



JURISDICTIONAL PROFILE: **Mexico**

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This Profile provides information about the application of IFRS® Accounting Standards (Standards) in Mexico. 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	Consejo Mexicano de Normas de Información Financiera, A.C. (CINIF)[The Mexican Financial Reporting Standards Board]
Role of the organisation	CINIF is the official standard-setting body in Mexico
Website	www.cinif.org.mx
Email contact	fperezcervantes@cinif.org.mx

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.
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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?	Mexico has adopted IFRS Standards for all listed companies other than financial institutions and insurance companies.
Additional comments provided on the adoption status?	<p>IFRS Standards were adopted by the Comisión Nacional Bancaria y de Valores (CNBV) [the National Banking and Securities Commission of Mexico] for listed companies other than financial institutions and insurance companies effective for annual reporting periods beginning on or after 1 January 2012. Early application was allowed since 2008.</p> <p>This applies both to entities that prepare consolidated financial statements and to entities that are not required to prepare consolidated financial statements because they do not have subsidiaries. Companies belonging to the financial and insurance sectors use Mexican Financial Reporting Standards (MFRS) plus certain requirements established by the CNBV and the National Insurance and Bonding Commission (CNSF).</p> <p>In addition, CINIF has a convergence project to eliminate differences between MFRS and IFRS Standards. When completed, CINIF expects that MFRS applied by domestic companies whose securities are not publicly traded will be 'very similar' to IFRS Standards. CINIF has published an analysis of the main differences between MFRS and IFRS Standards.</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 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.
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 companies whose securities trade in a public market except for financial institutions and insurance companies, which must follow Mexican Financial Reporting Standards (MFRS) plus additional requirements adopted by the securities and insurance regulators.
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?

Permitted. Some entities continue to prepare their separate financial statements under Mexican Financial Reporting Standards (MFRS) in order to measure their investment in subsidiaries under the equity method for the purpose of determining income available for dividend distribution.

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

Domestic companies whose securities are not publicly traded are allowed to use IFRS Standards, without reconciliation to MFRS. In practice most of them use MFRS; however, some big unlisted groups have converted to IFRS Standards or are currently analysing whether they will move to 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?

Either IFRS Standards or US GAAP is required. If a foreign company presents its financial statements using US GAAP, it must explain the differences with IFRS Standards.

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 IASB Board, ie standards and amendments are adopted automatically as and when issued by the IASB 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 Accounting Standards and the jurisdiction's GAAP)?

No.

Are IFRS Accounting Standards incorporated into law or regulations?

IFRS Standards are incorporated by reference in the Mexican Securities Market Law through the CNBV regulation requiring IFRS Standards.

If yes, how does that process work?

No process beyond the initial CNBV regulation requiring IFRS Standards.

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

They become authoritative automatically through the CNBV regulation requiring IFRS Standards.

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?	No process beyond the initial CNBV regulation requiring IFRS Standards. Mexican companies that use IFRS Standards apply the official English version of the standards approved by the IASB Board.
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?	Yes, they are translated into Spanish, and the translation is provided / coordinated by the IFRS Foundation.
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?	Mexican companies who use IFRS Standards apply the official English version of the standards approved by the IASB Board. The bound volume of IFRS Standards is acquired by interested parties directly from the IFRS Foundation or from authorised dealers. There is a Spanish translation of IFRS Standards, Interpretations and other IFRS material which has been approved by a Review Committee appointed by the IFRS Foundation. A member of the CINIF Advisory Council participates in this committee.

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?	No.
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?	Not applicable.
For those SMEs that are not required to use the <i>IFRS for SMEs</i> Accounting Standard, what other accounting framework do they use?	There are no restrictions for SMEs in Mexico to use any accounting standards such as MFRS, IFRS Standards, or US GAAP. Traditionally, MFRS have been used by most SMEs.

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

CINIF has not adopted the *IFRS for SMEs* Standard. CINIF has stated that it does not believe that different recognition and measurement criteria from full IFRS Standards are appropriate for SMEs. CINIF has a project to create a Reduced Disclosure Regime for SMEs.