



JURISDICTIONAL PROFILE: **El Salvador**

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This Profile provides information about the application of IFRS® Accounting Standards (Standards) in El Salvador. 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	<p>Consejo de Vigilancia de la Profesión de Contaduría Pública y Auditoría (CVPCPA).</p> <p>Superintendencia del Sistema Financiero (SSF) [Superintendence of the Financial System].</p>
Role of the organisation	<p>The CVPCPA is the professional accounting association in El Salvador. The CVPCPA is recognised as the national accounting standard-setter under the Code of Commerce. The CVPCPA adopts accounting standards for companies in El Salvador other than financial institutions.</p> <p>The SSF is the regulator of banks and insurance companies. SSF establishes accounting standards for them.</p>
Website	www.consejodevigilancia.gob.sv
Email contact	info@consejodevigilancia.gob.sv

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?	El Salvador has adopted IFRS Standards and the <i>IFRS for SMEs</i> Standard.
Additional comments provided on the adoption status?	<p>In 2011, the CVPCPA issued an "acuerdo" (decree) requiring the adoption of full IFRS Standards for companies listed on the Bolsa de Valores de El Salvador (stock exchange) and the <i>IFRS for SMEs</i> Standard for all other companies. The decree does not apply to banks, insurance companies, or pension funds, which are subject to accounting regulations adopted by government regulators as follows:</p> <ul style="list-style-type: none"> • Banks and insurance: Superintendence of the Financial System (Superintendencia del Sistema Financiero or SSF); and • Pension funds: Superintendence of Pensions (SP). <p>The bank, insurance, and pension regulators have not adopted IFRS, but they require that the financial statements of their regulated entities state the main differences between 'regulatory GAAP' and IFRS Standards.</p> <ul style="list-style-type: none"> • Cooperative Associations: For cooperative associations the Salvadoran Institute for Cooperatives has defined a set of accounting principles for its associates based on the <i>IFRS for SMEs</i> Standard. The set of standards is called Financial Information Standards for Cooperative Associations of El Salvador.
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	IFRS Standards are required for all listed companies other than banks, insurance companies, and pension funds.

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?

IFRS Standards are required in the separate company financial statements of listed companies other than banks, insurance companies, and pension funds.

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

Companies whose securities do not trade in a public market use the *IFRS for SMEs* Standard or, if they choose, they may use full 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?

Required.

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:

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?	Indirectly.
If yes, how does that process work?	The CVPCPA is the accounting standard-setter recognised under the Commercial Code of El Salvador. The CVPCPA has adopted IFRS Standards and the <i>IFRS for SMEs</i> Standard.
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?	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?	The CVPCPA is the accounting standard-setter recognised under the Commercial Code of El Salvador. The CVPCPA has adopted IFRS Standards and the <i>IFRS for SMEs</i> Standard.
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 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 <i>IFRS for SMEs</i> Accounting Standard for at least some SMEs?	Yes.
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?	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?

All SMEs are permitted 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?

Those SMEs that do not use the *IFRS for SMEs* Standard must use full IFRS Standard.

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

None.