Peru

(Based on a survey conducted in July 2014)

Local stock exchange
Bolsa de Valores de Lima
http://www.bvl.com.pe/

Rules for listed filings

IFRS required or permitted for listed companies?

Required for consolidated and standalone/separate financial statements

Version of IFRS

The Superintendencia del Mercado de Valores ("SMV"- formerly "CONASEV") (the Peruvian SEC), requires Peruvian listed companies (except banks, insurance companies and pension funds, among other specific entities) to file both, separate and consolidated financial statements prepared following the full application of IFRS as published by the IASB.

Are subsidiaries of foreign companies or foreign companies listed on local exchanges subject to different rules?

No

Rules for statutory filings

Is IFRS or IFRS for SMEs required, permitted or prohibited for statutory filings?

On June 25, 2011, the Peruvian Congress enacted the Law 29720 "Law that promotes the issue of equity financial instruments and that reinforces the capital market." Article 5 establishes that private entities (other than those supervised by the SMV), with revenues from sales or total assets equal to 3,000 taxable units ("UIT" Spanish acronym) equivalent to approximately S/.10.8 million (US $4 million) or more, have to file their financial statements prepared under IFRS as approved by the IASB with the SMV. The SMV issued the Rule to article 5 of the above mentioned Law in May 2012, by means of which established that its requirements will be implemented in two steps. Beginning in the financial period ending December 31, 2013, article 5 will be mandatory for entities which revenues from sales or total assets equal 30,000 UIT equivalent to approximately S/.108 million (US $40 million) or more. All other entities must comply with the requirements of article 5 beginning in the financial period ending December 31, 2014.

Currently, major associations of private enterprises are against the requirement of filing their audited financial statements with the SMV arguing that it violates their constitutional right of privacy of financial information and that it will imposes significant costs to private companies. As of the date of this publication, such claims did not prevail. However, private companies are allowed to file with the SMV their financial statements without their disclosure notes, although the entities have to have them prepared and have them available if requested by any third party (such as financial institutions) doing business with the private entity.

Despite the legal requirement explained above, according to the Peruvian General Corporate Law, private entities' financial statements must be prepared according with IFRS as approved by the Peruvian Accounting Setter. Currently all IFRS issued by the IASB as of December 31, 2010 have been approved for their mandatory application beginning financial periods ending December 31, 2012. There are differences in the timing of approval. There are also differences resulting from application of legal and tax requirements rather than full IFRS. The following main differences, among others, are observed: the useful lives of fixed assets and restatement of financial statements for inflation during the period between 1998 and 2004 because the Peruvian economy did not qualify as hyperinflationary.

As a consequence of enacting article 5 of Law 29720 as of December 31, 2014, only non-listed entities with revenues from sales or total assets lower than 3,000 taxable units will not be required to file their statutory financial statements before any governmental agency (although they are the base for determining taxes and shareholders distributions).

Currently, non-listed entities with revenues from sales or total assets lower than 3,000 taxable units, are allowed (although is not mandatory) by the Peruvian Accounting Setter to use IFRS for SMEs in the preparation of their financial statements. However, it is worth to note, that these set of standards has not been properly divulged and as a result it is not widely used.

Version of IFRS

For private entities with total revenues from sales or total assets less than 3,000 taxable units, IFRS as adopted locally or IFRS for SME (as disclosed above). Public entities and private entities with total revenues from sales or total assets amount of 3,000 taxable units or more must apply IFRS as issued by the IASB. The transition date for the latter was January 1, 2012.

In addition to local GAAP statutory financial statements, are there any other regulatory financial statement requirements that permit or require the use of IFRS?

No, except for banks, insurance companies and pension funds, which are subject to the regulations of the Superintendencia de Banca, Seguros y Administradoras de Fondos de Pensiones. These rules are based on IFRS with specific non-approved paragraphs of certain standards, such as IAS 39 and IFRS 7, among others.

IFRS conversion plans

Plans for converging

Not applicable

Other useful websites

Contaduria General de la Nacion
http://www.contaduria.gov.co/

Contaduría Pública de la Nación
http://www.mef.gob.pe

Comisión Nacional de Empresas y Valores (“CONASEV”)
http://conasev.gob.pe

Colegio de Contadores Públicos de Lima
http://www.ccplima.org

Tax information

Type of tax regime

Quasi-dependent. Taxable profit is principally based on the legal entity statutory accounts, with a number of adjustments provided in the tax law.

Comments on tax regime

Although income tax is calculated from the accounting income, some adjustments are incorporated through the tax return in order to determining the taxable income. Adjustments most commonly observed are related to the depreciation charge, amortization, and provisions, among others.

Plans for IFRS converging as the basis of tax reporting

Currently, discussions have been held among the tax community regarding the legality of the accounting standards, as their approval does not involve any official body. Concerns have been expressed about changes that are periodically incorporated into the accounting standards and their effect on the stability in the determination of taxable income. This issue may require the introduction of changes in the current income tax regime in the near future.