

IFRS® STANDARDS—APPLICATION AROUND THE WORLD



JURISDICTIONAL PROFILE: **Argentina**

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This Profile provides information about the application of IFRS® Accounting Standards (Standards) in Argentina. 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 Emisor de Normas de Contabilidad y de Auditoría (CENCyA) [Argentinean Accounting and Auditing Standards Board]
Role of the organisation	CENCyA is the accounting and auditing standards-setting board of the Federación Argentina de Consejos Profesionales de Ciencias Económicas (FACPCE). FACPCE is the Argentinean Federation of Professional Organisations of Economic Sciences.
Website	https://www.facpce.org.ar/index.php On this website there is a section devoted to CENCyA.
Email contact	facpce@facpce.org.ar

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?	Argentina has already adopted IFRS Standards for all companies whose securities are publicly traded and that are regulated by the CNV.
Additional comments provided on the adoption status?	<p>In December 2009, based on a recommendation of the FACPCE, the Comisión Nacional de Valores (CNV, the National Securities Commission, which is an agency of the Argentine Ministry of Economics and Public Finance) adopted a requirement that all companies whose securities are publicly traded and that are regulated by the CNV must prepare their financial statements using IFRS Standards as issued by the IASB Board for annual periods beginning on or after 1 January 2012. Earlier application was permitted. The IFRS requirement applies to all companies whose debt or equity securities are issued for trading in a public market under Law No. 17,811, (Legislación (Leyes Y Decretos) and those companies that have applied for authorisation for their debt or equity securities to trade in a public market. The CNV's general resolution adopting IFRS Standards (in Spanish) is RGC576-10.</p> <p>The CNV's IFRS requirement does not apply to banks or insurance companies (see below).</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 that are regulated by the CNV. Companies with regulators other than the CNV (financial institutions and insurance companies) are not currently permitted to apply IFRS Standards:

- banks must apply the accounting regulations enforced by the Central Bank of Argentina – BCRA); and
- insurance companies must apply the accounting regulations enforced by the Superintendency of Insurance.

On 12 February 2014, the BCRA issued Communication A5541 (in Spanish) announcing a plan to converge the BCRA accounting standards for banks with IFRS Standards. The converged standards would become mandatory on 1 January 2018.

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?

Separate financial statements are required to be prepared in accordance with Technical Resolution 26 of the FACPCE, which prescribes that IFRS Standards should be used except for the measurement of share holdings in subsidiaries and affiliates, which should be measured in the separate financial statements on the basis of the equity method (instead of at cost, as had been mandated by IFRS Standards). However, as a result of an August 14 Amendment of IAS 27 *Separate Financial Statements*, compliance with Technical Resolution 26 does not prevent compliance with IAS 27.

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

Argentina has 23 Provinces and one autonomous city equivalent to a Province (Buenos Aires). The use of IFRS Standards for local statutory purposes is determined by each Province's Registry of Commerce. Currently, more than half of the Provinces permit the use of IFRS Standards in their jurisdictions for companies whose securities do not trade in a public market. However, currently the Provinces in which most of the unlisted companies are registered (particularly the city of Buenos Aires) have not endorsed the use of IFRS Standards for non-public companies. Companies that do not use IFRS Standards may choose the *IFRS for SMEs* Standard or Argentinean standards developed by CENCyA.

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?

Required.

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?

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/endorsed 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?	Yes.
If yes, how does that process work?	<p>At the time of the initial adoption of IFRS for companies whose securities trade in a public market in Argentina, the CNV adopted all IFRS Standards (including Interpretations) effective in 2012 by Technical Resolution 26 and general Resolution 576 of CNV. Subsequently, for all new and amended IFRS Standards (including Interpretations), CENCyA issues a Circular adopting the IFRS as issued by the IASB Board. The process for issuing a circular adopting an IFRS Standard is as follows:</p> <ol style="list-style-type: none"> 1. As soon as CENCyA becomes aware of a new or amended IFRS Standard (including Interpretations), the Director General of CENCyA informs the FACPCE Board and CENCyA about this. 2. The Director-General publishes a summary of the IFRS Standard and an annex to the IFRS Standard in Spanish and invites comment from professional bodies and other interested parties for a period of 30 days, with the explanation that the comments and observations that will be considered must relate only to matters of implementation of the new or amended IFRS in the Argentine context (for example, issues with potential legal disputes). 3. After the end of the 30-day consultation period, the CENCyA considers the comments and a draft Circular adopting the IFRS Standard, assigning it a serial number. The Director General presents the draft Circular to the FACPCE Board at the first Board meeting subsequent to approval of the draft Circular by CENCyA. 4. If the FACPCE Board approves the Circular, it is distributed to the Councils of the various member bodies of the FACPCE for approval in their jurisdiction. It is also submitted to the National Securities Commission for processing and incorporation into its rules.
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.

If yes, what is the process?	It is part of the process for incorporating IFRS Standards into regulations as described in the Answer to the Previous Question.
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?	When IFRS Standards were adopted in December 2009, Argentina had made one modification to IFRS Standards, namely that in separate company financial statements the equity method is required to account for investments in subsidiaries, associates, and joint ventures. However, in August 2014 the Board issued <i>Equity Method in Separate Financial Statements (Amendments to IAS 27)</i> . That amendment now permits the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. Therefore, Argentina's modification now has no effect on compliance with 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?	Yes, they are translated into Spanish, and the translation is 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?	The IFRS Foundation develops a single Spanish translation for use by the many countries where Spanish is the working language. FACPCE participates in developing the IFRS Foundation translation by inclusion of two people on the IFRS Foundation's Review Committee for the Spanish translation. The process ensures an ongoing translation of the latest updates to IFRS.

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?	Yes (but subject to the approval of individual Provincial governments).
If no, is the adoption of the <i>IFRS for SMEs</i> Accounting Standard under consideration?	Not applicable.
Did the jurisdiction make any modifications to the <i>IFRS for SMEs</i> Accounting Standard?	Yes.
If the jurisdiction has made any modifications, what are those modifications?	Argentina has made one modification to the <i>IFRS for SMEs</i> Standard, namely that in separate company financial statements the equity method is required to account for investments in subsidiaries, associates, and joint ventures.
Which SMEs use the <i>IFRS for SMEs</i> Accounting Standard in the jurisdiction, and are they required or permitted to do so?	All companies other than those whose securities trade in a public market are permitted to use the <i>IFRS for SMEs</i> Standard (depending on the approval of individual Provincial governments).

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

They are permitted to use full IFRS Standard or Argentinean standards developed by CENCyA.

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

None.