



# Financial Reporting and Challenges in Peru

CPC Carlos Valle Larrea

IFRS specialist, technical advisor

June 08, 2026

# Key Features of the Accounting Environment in Peru



## **Characteristics of the Peruvian market**

- 34 million people (30% of whom live in Lima, the capital city)
- The third-largest country in South America by land area
- It is estimated that SMEs account for 99.7% of all businesses and 14% of the Gross Domestic Product (GDP).
- One of the highest rates of economic informality in the region (18% of GDP and accounting for 70% of the workforce)
- Low inflation (3% annual average) and a stable exchange rate for more than 20 years

## **Characteristics of the Peruvian accounting environment**

- There are no local standards. The priority is the adoption of the standards issued by the IASB, with a view to facilitating review by international readers.
- Significant importance of IFRS for tax purposes
- SBS and SMV may impose penalties for deviations from accounting standards; CNC does not have the authority to impose penalties.

# General Law for the National Accounting System Law 28708 (2006)



Peru's National Accounting System comprises the following entities :

- *Dirección General de Contabilidad Pública – DGCP* (Office of Public Accounting).  
Responsible for establishing accounting guidelines for the government sector and regulating accounting practices in Peru.
- *Consejo Normativo de Contabilidad – CNC* (Accounting Standards Council).  
Responsible for endorsing accounting standards to be used by private companies.

# Office of Public Accounting - *Dirección General de Contabilidad Pública (DGCP)*



- An agency under the Ministry of Economy and Finance
- It is Peru's highest technical and regulatory authority on accounting matters
- It prepares the General Account of the Republic and public finance statistics
- It regulates accounting in the public and private sectors

# Entities responsible for setting the applicable accounting standards in Peru



<b>Regulatory entity</b>	<b>Scope</b>
<i>Superintendencia del Mercado de Valores (SMV)</i> - Superintendence of the Securities Market	Listed companies other than financial institutions
<i>Superintendencia de Banca, Seguros y Administradoras de Fondos de Pensiones (SBS)</i> - Superintendency of Banking, Insurance and Private Pension Fund Administrators	Banks Insurance Pension Fund Administrator Company Microfinance institutions
<i>Consejo Normativo de Contabilidad (CNC)</i> - Accounting Standards Council.	Private (non-listed) companies

# Political division and application of accounting standards



- Peru is a unitary and decentralized state
- It is divided into 25 regions (24 departments and the Constitutional Province of Callao).
- The regions have administrative and budgetary autonomy that is limited by national laws
- The provisions adopted by the National Standards Setters do not require approval from any regional body to take effect.
- The accounting profession is organized into associations in each region, whose deans make up the Dean's Council of the Peruvian Professional Associations of Public Accountants

# Accounting standards established by the SMV



- Since 1 January 2012, the SMV has required all listed companies other than financial institutions (banks, insurance companies, and pension funds) to publish financial statements prepared in conformity with IFRS Accounting Standards as issued by the IASB.
- IFRS accounting standards take effect in the same periods established by the IASB

# Accounting standards established by the SBS



- Law on the Banking and Insurance Systems and Organic Law of the Superintendence of Banks and Insurances- Law 26702 (1996)
- Banks, insurance companies, and pension funds record their transactions in accordance with the guidelines issued by the SBS for each of these entities. These manuals are based on IFRS, although not in all areas (for prudential reasons). New proposal of manuals for banks (effective 2027) and insurance (probably effective 2030) consider important topics of IFRS 9 and IFRS 17.

# *Consejo Normativo de Contabilidad (CNC)* – Accounting Standards Council



- Agency affiliated to the Ministry of Economy and Finance
- National accounting standard setter of Peru
- The CNC adopts IFRS Standards for use by all private (non-listed) companies

# Members of the CNC



- Ministry of Economy and Finance, represented by the Director General of Public Accounting (President)

One representative from each of the following institutions:

- Central Reserve Bank of Peru (*Banco Central de Reserva del Perú*).
- Superintendence of the Securities Market (*SMV*)
- Superintendency of Banking, Insurance and Private Pension Fund Administrators (*SBS*)
- National Superintendency of Customs and Tax Administration (*Superintendencia Nacional de Aduanas y de Administración Tributaria*).
- National Institute of Statistics and Information Technology (*Instituto Nacional de Estadística e Informática*).
- Board of Deans of Peruvian Public Accountants' Associations (*Junta de Decanos de los Colegios de Contadores Públicos del Perú*).
- Accounting Departments at Universities Across the Country
- National Confederation of Private Business Organizations (*CONFIEP*)

All members, except the President, are elected for a term of three (3) years and may be re-elected for a single additional term of the same duration.

# Accounting standards applicable to private (non-listed) companies as established by the CNC



<b>Category</b>	<b>Framework</b>	<b>Equivalent in USD <sup>(2)</sup></b>	<b>Applicable framework</b>
Big companies	Over 2,300 UIT <sup>(1)</sup>	More than 3,702,000	IFRS Accounting Standards
Small and medium-sized companies	Between 150 and 2,300 UIT	Between 241,000 and 3,702,000	IFRS for SMEs
Microcompanies	Less than 150 UIT	Less than 241,000	Peruvian Financial Reporting Standards

---

<sup>(1)</sup> UIT: Tax Unit = S/ 5,500

<sup>(2)</sup> Exchange rate used as of 05.31.2026 = S/ 3.417

# External Auditing in Peru



Companies are not required to undergo audits unless they are:

- Entities regulated by the SBS (Banks, insurance and pension fund Administrators)
- Listed companies

External audits are conducted in accordance with the International Standards on Auditing adopted by the Board of Deans of the Peruvian Association of Certified Public Accountants

Although it is not mandatory, a significant number of companies have their financial statements audited for statutory reasons, at the request of parent companies domiciled abroad, or to gain access to financing.

# Challenges in Financial Reporting in Peru



- Implementation of IPSAS (International Public Sector Accounting Standards) effective January 1, 2024 (transition period: 2024–2026)
- Implementation of Sustainability Standards S1 and S2 (approved by the CNC in March 2026)
- Amendment to the Chart of Accounts to reflect the effects of IFRS 18.
- Increase the number of companies that use IFRS for SMEs



<https://www.gob.pe/institucion/mef/campa%C3%B1as/11197-accede-a-las-capacitaciones-virtuales-del-mef>



<https://www.gob.pe/15648-ministerio-de-economia-y-finanzas-consejo-normativo-de-contabilidad>



<https://www.sbs.gob.pe/>



<https://mvnet.smv.gob.pe/SMV.OpenData.Web/>