



JURISDICTIONAL PROFILE: **Argentina**

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This Profile provides information about the application of IFRS® Accounting Standards (Standards) in Argentina. 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	Consejo Elaborador de Normas de Contabilidad y de Auditoría (CENCyA) [Argentinian Accounting and Auditing Standards Board].
Role of the organisation	CENCyA is the accounting and auditing standard-setting board of the Federación Argentina de Consejos Profesionales de Ciencias Económicas (FACPCE). FACPCE is the Argentinian Federation of Professional Organisations of Economic Sciences.
Website	https://www.facpce.org.ar This website includes a section devoted to CENCyA.
Email contact	facpce@facpce.org.ar

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?	<p>Argentina has already adopted IFRS Accounting Standards for all companies whose securities are publicly traded and that are regulated by the Comisión Nacional de Valores (CNV), except for:</p> <ul style="list-style-type: none"> • banks and insurers. Banks apply an accounting framework established by Argentina's central bank (BCRA). That framework is based on IFRS Accounting Standards (with the exception of paragraph 5.5 ('Impairment') of IFRS 9 <i>Financial Instruments</i> in relation to expected credit losses for government debt instruments). • small and medium-sized entities (SMEs), as defined by the Argentinian government, that are listed in the special regime for SMEs are permitted to apply Argentinian accounting standards instead of IFRS Accounting Standards. In other words, the application of IFRS Accounting Standards by them is permitted but it is not mandatory; in practice, most if not all such entities apply Argentinian accounting standards. Other listed SMEs must apply IFRS Accounting Standards. • listed cooperatives and mutuals are required to apply Argentinian accounting standards, as adopted by the specific regulatory agency overseeing those entities (INAES), instead of IFRS Accounting Standards (ie the application of IFRS Accounting Standards by them is prohibited). • listed non-profit organisations are required to apply Argentinian accounting standards, as adopted by the specific regulatory agency overseeing those entities (IGJ), instead of IFRS Accounting Standards (ie the application of IFRS Accounting Standards by them is prohibited). • listed holding companies whose main investment is a controlling interest in the share capital of a bank or insurer, if they meet certain criteria, may apply the local accounting standards applicable to banks and insurers instead of IFRS Accounting Standards (ie the application of IFRS Accounting Standards by them is permitted but it is not mandatory).
Additional comments provided on the adoption status?	<p>In December 2009, having been recommended to do so by the FACPCE, the Comisión Nacional de Valores (CNV), the National Securities Commission, which is an agency of the Argentinian Ministry of Economics and Public Finance, adopted a requirement that all companies whose securities are publicly traded and that are regulated by the CNV must prepare their financial statements using IFRS Accounting Standards, as issued by the IASB for annual periods beginning on or after 1 January 2012. An earlier application was permitted. Most companies whose debt or equity securities are issued for trading in a public market under Law No. 26,831, and those companies that have applied for authorisation for their debt or equity securities to trade in a public market, are required to prepare their consolidated financial statements, as well as their separate financial statements, in accordance with IFRS</p>

Accounting Standards. The CNV's general resolution adopting IFRS Standards (in Spanish) is No. RGC576/2010-10.

The CNV's requirement regarding the use of IFRS Accounting Standards does not apply to certain banks, nor to certain listed insurance companies (see above).

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 (see above).

Does that apply to ALL domestic companies whose securities trade in a public market, or only SOME? If some, which ones?

Some. Those that are regulated by the CNV are all required to apply IFRS Accounting Standards. Companies with regulators other than the CNV (ie listed banks and listed insurance companies) are currently not permitted to apply IFRS Accounting Standards. Instead:

- listed banks must apply the accounting regulations enforced by the BCRA); and
- listed insurance companies must apply the accounting regulations enforced by the Superintendency of Insurance.

On 12 February 2014 the BCRA issued Communication A 5541 announcing a plan to converge the BCRA accounting standards with IFRS Accounting Standards. For annual reporting periods beginning on or after 1 January 2018, and their interim periods, banks—both listed and unlisted—are required to apply a local GAAP issued by the BCRA which is substantially converged to IFRS Accounting Standards. (An exception to this convergence is in the application of the model for expected credit losses in relation to certain loans granted to the Argentinian government.)

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?

Yes (required).

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

Argentina has 23 provinces and one autonomous city—Buenos Aires City—which is equivalent in status to a province. The use of IFRS Accounting Standards for local statutory purposes is determined by each province's Registry of Commerce. In practice, most jurisdictions accept the use of the accounting standards adopted by the provincial Professional Council of Economic Sciences instead of directly adopting a particular set of accounting standards.

