

IFRS® STANDARDS—APPLICATION AROUND THE WORLD



JURISDICTIONAL PROFILE: **Uruguay**

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This Profile provides information about the application of IFRS® Accounting Standards (Standards) in Uruguay. The Standards are developed and issued in the public interest by the International Accounting Standards Board (IASB). The IASB is the standard-setting body of the IFRS Foundation (Foundation), an independent, private sector, not-for-profit organisation.

The Foundation has prepared this Profile based on information from various sources. The starting point was the answers provided by standard-setting and other bodies in response to surveys the Foundation conducted on the application of the Standards around the world. The Foundation drafted the profile and invited the respondents to the survey. The Foundation also invited others (including regulators and international audit firms) to review the drafts. Their comments are reflected in this Profile.

The purpose of the Foundation's Jurisdictional Profiles is to illustrate only the extent of implementation of the Standards across the globe. The Profiles do not reflect the intellectual property licensing status of the Standards within any given jurisdiction. The Standards are protected by copyright and are subject to licensing arrangements agreed upon within their jurisdiction. For further information, please contact permissions@ifrs.org.

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RELEVANT JURISDICTIONAL AUTHORITY

Organisation	Colegio de Contadores, Economistas y Administradores del Uruguay [Association of Accountants, Economists, and Managers of Uruguay]
Role of the organisation	<p>The Colegio de Contadores, Economistas y Administradores del Uruguay (The Colegio) is the professional accountancy body in Uruguay.</p> <p>In Uruguay accounting standards are set by the government. The government has created an advisory body called Comisión Permanente de Normas Contables Adecuadas to advise the government on accounting standards. The Colegio is the main technical resource in that advisory body. The Colegio is also a member of the Group of Latin-American Standard Setters (GLASS).</p>
Website	www.ccea.com.uy
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COMMITMENT TO GLOBAL FINANCIAL REPORTING STANDARDS

Has the jurisdiction made a public commitment in support of moving towards a single set of high quality global accounting standards?	Yes.
Has the jurisdiction made a public commitment towards IFRS Accounting Standards as that single set of high quality global accounting standards?	Yes.
What is the jurisdiction's status of adoption?	<p>Uruguay had initially adopted the 2007 version of IFRS Standards with modifications. However pursuant to a 2011 National Decree, companies whose securities are publicly traded other than financial institutions, autonomous entities, and decentralized services began using current IFRS Standards as translated into Spanish in their financial statements stating with financial statements for 2012. Financial institutions began using current IFRS Standards as translated into Spanish starting in 2014.</p>
Additional comments provided on the adoption status?	<p>In July 2007, the government issued a national decree that established IFRS Standards in force at July 2007 as mandatory for all companies other than banks and financial institutions for financial years beginning on or after 1 January 2009. However it also made some modifications to the July 2007 IFRS Standards:</p> <ul style="list-style-type: none"> • <i>Companies must follow national standards for presentation of financial statements and note disclosures that are different from IAS 1 Presentation of Financial Statements.</i> • General price-level adjusted financial statements are required even if the hyperinflation test of 100% over three years in IAS 29 <i>Financial Reporting in Hyperinflationary Economies</i> is not met. • Investments must be accounted for by the equity method in separate financial statements, which is different from the requirement in IAS 27 <i>Separate Financial Statements</i>. <p>In May 2009, the government issued a national decree that identified specific IFRS Standards that must be applied by small entities as defined in the decree. In February 2010 the definition of small entities was modified by another national decree.</p> <p>In April 2011, the government issued a new national decree that requires the following categories of companies to use all IFRS Standards translated into Spanish effective in 2012: all companies whose securities are publicly traded other than financial institutions, autonomous entities, and decentralised services.</p> <p>In April 2012, the government issued another national decree that stated that financial statements adjusted for changes in the general price-level are no longer mandatory after 2011.</p> <p>For banks, insurance companies, mutual funds, and other financial institutions, in 2011 the Central Bank of Uruguay adopted IFRS Standards starting in 2014. This means the latest versions of IFRS Standards, not the 2007 version adopted by the national decree.</p>
If the jurisdiction has NOT made a public statement supporting the move towards a single set of accounting standards and/or towards IFRS Accounting Standards as	Not applicable.

that set of standards, explain the jurisdiction's general position towards the adoption of IFRS Accounting Standards in the jurisdiction.

EXTENT OF IFRS APPLICATION

For DOMESTIC companies whose debt or equity securities trade in a public market in the jurisdiction:

Are all or some domestic companies whose securities trade in a public market either required or permitted to use IFRS Accounting Standards in their consolidated financial statements?	Companies other than banks and financial institutions, autonomous entities, and decentralised services are required to use accounting standards adopted by national decree. Starting in 2012, for companies whose securities trade in a public market this is full IFRS Standards as translated into Spanish. Banks and other financial institutions started using IFRS Standards in 2014. More information can be found in the 'Commitment to Global Financial Reporting Standards' section of this profile.
If YES, are IFRS Accounting Standards REQUIRED or PERMITTED?	Required.
Does that apply to ALL domestic companies whose securities trade in a public market, or only SOME? If some, which ones?	All.

