoption of IFRS for SMEs in Italy. *Journal of International Accounting Research*, 17, 103–122. <https://doi.org/10.2308/jiar-52278>

Gonçalves, F. J. A., De Moura, A. A. F., & Motoki, F. Y. S. (2022). What influences the implementation of IFRS for SMEs? The Brazilian case. *Accounting & Finance*, 62(2), 2947–2992. <https://doi.org/10.1111/acfi.12917>

- Gordon, J. R. (1993). *A diagnostic approach to organizational behavior*. Boston: Allyn and Bacon
- Handley, K., Wright, S., & Evans, E. (2018). SME reporting in Australia: where to now for decision-usefulness? *Australian Accounting Review*, 28, 251–265. <https://doi.org/10.1111/auar.12179>
- Haverty, J. L. (2006). Are IFRS and US GAAP converging? Some evidence from People's Republic of China companies listed on the New York Stock Exchange. *Journal of International Accounting, Auditing and Taxation*, 15(1), 48–71. <https://doi.org/10.1016/j.intaccudtax.2006.01.004>
- Helen Samujh, R. (2011). Micro-businesses need support: Survival precedes sustainability. *Corporate Governance: The International Journal of Business in Society*, 11(1), 15–28. <https://doi.org/10.1108/14720701111108817>
- Hope, O. K., Jin, J. Y., & Kang, T. (2006). Empirical evidence on jurisdictions that adopt IFRS. *Journal of International Accounting Research*, 5(2), 1–20. <https://doi.org/10.2308/jiar.2006.5.2.1>
- Hussain, F. F., Chand, P. V., & Rani, P. (2012). The impact of IFRS for SMEs on the accounting profession: Evidence from Fiji. *Accounting & Taxation*, 4(2), 107–118.
- IASB. (2009). *International financial reporting standards (IFRS) for small and medium-sized entities (SME)*. Retrieved from [http://icagh.com/file/IFRS for SMEs](http://icagh.com/file/IFRS%20for%20SMEs)
- IASB. (2023). International Tax Reform—Pillar Two Model Rules. Amendments to the IFRS for SME Accounting Standard IFRS for SMEs? An institutional perspective. *Journal of Corporate Accounting and Finance*.
- IFRS Foundation. (2017). *What are IFRS standards?* Retrieved from <http://www.ifrs.org/About-us/Pages/What-areIFRS.aspx>
- Jain, M. K., & Gandhi, S. K. (2015). Accounting for Fixed Assets for SMEs in India vs. IFRS for SMEs: A Comparative Study and the Challenges Ahead. *International Journal of Multidisciplinary Approach & Studies*, 2(6).
- Jermakowicz, E. K., & Gornik-Tomaszewski, S. (2006). Implementing IFRS from the Perspective of EU Publicly Traded Companies. *Journal of Accounting, Auditing and Taxation*, 15(1), 170–196.
- Jermias, J. (2001). Cognitive dissonance and resistance to change: The influence of commitment confirmation and feedback on judgment usefulness of accounting systems. *Accounting Organizations and Society*, 26, 141–160. [https://doi.org/10.1016/S0361-3682\(00\)00008-8](https://doi.org/10.1016/S0361-3682(00)00008-8)
- Jimmieson, N. L., White, K. M., & Zajdlewicz, L. (2009). Psychosocial predictors of intentions to engage in change supportive behaviors in an organizational context. *Journal of Change Management*, 9(3), 233–250. <https://doi.org/10.1080/14697010903125472>

- Jordan Chamber of Industry. (2023). Retrieved from <https://jci.org.jo/Chamber>
- Joshi, P. L., & Ramadhan, S. (2002). The adoption of international accounting standards by small and closely held companies: Evidence from Bahrain. *The International Journal of Accounting*, 37(4), 429–440. [https://doi.org/10.1016/S0020-7063\(02\)00190-5](https://doi.org/10.1016/S0020-7063(02)00190-5)
- Katz, M. L., & Shapiro, C. (1985). Network externalities, competition, and compatibility. *American Economic Review*, 75, 424–440.
- Kaya, D., & Koch, M. (2015). Countries' adoption of the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) – early empirical evidence. *Accounting and Business Research*, 45(1), 93–120. <https://doi.org/10.1080/00014788.2014.969188>
- Khlif, H., Ahmed, K., & Alam, M. (2020). Accounting regulations and IFRS adoption in francophone North African Countries: the experience of Algeria, Morocco, and Tunisia. *The International Journal of Accounting*, 55, 1–36. <https://doi.org/10.1142/S1094406020500043>
- Kılıç, M., Uyar, A., & Ataman, B. (2014). Preparedness for and perception of IFRS for SMEs: evidence from Turkey. *Accounting & Management Information Systems*, 13(3).
- Litjens, R., Bissessur, S., Langendijk, H., & Vergoossen, R. (2012). How do preparers perceive costs and benefits of IFRS for SMEs? Empirical evidence from the Netherlands. *Accounting in Europe*, 9(2), 227–250. <https://doi.org/10.1080/17449480.2012.720875>
- Mahmood, Z., Khan, A. B., ur Rehman, A., & Atta, S. (2018). Preliminary insights on the adoption of international financial reporting standard (IFRS) for small and medium enterprises (SMEs) in Pakistan. *Journal of Accounting and Finance in Emerging Economies*, 4(1), 95–110. <https://doi.org/10.26710/jafee.v4i1.522>
- Melgarejo, Z., Simon, K., & Arcelus, F. J. (2010). Differences in Financial Performance Amongst Spanish SMEs According to Their Capital-Ownership Structure: A Descriptive Analysis. *Annals of Public and Cooperative Economics*, 81(1), 105–129. <https://doi.org/10.1111/j.1467-8292.2009.00407.x>
- OECD. (2017). *Enhancing the contributions of SMEs in a global and digitalised economy*. Retrieved from <https://www.oecd.org/mcm/documents/C-MIN-2017-8-EN.pdf>
- Okpala, K. (2012). Adoption of IFRS and Financial Statements Effects: The Perceived Implications on FDI and Nigeria Economy. *Australian Journal of Business and Management Research*, 2(5), 76–83. <https://doi.org/10.52283/NSWRCA.AJBMR.20120205A10>
- Pais, C. A. F., & Bonito, A. L. M. (2018). The macroeconomic determinants of the adoption of IFRS for SMEs. *Revista de Contabilidade-Spanish Accounting Review*, 21(2), 116–127. <https://doi.org/10.1016/j.rcsar.2018.03.001>
- Poli, F. (2017). Different approaches to regulating private company financial reporting: a practitioner's view. *Accounting and Business Research*, 47, 503–505. <https://doi.org/10.1080/00014788.2017.1318514>

