

## IFRS APPLICATION AROUND THE WORLD

### JURISDICTIONAL PROFILE: **Costa Rica**



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

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

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#### RELEVANT JURISDICTIONAL AUTHORITY

Organisation	Colegio de Contadores Públicos de Costa Rica
Role of the organisation	The Colegio is authorised to adopt accounting standards in Costa Rica under Article 14 of the Law No. 1038 on the Regulation of the Public Accounting Profession and Creation of the Colegio de Contadores Públicos de Costa Rica dated 19 August 1947. In this capacity, the Colegio has adopted IFRS Standards as issued by the IASB Board as the accounting standards in Costa Rica.
Website	<a href="http://www.ccpa.or.cr/">http://www.ccpa.or.cr/</a>
Email contact	<a href="mailto:dejecutiva@ccpa.or.cr">dejecutiva@ccpa.or.cr</a> and <a href="mailto:secretariajd@ccpa.or.cr">secretariajd@ccpa.or.cr</a>

## 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 Standards as that single set of high quality global accounting standards?	<p>Yes.</p> <p>The Board of the Colegio has formally adopted both full IFRS Standards and the IFRS for SMEs Standard. Here are links to the Colegio's resolutions:</p> <p>IFRS Standards: <a href="#">Circular N° 06-2005—Normas Internacionales de Información Financiera</a>.</p> <p>IFRS for SMEs Standard: <a href="#">Circular 21-2018 – Adopción de las Normas Internacionales de Información para Pequeñas y medianas Entidades (NIIF-PYMES)</a></p>
What is the jurisdiction's status of adoption?	Costa Rica has adopted both IFRS Standards and the IFRS for SMEs Standard.
Additional comments provided on the adoption status?	<p>The Colegio adopted IAS Standards as the required standards in Costa Rica effective in 2002, with a transition date from 2000. In 2005 the Colegio reaffirmed the adoption in the name of IFRS Standards. The Colegio's action applied to all companies, including publicly traded companies.</p> <p>Adoption of full IFRS Standards: <a href="https://www.ccpa.or.cr/normativa-vigente/circulares-derogadas/">https://www.ccpa.or.cr/normativa-vigente/circulares-derogadas/</a></p> <p>This Colegio <a href="#">regulation</a> – Circular 21-2918 adopts IAS and IFRS issued through November 2005 and, further, states that new and amended IFRS issued in the future are automatically approved.</p> <p>Adoption of IFRS for SMEs Standard: <a href="https://www.ccpa.or.cr/normativa-vigente/circulares-derogadas/">https://www.ccpa.or.cr/normativa-vigente/circulares-derogadas/</a></p> <p>In 2003, in line with the adoption of IFRS Standards by the Colegio, the Consejo Nacional de Supervisión del Sistema (CONASSIF), the national securities regulator, similarly adopted IFRS Standards starting in 2003. Companies regulated by the CONASSIF include companies whose shares trade in public markets, financial institutions, pension operators, insurance companies, and companies managing investment funds.</p> <p>CONASSIF adopted IFRS Standards by Resolution No. 34-2002, which may be found here: <a href="https://www.sugef.fi.cr/normativa/normativa_vigente/documentos/SUGEF%2034-02%20(v8%20Ene%202015).pdf">https://www.sugef.fi.cr/normativa/normativa_vigente/documentos/SUGEF%2034-02%20(v8%20Ene%202015).pdf</a></p> <p>Further, in line with the adoption of IFRS Standards by the Colegio, from 2001 the Directorate General of Tax Administration of the Ministry of Finance in Costa Rica has required the measurement of taxable income in conformity with IFRS Standards. Recently taxpayers have been reminded that they must comply with this regulation.</p> <p>The Directorate General Tax Administration adopted IFRS Standards by Resolution No. 52-01, on which there is information here: <a href="https://www.hacienda.go.cr/contenido/13284-categoria-informativa">https://www.hacienda.go.cr/contenido/13284-categoria-informativa</a></p>

