



JURISDICTIONAL PROFILE: **Paraguay**

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This Profile provides information about the application of IFRS® Accounting Standards (Standards) in Paraguay. 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>Central Bank of Paraguay (Superintendency of Securities and Superintendency of Banks).</p> <p>Ministerio de Economía y Finanzas (Ministry of Economy and Finance).</p> <p>Consejo de Contadores Públicos del Paraguay (Consejo) (Council of Public Accountants of Paraguay).</p>
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Role of the organisation	<p>In accordance with a regulation made by the Superintendence of Securities (Resolution CNV 35/23), a public listed company whose debt or shares are quoted in a security market must comply with IFRS Accounting Standards, US GAAP or the financial reporting standards set by the Consejo de Contadores Públicos del Paraguay.</p>
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In addition, the Ministry of Economy and Finance has authority to establish accounting standards for all entities in Paraguay other than banks and financial institutions, insurance companies and public listed companies.

The Consejo is the professional association of public accountants in Paraguay. The Consejo advises the public in general and institutions on accounting and audit matters.

Website	<p>Ministry of Finance: https://www.mef.gov.py/</p> <p>Consejo de Contadores Públicos del Paraguay: www.consejo.com.py</p> <p>Central Bank of Paraguay: http://www/bcp.gov.py</p>
Email contact	<p>Consejo: consejo@consejo.com.py</p> <p>Central Bank of Paraguay:</p> <ul style="list-style-type: none"> • info@bcp.gov.py • mce@bcp.gov.py

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?	<p>Yes.</p>
Has the jurisdiction made a public commitment towards IFRS Accounting Standards as that single set of high quality global accounting standards?	<p>Yes. The Central Bank of Paraguay regulated in this regard.</p> <p>The Consejo states that it is committed to the adoption of IFRS Accounting Standards in Paraguay. It has developed national accounting standards 'based on IFRS Accounting Standards' that are continuously under review.</p> <p>The Central Bank of Paraguay was the first public institution in the country to adopt IFRS Accounting Standards, in the hope that its application of them will allow for their deployment in the national financial system more generally, and in other sectors. The Central Bank of Paraguay believes that their more general application will be beneficial in terms of greater transparency and accountability. Doing so would also benefit the accounting profession, and provide an opportunity for improvement in academic training programs. The Central Bank of Paraguay published its first financial statements under IFRS Accounting Standards in 2021.</p> <p>With regard to financial institutions, the Superintendency of Banks has recently included in its Institutional Strategic Plan a research study on the implications and effects of the adoption of IFRS Accounting Standards by the financial institutions under its supervision.</p> <p>As noted above, the Central Bank of Paraguay adopted IFRS Accounting Standards for its own 2021 financial statements.</p> <p>The Superintendency of Securities is also committed to the adoption of IFRS Accounting Standards. It currently permits the use of IFRS Accounting Standards, US GAAP or local GAAP for public listed companies, with the aim of full adoption of IFRS Accounting Standards in a few years.</p>
What is the jurisdiction's status of adoption?	<p>IFRS Accounting Standards are permitted for companies whose securities trade in a public market.</p>

Additional comments provided on the adoption status?	<p>Companies that use IFRS Accounting Standards are not required to reconcile to Paraguayan national accounting standards.</p> <p>A small number of large companies in Paraguay have voluntarily adopted IFRS Accounting Standards.</p> <p>The adoption of international standards for the preparation of financial statements is not an isolated initiative of the Central Bank of Paraguay, but is aligned with a project undertaken by the Ministry of Finance itself for the public sector as part of the country's efforts to achieve an investment-grade rating.</p> <p>As noted above, the Superintendency of Banks has included in its Institutional Strategic Plan a research study of the implications of the adoption of IFRS Accounting Standards in Paraguay's financial supervision system.</p>
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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.
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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?	Permitted, but very few companies use IFRS Accounting Standards. The Superintendencia de Valores (Superintendency of Securities) (SIV) has permitted the adoption of IFRS Accounting Standards under its 'Draft Regulation of Accounting Aspects' project. Currently, the SIV requires companies to use at least one of the following: IFRS Accounting Standards, the Consejo de Contadores Públicos del Paraguay financial reporting standards (local GAAP) or US GAAP.
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?	Permitted, but very few companies apply IFRS Accounting Standards.
For instance, are IFRS Accounting Standards required or permitted in separate company financial statements of companies whose securities trade in a public market?	Permitted, but very few companies apply IFRS Accounting Standards.
For instance, are IFRS Accounting Standards required or permitted for companies whose securities do not trade in a public market?	Permitted, but very few companies apply IFRS Accounting 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?

Permitted.

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 Accounting Standards as issued by the IASB.

The auditor's report and/or the basis of presentation footnote states that financial statements have been prepared in conformity with:

The auditor's report refers to 'generally accepted accounting standards in Paraguay', to 'financial reporting standards issued by the Consejo de Contadores Públicos del Paraguay' or to 'IFRS Accounting Standards as issued by the IASB', depending on what set of standards the audited entity uses.

The auditor's report of insurance companies and financial institutions refers to the accounting rules, regulations and provisions established by the Central Bank of Paraguay.

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)?

Yes.

Are IFRS Accounting Standards incorporated into law or regulations?

No.

If yes, how does that process work?

Not applicable.

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

IFRS Accounting Standards are not a requirement. At the same time, IFRS Accounting Standards are permitted. Several companies voluntarily use IFRS Accounting Standards without needing to incorporate IFRS Accounting Standards into law or regulations. For regulated companies, the Central Bank of Paraguay (through its superintendencies) permits the use of IFRS Accounting Standards.

Does the jurisdiction have a formal process for the 'endorsement' or 'adoption' of new or

No.

amended IFRS Accounting Standards (including Interpretations) in place?

If yes, what is the process?

Not applicable.

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

A small number of large companies in Paraguay have voluntarily adopted IFRS Accounting Standards. They use IFRS Accounting Standards as issued by the IASB. This means they must use new and amended IFRS Accounting Standards when they become effective.

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 an official Spanish translation of the IFRS Accounting Standards, including all new Standards and amendments to existing 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?

Not applicable.

APPLICATION OF THE IFRS FOR SMEs ACCOUNTING STANDARD

Has the jurisdiction adopted the *IFRS for SMEs* Accounting Standard for at least some SMEs?

No.

If no, is the adoption of the *IFRS for SMEs* Accounting Standard under consideration?

Yes. The Consejo studies the possible use of the *IFRS for SMEs* Accounting Standard in Paraguay.

Did the jurisdiction make any modifications to the *IFRS for SMEs* Accounting Standard?

Not applicable.

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?

The *IFRS for SMEs* Accounting Standard is not prohibited, but very few companies use it. Nearly all SMEs use Paraguayan national accounting standards (Tax accounting-oriented rules).

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

Paraguayan national accounting standards (Tax accounting-oriented rules).

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

None.