

## IFRS® STANDARDS—APPLICATION AROUND THE WORLD



### JURISDICTIONAL PROFILE: Colombia

**Disclaimer:** The information in this Profile is for general guidance only and may change from time to time. You should not act on the information in this Profile, and you should obtain specific professional advice to help you in making any decisions or in taking any action. If you believe that the information has changed or is incorrect, please contact us at [ifrsapplication@ifrs.org](mailto:ifrsapplication@ifrs.org).

This Profile provides information about the application of IFRS® Accounting Standards (Standards) in Colombia. 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](mailto:permissions@ifrs.org).

Profile last updated: 16 June 2016

#### RELEVANT JURISDICTIONAL AUTHORITY

Organisation	Consejo Tecnico de la Contaduria Publica (CTCP) [Technical Council for Public Accounting].
Role of the organisation	The CTCP operates under the Ministry of Commerce, Industry and Tourism. The CTCP prepares drafts of standards related to international accounting and auditing to be considered and then issued by the Ministry of Finance and the Ministry of Commerce, Industry and Tourism.
Website	<a href="http://www.ctcp.gov.co">www.ctcp.gov.co</a>
Email contact	<a href="mailto:icolmenares@mincomercio.gov.co">icolmenares@mincomercio.gov.co</a>

#### COMMITMENT TO GLOBAL FINANCIAL REPORTING STANDARDS

Has the jurisdiction made a public commitment in support of moving towards a

Yes.

single set of high quality global accounting standards?

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?

Pursuant to Law 1314 of 13 July 2009, Colombia has adopted IFRS Standards following the timetable below:

- Group 1 – Full IFRS Standards in 2015 (date of transition 1 January 2014)\*: – All companies whose securities are publicly traded. – Other companies defined as public interest entities under the law. – Large companies whose parent or subsidiary reports under IFRS Standards. – Companies that derive at least 50% or more of their revenue from exports or imports.
- Group 2 – *IFRS for SMEs* Standard in 2016: – Large and medium-sized companies other than group 1.
- Group 3 – *Normas de Información Financiera para Microempresas* (NFIM) in 2015: NFIM is a new standard developed for micros in Colombia by the CTCF. Micros may also choose the *IFRS for SMEs* Standard.

\*Companies in Group 1 had an option to adopt IFRS earlier, beginning in 2013 (date of transition 1 January 2012).

Further, in late 2014, the Contaduría General de la Nación (CGN – the General Accounting Office of the Nation) published a new Regulatory Framework for companies that are under its supervision and that are not in the stock market and do not administer public savings. From 1 January 2016, the CGN is requiring those companies to apply IFRS Standards. There are approximately 1,771 such companies regulated by the CGN because they are controlled by or have participation by the Colombian Federal Government.

Additional comments provided on the adoption status?

None.

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

Not applicable.

## 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, starting 1 January 2015.

If YES, are IFRS Accounting Standards REQUIRED or PERMITTED?

Required.

Does that apply to ALL domestic companies whose securities trade in a

All.

public market, or only SOME? If some, which ones?

Are IFRS Accounting Standards also required or permitted for more than the consolidated financial statements of companies whose securities trade in a public market?

Yes.

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

Yes.

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

Yes. As explained more fully above, IFRS Standards are required starting 1 January 2015 not only for listed companies but also for companies defined as public interest entities under the law, large companies whose parent or subsidiary reports under IFRS Standards, and exporters and importers. Further, IFRS Standards are required starting 1 January 2016 for approximately 1,771 unlisted companies that are under the supervision of the Contaduría General de la Nación (CGN).

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, ie standards and amendments are adopted/endorsed as and when 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:

IFRS Standards.

Does the auditor's report and/or the basis of preparation footnote allow for 'dual reporting' (conformity with both IFRS

No.

## Accounting Standards and the jurisdiction's GAAP)?

Are IFRS Accounting Standards incorporated into law or regulations?	Yes.
If yes, how does that process work?	IFRS Standards were adopted under Law 1314/2009.
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?	Yes.  In order to incorporate the IFRS Standards into the Colombian legal system, the original text of the IFRS Standard must be attached to a series of legal documents issued by the regulatory authorities. Those documents are then published in an official newspaper in order to complete the formal adoption process.
If yes, what is the process?	The process was established in Law 1314/2009 mentioned earlier. The steps are: <ol style="list-style-type: none"> <li>1. The CTCP prepares a draft standard based on the related IFRS Standard.</li> <li>2. The CTCP invites comment on the draft standard.</li> <li>3. As result of steps 1 and 2, the CTCP will produce a proposed standard for consideration by the Ministry of Finance and the Ministry of Commerce, Industry and Tourism, together with an analysis of the comments received during time of public exposure and CTCP's technical recommendation.</li> <li>4. The two regulatory authorities analyse the recommendations submitted by the CTCP, verify if the process was open, transparent and thorough. Those authorities must also consider recommendations submitted by the tax authority and government agencies responsible for economic policies and control and inspection of companies in Colombia. When this process is completed the regulatory authorities will issue and publish the corresponding regulations together with their conclusions.</li> </ol>
If no, how do new or amended IFRS Accounting Standards become a requirement in the jurisdiction?	Not applicable.
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.
<b>TRANSLATION OF IFRS ACCOUNTING STANDARDS</b>	
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.

Colombia has adopted the *IFRS for SMEs* Standard for a large group of companies starting in 2016, with the date of transition being 1 January 2015. Pursuant to Law 1314/2009, the *IFRS for SMEs* Standard is required for all companies whose securities are not publicly traded other than:

- micro sized entities (for which a separate standard is being developed); and
- large companies whose parent or subsidiaries report under full IFRS Standards and major exporters or importers (who began using full IFRS Standards starting 2015).

Micro entities may also elect to use the *IFRS for SMEs* Standard.

The Instituto Nacional de Contadores Publicos de Colombia has begun a comprehensive programme for training accountants throughout Colombia in the *IFRS for SMEs* Standard.

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?

Effective 2016, the *IFRS for SMEs* Standard is required for all companies whose securities are not publicly traded other than:

- micro sized entities (for which a separate standard is being developed); and
- large companies whose parent or subsidiaries report under full IFRS Standards and major exporters or importers (who began using full IFRS Standards starting 2015).

Micro entities may also elect to use 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?

Micro entities may choose a new national standard for micros currently being developed.

Other comments regarding use of the *IFRS for SMEs* Accounting Standard?

None.