Are IFRS Accounting Standards also required or permitted for more than the consolidated financial statements of companies whose securities trade in a public market?	No.
For instance, are IFRS Accounting Standards required or permitted in separate company financial statements of companies whose securities trade in a public market?	No.
For instance, are IFRS Accounting Standards required or permitted for companies whose securities do not trade in a public market?	No.
If the jurisdiction currently does NOT require or permit the use of IFRS Accounting Standards for domestic companies whose securities trade in a public market, are there any plans to permit or require IFRS Accounting Standards for such companies in the future?	Not applicable.

For FOREIGN companies whose debt or equity securities trade in a public market in the jurisdiction:

Are all or some foreign companies whose securities trade in a public market either REQUIRED or PERMITTED to use IFRS Accounting Standards in their consolidated financial statements?	Yes.
If YES, are IFRS Accounting Standards REQUIRED or PERMITTED in such cases?	Required.

Does that apply to ALL foreign companies whose securities trade in a public market, or only SOME? If some, which ones?

All.

IFRS ENDORSEMENT

Which IFRS Accounting Standards are required or permitted for domestic companies?

IFRS Standards as issued by the Board.

The auditor's report and/or the basis of presentation footnote states that financial statements have been prepared in conformity with:

Uruguay Accounting Standards.

Does the auditor's report and/or the basis of preparation footnote allow for 'dual reporting' (conformity with both IFRS Accounting Standards and the jurisdiction's GAAP)?

No.

Are IFRS Accounting Standards incorporated into law or regulations?

The July 2007 version of IFRS, with some modifications, was incorporated into law or regulations.

If yes, how does that process work?

IFRS Standards as issued through July 2007, with some modifications, were adopted by national decree that has the force of law. However, a 2011 National Decree subsequently adopted current IFRS Standards as translated into Spanish for companies whose securities are publicly traded other than financial institutions, autonomous entities, and decentralised services. Further, a regulation adopted by the Central Bank of Uruguay required financial institutions to begin using current IFRS as translated into Spanish in 2014.

If no, how do IFRS Accounting Standards become a requirement in the jurisdiction?

Not applicable.

Does the jurisdiction have a formal process for the 'endorsement' or 'adoption' of new or amended IFRS Accounting Standards (including Interpretations) in place?

No.

If yes, what is the process?

Not applicable.

If no, how do new or amended IFRS Accounting Standards become a requirement in the jurisdiction?

National Decree and regulations of the Central Bank of Uruguay.

Has the jurisdiction eliminated any accounting policy options permitted by IFRS Accounting Standards and/or made any modifications to any IFRS Accounting Standards?

Yes.

If yes, what are the changes?

The national decree that adopted IFRS Standards as issued through July 2007 made some modifications. However, both the 2011 National Decree and the Central Bank regulation make no modifications to IFRS Standards.

Other comments regarding the use of IFRS Accounting Standards in the jurisdiction?

None.

TRANSLATION OF IFRS ACCOUNTING STANDARDS

Are IFRS Accounting Standards translated into the local language? The IFRS Foundation develops and publishes a Spanish translation of IFRS Standards.

If they are translated, what is the translation process? In particular, does this process ensure an ongoing translation of the latest updates to IFRS Accounting Standards? The translation follows the official IFRS Foundation translation process.

APPLICATION OF THE IFRS FOR SMEs ACCOUNTING STANDARD

Has the jurisdiction adopted the *IFRS for SMEs* Accounting Standard for at least some SMEs? Yes.

If no, is the adoption of the *IFRS for SMEs* Accounting Standard under consideration? Not applicable.

Did the jurisdiction make any modifications to the *IFRS for SMEs* Accounting Standard? No.

If the jurisdiction has made any modifications, what are those modifications? Not applicable.

Which SMEs use the *IFRS for SMEs* Accounting Standard in the jurisdiction, and are they required or permitted to do so?

In October 2014, the Uruguayan Government approved decree No. 291/014, effective for fiscal years beginning on or after 1 January 2015 with early adoption permitted.

Decree 291/14 requires the *IFRS for SMEs* Standard (at the date of the decree, translated into Spanish and published on the website of the Internal Audit Office of Uruguay) to be applied by SMEs:

1. that do not have public accountability in accordance with the provisions of Section 1 of the *IFRS for SMEs* Standard;
2. whose annual net operating income does not exceed \$UR200,000 (approximately US\$6,300);
3. whose total indebtedness to entities controlled by the Central Bank of Uruguay (CBU), in any time of year, does not exceed 5% of the Net Asset Value for Financial Accountability (a regulatory measure imposed by the CBU);
4. that do not have participation of the state (as defined by a decree from 2002);
5. that do not control or are controlled by entities excluded by the preceding items.

The decree adds a few further requirements for those SMEs, including permitting the use of the revaluation model for property, plant and equipment (this was added to the *IFRS for SMEs* Standard in 2015) and capitalisation of borrowing costs in line with IAS 23 (this is inconsistent with the *IFRS for SMEs* Standard).

SMEs meeting the requirements in paragraphs 1-5 are also permitted to apply full IFRS Standards instead of the *IFRS for SMEs* Standard.

For those SMEs that are not required to use the *IFRS for SMEs* Accounting Standard, what other accounting framework do they use?

SMEs meeting the requirements in paragraphs 1-5 above are also permitted to apply full IFRS Standards instead of the IFRS for SMEs Standard.

Other comments regarding use of the *IFRS for SMEs* Accounting Standard? None.