
Brazil

Local stock exchange

BOVESPA

<http://www.bovespa.com.br>

Rules for listed filings

IFRS required or permitted for listed companies?

Since 2010 the consolidated financial statements of listed companies are required to be prepared in accordance with both IFRS and CPCs (new Brazilian GAAP) simultaneously.

Version of IFRS

IFRS as issued by IASB. However, certain options allowed in IFRS are not allowed in Brazil and some additional disclosures are required. For example revaluation of PP&E is not permitted by Brazilian corporate law. Also, early adoption of new or revised standards is generally not allowed.

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?

Statutory financial statements must be prepared in accordance with CPCs (Brazilian GAAP). As mentioned above, there are a few differences between CPCs and IFRS. There is a CPC for SMEs which is essentially a translation of the IFRS for SMEs, but which can only be applied by entities which meet certain criteria (e.g. size based on revenue or assets).

Version of IFRS

IFRS as adopted locally, but still compliant with IFRS as issued by IASB.

The equity method, which is now an option with the amendment of IAS 27 in 2014, must be used to account for investments in subsidiaries, associates, and joint ventures on the separate company financial statements.

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

Banking and insurance companies are required to prepare consolidated financial statements in accordance with the regulator guidance. For listed banking and insurance companies, they need to prepare additional consolidated financial statements in accordance with IFRS as published by the IASB.

IFRS conversion plans

Plans for converging

Not applicable

Other useful websites

Local standard setter: Comitê de Pronunciamentos Contábeis (“CPC”)

<http://www.cpc.org.br/>

Securities and Exchange Commission of Brazil

<http://www.cvm.gov.br>

Tax information

Type of tax regime

Dependent. Elective for 2014 and compulsory as of 2015, taxable profit will be based on IFRS accounts

Comments on tax regime

Starting in 2014, tax rules on an early adoption basis can be based on IFRS accounts. This becomes required for 2015.

Plans for IFRS converging as the basis of tax reporting

The local tax authorities have not officially announced any adoption or convergence plans of tax reporting to IFRS or IFRS for SMEs.