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REVIEW TIMES

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Dubai Nasdaq Growth (SME IPO) - The journey to sustainable growth

Dubai Nasdaq Growth Market:

The vast majority of companies operating in the UAE are SMEs and the SME sector provides jobs for a substantial part of the private sector's workforce. At the same time, SMEs have difficulty accessing funding, giving rise to a commercial funding gap. With the listing regime for SMEs, the DFSA encourages market participants to develop financing solutions to bridge this gap.

Dubai has launched a new market – the Nasdaq Dubai Growth Market – to help young businesses and SMEs raise capital via an IPO.

- The Growth Market will not be restricted to only companies in the UAE, but will be open to international companies as well.
- NASDAQ Dubai is governed to international standards by an independent regulator called the Dubai Financial Services Authority (DFSA), which is equivalent to the Securities and Exchange Commission in the U.S.

List of Stock exchanges in UAE:

- Dubai Financial Market (DFM)
- Abu Dhabi Securities Exchange (ADX)
- NASDAQ Dubai

Benefits of Growth Market:

- Strong investor base
- Global brand
- Build market trust
- Experienced advisors network
- Transparent process
- Issuer's control
- Flexible listing application

Dubai Nasdaq Growth (SME IPO) – Requirements in brief

Company shares

- Market cap – USD 10 to USD 250 Mn
- Free float – 25%

Financials

- Minimum – 1 year
- Audited as per IFRS

Cost

- Application fees – USD 5,000
- Annual fees – USD 10,000

Currency

Flexibility to list shares in USD, AED, or any other currency of choice.

If you are an SME looking to raise funds, Dubai Nasdaq presents an alternative to the current IPO market options. RT ASEAN can help you with managing listing opportunities in Dubai Nasdaq. **Write to us today at info@rtasean.com.**

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About the firm

Mac and Ross has become a brand name in the field of auditing & business consultancy in the UAE catering to a wide range of clients. We render services as Auditors (both external and internal), VAT Consultants and Business Consultants, Financial and Accounting experts, as well as Advisers and Consultants for project feasibility studies, amongst others.

Financial Reporting - International

1.1 IASB amends IAS 1, IAS 8, and IFRS Practice Statement 2 to improve accounting policy disclosures and clarify distinction between accounting policies and accounting estimates

On 12 February 2021, the International Accounting Standards Board (IASB) issued narrow-scope amendments to IAS 1, IAS 8, and IFRS Practice Statement 2.

The amendments will help companies:

- improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements; and
- distinguish changes in accounting estimates from changes in accounting policies.

The amendments to IAS 1 and IAS 8 will be effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted.

1.2 IASB extends support for lessees accounting for covid-19-related rent concessions

On 31 March 2021, the International Accounting Standards Board (IASB) extended by one year the application period of the practical expedient in IFRS 16 Leases to help lessees accounting for covid-19-related rent concessions.

In response to calls from stakeholders and because the covid-19 pandemic is still at its height, the IASB has extended the relief by one year to cover rent concessions that reduce only lease payments due on or before 30 June 2022.

The original amendment was issued in May 2020 to make it easier for lessees to account for covid-19-related rent concessions, such as rent holidays and temporary rent reductions, while continuing to provide useful information about their leases to investors.

The amendment is effective for annual reporting periods beginning on or after 1 April 2021.



1.3 IASB proposes a new approach that opens the way to better communication in the notes in financial statements

On 25 March 2021, the International Accounting Standards Board (IASB) issued an Exposure Draft (ED) to seek public comments on a new approach to developing disclosure requirements in IFRS Standards and new disclosure requirements for the Standards on fair value measurement and employee benefits. These proposals would enable companies to enhance their judgement and reduce 'boilerplate' information, giving investors more useful information.

The IASB has tested this new approach using two IFRS Standards—IFRS 13 Fair Value Measurement and IAS 19 Employee Benefits—and has proposed amendments to the disclosure requirements in those Standards in the ED.

