



JURISDICTIONAL PROFILE: **Nicaragua**

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This Profile provides information about the application of IFRS® Accounting Standards (Standards) in Nicaragua. 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.

Profile last updated: 16 June 2016

RELEVANT JURISDICTIONAL AUTHORITY

<p>Organisation</p>	<p>Superintendencia de Bancos y Otras Instituciones Financieras (SIBOIF) [Superintendency of Banks and Other Financial Institutions]</p> <p>El Colegio de Contadores Públicos de Nicaragua (CCPN) [Institute of Certified Public Accountants of Nicaragua]</p>
<p>Role of the organisation</p>	<p>SIBOIF supervises listed companies, banks, insurance companies, and bonded warehouses. It establishes accounting requirements for those entities. In supervising banks, the SIBOIF requires loan applicants to submit financial statements prepared using either IFRS Standards or the <i>IFRS for SMEs</i> Standard.</p> <p>The CCPN has issued Nicaraguan GAAP for more than 50 years. There is no accountancy law in Nicaragua, which means that Nicaraguan GAAP is a professional requirement rather than a statutory requirement. In 2011, the CCPN formally adopted both IFRS Standards and the <i>IFRS for SMEs</i> Standard as part of Nicaraguan GAAP.</p>

Website
CCPN: www.ccpn.org.ni/
SIBOIF: www.superintendencia.gob.ni/

Email contact
CCPN: ccpn@ccpn.org.ni

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.
Nicaragua's commitment to IFRS Standards is demonstrated by the adoption of IFRS Standards and the *IFRS for SMEs* Standard by both the CCPN and the SIBOIF.

Has the jurisdiction made a public commitment towards IFRS Accounting Standards as that single set of high quality global accounting standards?
Yes.
Nicaragua's commitment to IFRS Standards is demonstrated by the adoption of IFRS Standards and the *IFRS for SMEs* Standard by both the CCPN and the SIBOIF.

What is the jurisdiction's status of adoption?
Nicaragua has adopted the IFRS Standards and the *IFRS for SMEs* Standard.

Additional comments provided on the adoption status?
There is no accounting law in Nicaragua. The CCPN has adopted both IFRS Standards and the *IFRS for SMEs* Standard as professional requirements in Nicaragua.
The SIBOIF requires all listed companies to use full IFRS Standards or US GAAP in financial statements for investors.
The Superintendency of Banks and Other Financial Institutions (SIBOIF) has developed accounting manuals for banks, insurance companies, and bonded warehouses. These are prudential accounting standards based partly on IFRS Standards, but there are some important differences from IFRS Standards.
The SIBOIF also requires all applicants for loans from financial institutions to prepare financial statements using either full IFRS Standards or the *IFRS for SMEs* Standard.
The Tax authority permits both full IFRS Standards and the *IFRS for SMEs* Standard as valid basis of accounting for tax purposes, with a reconciliation to Nicaraguan tax law where the tax law differs from IFRS Standard or the *IFRS for SMEs* Standard.
The World Bank's March 2011 Report on the Observance of Standards and Codes (ROSC) titled Nicaragua: A Review of Accounting and Auditing Practices may be downloaded here: www.worldbank.org/ifa/rosc_aa_nicaragua_eng2011.pdf

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?	Either IFRS Standards or US GAAP is required.
Does that apply to ALL domestic companies whose securities trade in a public market, or only SOME? If some, which ones?	All.

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. US GAAP is also permitted.
For instance, are IFRS Accounting Standards required or permitted for companies whose securities do not trade in a public market?	Permitted.
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.
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 (either full IFRS Standards or the <i>IFRS for SMEs</i> Standard).
The auditor's report and/or the basis of presentation footnote states that financial statements have been prepared in conformity with:	IFRS Standards or the <i>IFRS for SMEs</i> Standard.
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)?	If the auditor's report is on a GAAP other than IFRS Standards or the <i>IFRS for SMEs</i> Standard or US GAAP, the financial statements should not be described as general purpose financial statements.
Are IFRS Accounting Standards incorporated into law or regulations?	Yes.
If yes, how does that process work?	IFRS Standards are incorporated into the regulations issued by the SIBOIF, which supervises listed companies, banks, insurance companies, and bonded warehouses. It is also referred in the income tax law and the resolution of the CCPN.
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?	IFRS Standards are not individually endorsed.
If yes, what is the process?	Not applicable.
If no, how do new or amended IFRS Accounting Standards become a requirement in the jurisdiction?	Where law or regulation requires or permits IFRS Standards or the <i>IFRS for SMEs</i> Standard, all new or amended IFRS Standards are automatically included.
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?	Not applicable.
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 <i>IFRS for SMEs</i> Accounting Standard in the jurisdiction, and are they required or permitted to do so?	All SMEs (as defined in the <i>IFRS for SMEs</i> Standard) are permitted to use the <i>IFRS for SMEs</i> Standard.
For those SMEs that are not required to use the <i>IFRS for SMEs</i> Accounting Standard, what other accounting framework do they use?	All SMEs that do not use the <i>IFRS for SMEs</i> Standard may use full IFRS Standards. Micro-sized SMEs are also permitted to use an accounting manual that is being developed for them by a government agency.
Other comments regarding use of the <i>IFRS for SMEs</i> Accounting Standard?	Statement by survey respondent: 'There is a boom in Nicaragua about the use of the <i>IFRS for SMEs</i> Standard. Everybody (persons and entities) are looking for a lot of training on this topic.'