



JURISDICTIONAL PROFILE: **Paraguay**

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This Profile provides information about the application of IFRS® Accounting Standards (Standards) in Paraguay. 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

<p>Organisation</p>	<p>Ministerio de Hacienda [Ministry of Finance]</p> <p>Consejo de Contadores Públicos del Paraguay (Consejo) [Council of Public Accountants of Paraguay]</p> <p>Central Bank of Paraguay – Superintendence of Banks</p>
<p>Role of the organisation</p>	<p>The Ministry of Finance has authority to establish accounting standards for all entities in Paraguay other than banks and financial institutions.</p> <p>The Consejo is the professional association of public accountants in Paraguay. The Consejo advises the Ministry of Finance with regard to accounting standards.</p> <p>Accounting standards for banks and other financial institutions are established by the Central Bank of Paraguay.</p>

Website Ministry of Finance: <http://www.hacienda.gov.py>
 Consejo: www.consejo.com.py
 Central Bank: <http://www/bcp.gov.py>

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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?

No.

Has the jurisdiction made a public commitment towards IFRS Accounting Standards as that single set of high quality global accounting standards?

Yes.

The Consejo states that it is committed adopting IFRS Standards in Paraguay. Currently it is developing national accounting standards 'based on IFRS'. The Consejo states that it 'was created in 2005 to formalise the profession and is very much committed to disclose and harmonise accounting standards and local practices, as much as possible, with IFRS'. The Consejo has signed a licence with the IFRS Foundation for use of copyright material. Also by license, the Consejo makes available to its members IFRS Standards in Spanish online via eIFRS. The Consejo's goal is to enable Paraguayan accountants to 'learn the basics of IFRS Standards and adopt them in a period of approximately five years'.

With regard to financial institutions, the Central Bank states: 'Through seminars and conferences, the Central Bank has made public its intention to adopt international standards of financial information by the financial institutions under its supervision. This corresponds to the attainment of the objectives included in the bank's strategic plan.'

What is the jurisdiction's status of adoption?

IFRS Standards are permitted for companies whose securities trade in a public market.

Additional comments provided on the adoption status?

A small number of large companies in Paraguay have voluntarily adopted IFRS Standards. They use IFRS Standards as issued by the Board. Companies that use IFRS Standards are not required to reconcile to Paraguayan national accounting standards.

With regard to financial institutions the Central Bank says: 'The Superintendence has a plan for adoption of the IFRS. The Superintendence has formed a group dedicated to this assignment. This group is in charge of having meetings with the sectors involved and measuring the impact of changing the actual rules. It will also lead to hiring a foreign consultant to make an analysis of the current situation of the financial market in our country.'

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?

Yes.

If YES, are IFRS Accounting Standards REQUIRED or PERMITTED?

Permitted, but very few companies use IFRS Standards. The Comisión Nacional de Valores (national securities commission) has adoption of IFRS under study in its project 'Proyecto de Reglamentación de los Aspectos Contables'.

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?

Permitted, but very few companies use IFRS Standards.

For instance, are IFRS Accounting Standards required or permitted in separate company financial statements of companies whose securities trade in a public market?

Permitted, but very few companies use IFRS Standards.

For instance, are IFRS Accounting Standards required or permitted for companies whose securities do not trade in a public market?

Permitted, but very few companies use IFRS Standards.

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?

Permitted.

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:

The auditor's report refers to 'accounting standards accepted in Paraguay'.

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)?

Yes.

Are IFRS Accounting Standards incorporated into law or regulations?

No.

If yes, how does that process work?

Not applicable.

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

IFRS Standards are not a requirement. At the same time, IFRS Standards are not prohibited, so a few companies voluntarily use IFRS Standards without need to incorporate IFRS Standards into law or regulations.

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?

A small number of large companies in Paraguay have voluntarily adopted IFRS Standards. The use IFRS Standards as issued by the Board. This means they must use new and amended IFRS Standards when issued and effective.

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

No.

If yes, what are the changes?

Not applicable.

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

The translation follows the official IFRS Foundation translation process.

ensure an ongoing translation of the latest updates to IFRS Accounting Standards?

APPLICATION OF THE IFRS FOR SMEs ACCOUNTING STANDARD

Has the jurisdiction adopted the <i>IFRS for SMEs</i> Accounting Standard for at least some SMEs?	No.
If no, is the adoption of the <i>IFRS for SMEs</i> Accounting Standard under consideration?	Yes. In August 2013 the Consejo began a study on the possible use of the <i>IFRS for SMEs</i> Standard in Paraguay.
Did the jurisdiction make any modifications to the <i>IFRS for SMEs</i> Accounting Standard?	Not applicable.
If the jurisdiction has made any modifications, what are those modifications?	Not applicable.
Which SMEs use the <i>IFRS for SMEs</i> Accounting Standard in the jurisdiction, and are they required or permitted to do so?	The <i>IFRS for SMEs</i> Standard is not prohibited, but very few companies use it. Nearly all SMEs use Paraguayan national accounting standards.
For those SMEs that are not required to use the <i>IFRS for SMEs</i> Accounting Standard, what other accounting framework do they use?	Paraguayan national accounting standards.
Other comments regarding use of the <i>IFRS for SMEs</i> Accounting Standard?	None.