The Board is seeking stakeholder feedback on whether the proposed new approach to developing disclosure requirements and proposed amendments to IFRS 13 and IAS 19 would help companies and others improve the usefulness of information disclosed.

To access the ED Disclosure Requirements in IFRS Standards—A Pilot Approach, the Basis for Conclusions and the Illustrative Examples, click [here](#).

To access the Snapshot, which provides an overview of the proposals, click [here](#).

The deadline for submission of comments to the IASB is on 21 October 2021.

Audit & Assurance - International

2.1 IAASB issues exposure draft on proposed conforming amendments to the IAASB's other standards and framework due to the new and revised quality management standards

On 22 February 2021, the International Auditing and Assurance Standards Board (IAASB) issued an Exposure Draft (ED) addressing proposed changes in some of its standards and framework resulting from the new and revised quality management standards.

The Exposure Draft aligns the IAASB's standards related to review, assurance and related services, as well as its framework, with the quality management standards through conforming amendments. This will ensure that the IAASB's international standards continue to be applied as intended. The proposed changes will also modify IAASB standards to reflect aspects of the new quality management approach and emphasize the importance of firm-level quality management to consistent quality engagements.

To access the ED, click [here](#).

Comments are requested by 24 May 2021.



Ethics - International

3.1 IESBA releases additional guidance on its proposed definition of a public interest entity

On 12 March 2021, the IESBA released a new staff publication providing additional context to the IESBA's recently proposed revisions to the definition of a public interest entity (PIE).

This staff publication supplements the guidance material in the explanatory memorandum of the Exposure Draft Proposed Revisions to the Definitions of Listed Entity and Public Interest Entity in the Code (PIE ED), which was released in January 2021.

This staff publication will assist local regulators, national standard setters or other relevant local bodies in considering and planning adoption of the revised PIE definition when finalized and issued by the IESBA. The IESBA recognizes that there may be refinements to the proposals as a result of the comments received on exposure.

To access the publication, click [here](#).



Financial Reporting – Singapore

4.1 Singapore ASC issues Amendment to SFRS(I) 16 and Amendment to FRS 116 on Covid-19-Related Rent Concessions beyond 30 June 2021

Following the issuance of the amendments by the IASB to IFRS 16 Leases to help lessees accounting for covid-19-related rent concessions, the Singapore Accounting Standards Council (ASC) on 31 March 2021 had also issued identical amendments to SFRS(I) 16 and FRS 116.

The amendments are effective for annual reporting periods beginning on or after 1 April 2021, which is the same as the effective date of the amendments to IFRS 16.

To access the amendment to SFRS(I) 16, click [here](#).

To access the amendment to FRS 116, click [here](#).

Audit & Assurance – Singapore

5.1 ISCA Issues Statement of Auditing Practice (SAP) 2 (Revised 2021)

In February 2021, the Institute of Singapore Chartered Accountants (ISCA) issued SAP 2 (Revised 2021) which provides guidance on the reporting auditor's roles and responsibilities when engaged as a professional in a public offering exercise, and general principles governing engagements relating to public offering documents.

A summary of the key additions are as follows:

- Paragraphs 49 to 52 – New section on Confirmation on Internal Controls Required by SGX;
- Additional illustrative example report on internal controls (Appendix 1 Example 7).
- The enhancements are effective for reports dated on or after 1 June 2021.

To access (SAP) 2 (Revised 2021), click [here](#).

Ethics – Singapore

6.1 ACRA issues changes to the Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities

On 26 February 2021, Singapore Accounting and Corporate Regulatory Authority (ACRA) issued the revised Code of Professional Conduct and Ethics (the Revised ACRA Code) for public accountants and accounting entities to adopt the Final Pronouncements relating to the Restructured Code, and Revisions to the Code pertaining to the Offering and Accepting of Inducements, issued by the International Ethics Standards Board for Accountants (IESBA). The Revised ACRA Code is set out in the Accountants (Public Accountants) (Amendment) Rules 2021 and took effect from 1 March 2021.

To access the Revised ACRA Code, please click [here](#).





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