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If the jurisdiction has NOT made a public statement supporting the move towards a single set of accounting standards and/or towards IFRS Standards as that set of standards, explain the jurisdiction's general position towards the adoption of IFRS Standards in the jurisdiction.	Not applicable.
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## EXTENT OF IFRS APPLICATION

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

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Are all or some domestic companies whose securities trade in a public market either required or permitted to use IFRS Standards in their consolidated financial statements?	Yes.
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If YES, are IFRS Standards REQUIRED or PERMITTED?	Required.
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Does that apply to ALL domestic companies whose securities trade in a public market, or only SOME? If some, which ones?	All.
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Are IFRS Standards also required or permitted for more than the consolidated financial statements of companies whose securities trade in a public market?	Yes.
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For instance, are IFRS Standards required or permitted in separate company financial statements of companies whose securities trade in a public market?	Yes, required.
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For instance, are IFRS Standards required or permitted for companies whose securities do not trade in a public market?	All companies regulated by the Consejo Nacional de Supervisión del Sistema (CONASSIF) must use full IFRS Standards, even if their securities do not trade in a public market. All other companies may use the IFRS for SMEs Standard or full IFRS Standards.
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If the jurisdiction currently does NOT require or permit the use of IFRS Standards for domestic companies whose securities trade in a public market, are there any plans to permit or require IFRS Standards for such companies in the future?	Not applicable.
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### *For FOREIGN companies whose debt or equity securities trade in a public market in the jurisdiction:*

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Are all or some foreign companies whose securities trade in a public market either REQUIRED or PERMITTED to use IFRS Standards in their consolidated financial statements?	Yes.
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If YES, are IFRS Standards REQUIRED or PERMITTED in such cases?	Required.
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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 Standards are required or permitted for domestic companies? IFRS Standards as issued by the IASB Board.

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

Does the auditor's report and/or the basis of preparation footnote allow for 'dual reporting' (conformity with both IFRS Standards and the jurisdiction's GAAP)? No.

Are IFRS Standards incorporated into law or regulations? Yes.

If yes, how does that process work? See [description of the process above](#).

If no, how do IFRS 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 Standards (including Interpretations) in place? No.

If yes, what is the process? Not applicable.

If no, how do new or amended IFRS Standards become a requirement in the jurisdiction? The [resolutions](#) of the Colegio adopting IFRS Standards and the IFRS for SMEs Standard state that any new or amended IFRS Standards automatically are adopted in Costa Rica.

Has the jurisdiction eliminated any accounting policy options permitted by IFRS Standards and/or made any modifications to any IFRS Standards? No.

If yes, what are the changes? Not applicable.

Other comments regarding the use of IFRS Standards in the jurisdiction? None.

## TRANSLATION OF IFRS STANDARDS

Are IFRS 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 Standards? The translation follows the official IFRS Foundation translation process.

## APPLICATION OF THE IFRS FOR SMEs STANDARD

Has the jurisdiction adopted the IFRS for SMEs Standard for at least some SMEs?	Yes.
If no, is the adoption of the IFRS for SMEs Standard under consideration?	Not applicable.
Did the jurisdiction make any modifications to the IFRS for SMEs Standard?	No.
If the jurisdiction has made any modifications, what are those modifications?	Not applicable.
Which SMEs use the IFRS for SMEs Standard in the jurisdiction, and are they required or permitted to do so?	All companies regulated by the Consejo Nacional de Supervisión del Sistema (CONASSIF) must use full IFRS Standards. This includes companies whose shares trade in public markets, financial institutions, pension operators, insurance companies, and stock positions or companies managing investment funds. All other companies may use the IFRS for SMEs Standard or full IFRS Standards.
For those SMEs that are not required to use the IFRS for SMEs Standard, what other accounting framework do they use?	Full IFRS Standards.
Other comments regarding use of the IFRS for SMEs Standard?	None.