Except for:

- (a) banks and insurers—they must apply the local accounting standards applicable to listed banks and listed insurers that have been adopted by their respective regulators.
- (b) cooperatives and mutuals—they are required to apply Argentinian accounting standards, as adopted by the specific regulatory agency overseeing those entities (INAES).
- (c) non-profit organisations—they are required to apply Argentinian accounting standards, as adopted by the specific regulatory agency overseeing those entities (IGJ).

All the provinces allow, but do not require, the use of IFRS Accounting Standards in their jurisdictions by companies whose securities do not trade in a public market. Companies that do not use IFRS Accounting Standards may choose instead to apply the *IFRS for SMEs* Accounting Standard or the Argentinian accounting standards developed by CENCyA and issued by FACPCE.

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?

Yes. Except for listed banks and listed insurance companies.

IFRS ENDORSEMENT

Which IFRS Accounting Standards are required or permitted for domestic companies?

IFRS Accounting Standards (and amendments to them) are adopted/endorsed as and when they are issued by the IASB. Please note that there is a short delay because new IFRS Standards can only be adopted/endorsed when the translation into Spanish is available. Please refer to the 'adoption by circular' process described below.

The auditor's report and/or the basis of presentation footnote states that financial statements have been prepared in conformity with:	IFRS Accounting 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?	Yes.
If yes, how does that process work?	<p>At the time of the initial adoption of IFRS Accounting Standards for companies whose securities trade in a public market in Argentina, the CNV adopted all IFRS Accounting Standards (including Interpretations) effective in 2012 by technical resolution 26 and general resolution 576 of CNV. Subsequently, for all new and amended IFRS Accounting Standards (including IFRIC Interpretations), CENCyA issues a circular adopting those pronouncements. The process for issuing such a circular is as follows:</p> <ol style="list-style-type: none"> 1. As soon as CENCyA becomes aware of a new or amended IFRS Accounting Standard (including Interpretations), the General Director of CENCyA so informs the FACPCE Board and CENCyA. 2. The General Director publishes a summary of the new IFRS Accounting Standard with an annex to it in Spanish. After publication, a comment period of 30 days is opened to enable professional bodies and other interested parties to prepare and present their comment letters. Comments must be limited to matters concerning the implementation of the new or amended IFRS Accounting Standard (or Interpretation) in the Argentine [???] context (for example, issues with potential legal disputes). 3. After the 30-day consultation period has closed, CENCyA considers the comments and drafts and approves a circular for the adoption of the relevant IFRS Accounting Standard, assigning a consecutive number to each circular. The General Director presents the draft circular to the FACPCE Board at the first Board meeting after the approval of the draft circular by CENCyA. 4. If the FACPCE Board approves the circular, it is distributed to the councils of the various member bodies of the FACPCE for adoption in their respective jurisdictions. It is also submitted to the CNV for processing and incorporation into its rules. <p>Please note that the CNV does not allow the early application of a new IFRS Accounting Standard or modification except those accepted, according to the general resolution 973/23.</p>
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?	Yes.
If yes, what is the process?	It is part of the process for incorporating IFRS Accounting Standards into regulations, as described in the answer to the previous question.

If no, how do new or amended IFRS Accounting Standards become a requirement in the jurisdiction? Not applicable.

Has the jurisdiction eliminated any accounting policy options permitted by IFRS Accounting Standards and/or made any modifications to any IFRS Accounting Standards?

Yes.

If yes, what are the changes?

The equity method is required for investments in subsidiaries, associates, and joint ventures in the separate financial statements. This requirement is instead of the three options that IAS 27 *Separate Financial Statements* permits:

- (a) cost;
- (b) fair value in accordance with IFRS 9 *Financial Instruments*; or
- (c) the equity method as described in IAS 28 *Investments in Associates and Joint Ventures*.

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?

Yes. They are translated into Spanish, and the translation is coordinated by the IFRS Foundation.

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 IFRS Foundation develops a single Spanish translation for use by the many countries where Spanish is the working language. FACPCE participates in developing the IFRS Foundation translation by the inclusion of two people on the IFRS Foundation's Review Committee for the Spanish translation. The process ensures an ongoing translation of the latest updates to IFRS Accounting Standards.

APPLICATION OF THE IFRS FOR SMEs ACCOUNTING STANDARD

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

Yes (but subject to the approval of individual provincial governments).

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

Not applicable.

Did the jurisdiction make any modifications to the *IFRS for SMEs* 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 companies other than those whose securities trade in a public market are permitted to use the *IFRS for SMEs* Accounting Standard (subject to its approval by individual provincial governments) with some exceptions (see above).

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

They are permitted to use full IFRS Accounting Standards or Argentinean accounting standards developed by CENCyA. These entities may use any one of the three available options issued by FACPCE.

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

The equity method is required for investments in subsidiaries, associates and joint ventures in the separate financial statements. This requirement is instead of the three options that Section 9 *Consolidated and Separate Financial Statements* permits.