

IFRS® STANDARDS—APPLICATION AROUND THE WORLD

JURISDICTIONAL PROFILE: **Honduras**

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This Profile provides information about the application of IFRS® Accounting Standards (Standards) in Honduras. 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	Junta Técnica de Normas de Contabilidad y de Auditoría (JUNTEC).
Role of the organisation	JUNTEC is the official accounting standard-setting body in Honduras.
Website	www.juntec.org.hn/
Email contact	jocampo@juntec.org.hn

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. Honduras's commitment to IFRS Standards is stated in Government Decree 189-2004 published in La Gaceta (Official Gazette of the Republic of Honduras) of 16 February 2005.
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Reaffirmed and extended to include the *IFRS for SMEs* Standard in Resolution JTNC 001/2010 published in La Gaceta (Official Gazette of the Republic of Honduras) of 16 September 2010.

Has the jurisdiction made a public commitment towards IFRS Accounting Standards as that single set of high quality global accounting standards?	Yes. See above.
What is the jurisdiction's status of adoption?	IFRS Standards and the <i>IFRS for SMEs</i> Standard have been adopted in Honduras.
Additional comments provided on the adoption status?	There is no stock exchange in Honduras.
Entities other than banks and financial institutions	
Since 1 January 2012, all entities other than banks and financial institutions have been required to choose either full IFRS Standards or the <i>IFRS for SMEs</i> Standard.	
Banks and other financial institutions, insurance companies, stock exchanges, brokerages	
For these companies, IFRS Standards (with modifications in the case of banks) are being introduced between 2016 and 2019. See the 'Extent of IFRS Application' section of this profile, below.	

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?	There is no stock exchange in Honduras.
If YES, are IFRS Accounting Standards REQUIRED or PERMITTED?	Not applicable.
Does that apply to ALL domestic companies whose securities trade in a public market, or only SOME? If some, which ones?	Not applicable.
Are IFRS Accounting Standards also required or permitted for more than the consolidated financial statements of companies whose securities trade in a public market?	Not applicable.
For instance, are IFRS Accounting Standards required or permitted in	Not applicable.

separate company financial statements of companies whose securities trade in a public market?

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

Yes. Since 1 January 2012, all entities other than banks and financial institutions have been required to choose either full IFRS Standards or the *IFRS for SMEs Standard*.

Banks and other financial institutions that are regulated by the Comisión Nacional de Bancos y Seguros (CNBS) are required to follow an accounting framework based on IFRS Standards modified by prudential standards issued by the CNBS, starting in 2016, with 1 January 2015 the date of transition. This is laid out in Circular CNBS No.068/2014.

Insurance companies are required to follow IFRS Standards starting in 2017, with 1 January 2016 the date of transition. This is laid out in Circular CNBS No.084/2014.

In April 2016, the CNBS adopted IFRS Standards for stock exchanges and brokerage firms starting in 2019, with 1 January 2018 the date of transition. This is laid out in Circular CNBS No.014/2016.

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?

There is no stock exchange in Honduras. However, foreign companies that publish financial statements in Honduras must follow IFRS Standards or the *IFRS for SMEs Standard*.

If YES, are IFRS Accounting Standards REQUIRED or PERMITTED in such cases?

Not applicable.

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

Not applicable.

IFRS ENDORSEMENT

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

IFRS Standards as issued by the Board.

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 *IFRS for SMEs Standard*.

Does the auditor's report and/or the basis of preparation footnote allow for 'dual reporting' (conformity with both IFRS

No.

Accounting Standards and the jurisdiction's GAAP)?

Are IFRS Accounting Standards incorporated into law or regulations?	Yes.
If yes, how does that process work?	See earlier discussion of resolutions adopted by the Government.
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?	New and amended IFRS Standards are published in La Gaceta (Official Gazette of the Republic of Honduras) following review by JUNTEC.
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, for banks.
If yes, what are the changes?	Banks and other financial institutions that are regulated by the Comisión Nacional de Bancos y Seguros (CNBS) are required to follow an accounting framework based on IFRS Standards modified by prudential standards issued by the CNBS, starting in 2016, with 1 January 2015 the date of transition. This is laid out in Circular CNBS No.068/2014.
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 are required to choose either full IFRS Standards or 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?	Not applicable.
Other comments regarding use of the <i>IFRS for SMEs</i> Accounting Standard?	None.