

JURISDICTIONAL SNAPSHOT: El Salvador



‘The Supervisory Board of the Public Accounting and Auditing Profession of El Salvador is committed to promoting the transparency of sustainability-related financial information for sustainable development.’

The Supervisory Board of the Public Accounting and Auditing Profession

The IFRS Foundation is providing this high-level overview of the regulatory approach the jurisdiction has proposed or indicated it intends to take for the adoption or other use of ISSB Standards (including local sustainability-related disclosure requirements (or standards) designed to deliver functionally aligned outcomes to those resulting from the application of IFRS S1 and IFRS S2). The IFRS Foundation has undertaken a preliminary review of the finalised regulatory framework. The final jurisdictional approach may differ from the preliminary summary provided herein. This overview may therefore differ from content the IFRS Foundation may publish in a future jurisdictional profile, including as a result of additional information or changes made by a jurisdiction in finalising its regulatory approach to sustainability-related reporting.

Regulatory stage	<p>In progress.</p> <p>In August 2024, the Supervisory Board of the Public Accounting and Auditing Profession published Resolution 82 allowing the application of IFRS S1 and IFRS S2 as issued by the ISSB and translated into Spanish.</p> <p>Awaiting regulator’s decision on time and scope of any mandatory reporting.</p>
Relevant authority or authorities	<ul style="list-style-type: none"> • Central Reserve Bank of El Salvador (BCR, <i>Banco Central de Reservas de El Salvador</i>): the Standard-setting Committee of the BCR is the body in charge of defining and approving the standards and regulations that govern the functioning of the Salvadoran financial system. • Supervisory Board of the Public Accounting and Auditing Profession (CVPCPA, <i>Consejo de Vigilancia de la Profesión de Contaduría Pública y Auditoría</i>): professional accounting organisation responsible for accounting and sustainability standard-setting.

Requirements

Name of framework or standards	IFRS Sustainability Disclosure Standards.
Date when requirements become effective	<p>To be determined.</p> <p>Voluntary application is permitted from 1 January 2025.</p>
Reporting entities	<p>To be determined.</p> <p>Resolution 82 applies to non-publicly accountable entities that prepare financial statements per IFRS Accounting Standards or other generally</p>

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	<p>accepted accounting principles. Non-publicly accountable entities that use <i>IFRS for SMEs</i> Accounting Standard are not part of the resolution's scope.</p> <p>The BCR has yet to publish regulations applicable to publicly accountable entities.</p>
Required or permitted	<p>Permitted.</p> <p>Pending regulator's decision on mandatory reporting.</p>
Focus	Existing and potential investors, lenders and other creditors.
Scope of sustainability-related risks and opportunities on which entities must report	Entities that choose to report in accordance with ISSB Standards are required to report in accordance with the requirements in IFRS S1 and IFRS S2.
Materiality filter for disclosures	<p>Required disclosures are subject to materiality.</p> <p>The definition of 'material information' is as provided for in ISSB Standards.</p>
Timing, location and reporting entity	As provided for in ISSB Standards.
Extension of transition reliefs	As provided for in IFRS S1 and IFRS S2.
Jurisdictional modifications from requirements in ISSB Standards	The jurisdiction's requirements do not include additions, deletions or other modifications from what is required by IFRS S1 and IFRS S2.
Additional disclosure requirements	<p>There are no specific provisions requiring or permitting an entity to provide additional disclosures.</p> <p>IFRS S1 requires that sustainability-related financial disclosures prepared in accordance with ISSB Standards should be clearly identifiable, distinguished from other information provided by the entity and not obscured by that additional information.</p>
Assurance requirements	None.
Further information	CVPCPA: https://www.cvpcpa.gob.sv/
Relevant document(s)	Resolution 82