Powell, W. W., & DiMaggio, P. J. (1991). *The New Institutionalism in Organizational Analysis* (pp. 391–408). University of Chicago Press. <https://doi.org/10.7208/chicago/9780226185941.001.0001>

Ravelli, R., & Sansom, M. (2021). *Project plan for the second phase of the review*. Second Comprehensive Review of the IFRS for SMEs® Standard [Staff paper]. (IFRS Foundation).

Rezaee, Z., Smith, L. M., & Szendi, J. Z. (2010). Convergence in accounting standards: Insights from academicians and practitioners. *Advances in Accounting*, 26(1), 142–154. <https://doi.org/10.1016/j.adiac.2010.01.001>

Samujh, R. H. (2007). *IFRS for SMEs: A New Zealand perspective*. Department of Accounting Working Paper Series, Number 96. Hamilton, New Zealand: University of Waikato.

Self, D. R., Armenakis, A. A., & Schraeder, M. (2007). Organizational change content, process, and context: A simultaneous analysis of employee reactions. *Journal of Change Management*, 7(2), 211–229. <https://doi.org/10.1080/14697010701461129>

Sellami, Y. M., & Gafsi, Y. (2018). What drives developing and transitional countries to adopt the IFRS for SMEs? An institutional perspective. *Journal of Corporate Accounting & Finance*, 29(2), 34–56. <https://doi.org/10.1002/jcaf.22331>

Shima, K. M., & Yang, D. C. (2012). Factors affecting the adoption of IFRS. *International Journal of Business*, 17(3), 276–298.

Sithole, S. T. M. (2015). The relevance of international financial reporting standards for small and medium-sized entities (IFRS for SMEs) in Swaziland. *Journal of Modern Accounting and Auditing*, 11, 383–402. <https://doi.org/10.17265/1548-6583/2015.08.001>

Spence, M. (1973). Job Market Signaling. *Quarterly Journal of Economics*, 87 (August), 355–374. <https://doi.org/10.2307/1882010>

Suwaidan, M., Qaqish, M., Bataineh, H., & Hammad, L. (2018). The relevance of applying IFRS for SMEs in Jordan: An explanatory study from the Jordanian auditors' viewpoint. *The Jordan Journal of Business Administration*, 41(2), 239–260.

Tarca, A. (2004). International Convergence of Accounting Practices: Choosing between IAS and US GAAP. *Journal of International Financial Management and Accounting*, 15, 60–91. <https://doi.org/10.1111/j.1467-646X.2004.00102.x>

Tyrrall, D., Woodward, D., & Rakhimbekova, A. (2007). The relevance of International Financial Reporting Standards to a developing country: Evidence from Kazakhstan. *The International Journal of Accounting*, 42(1), 82–110. <https://doi.org/10.1016/j.intacc.2006.12.004>

Uyar, A., & Güngörmüş, A. H. (2013). Perceptions and knowledge of accounting professionals on IFRS for SMEs: Evidence from Turkey. *Research in Accounting Regulation*, 25(1), 77–87. <https://doi.org/10.1016/j.racreg.2012.11.001>

Vasek, L. (2011). IFRS for SMEs a new challenge for worldwide financial reporting. *International Journal of Management Cases*, 13(4), 115–120. <https://doi.org/10.5848/APBJ.2011.00118>

Zahid, R. A., & Simga-Mugan, C. (2019). An analysis of IFRS and SME-IFRS adoption determinants: a worldwide study. *Emerging Markets Finance and Trade*, 55(2), 391–408. <https://doi.org/10.1080/1540496X.2018.1500890>

### **Copyrights**

Copyright for this article is retained by the author(s), with first publication rights granted to the journal.

This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (<http://creativecommons.org/licenses/by/4.0/>).