
Costa Rica

Local stock exchange

Bolsa Nacional de Valores (BNV)

<http://www.bolsacr.com/>

Rules for listed filings

IFRS required or permitted for listed companies?

Required for consolidated and standalone/separate financial statements

Version of IFRS

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?

IFRS was adopted as the mandatory accounting framework for preparation of financial statements for public and private companies since 2001 (with the exception of banks and financial institutions and government entities).

There is no mandatory legal requirement to file audited financial statements for private companies, unless they have loans with financial institutions, since it is one of the requirements established by the financial sector regulators. Therefore, for companies not required to file audited financial statements, there is no sanction in case they are not preparing their financial statements in accordance with IFRS.

As a result of an administrative rule issued by tax authorities on August 31, 2011, companies categorized as "large taxpayers" were required to file audited financial statements prepared in accordance with IFRS, which represents local GAAP, within the six-month period after the date of the closing fiscal period. On September 2012, a new law was approved allowing tax authorities to require audited financial statements for all "large taxpayers" and therefore, starting on fiscal periods ending on September 30, 2012, the requirement for audited financial statements changed from an administrative rule to a requirement supported by law. Under this scenario, an audit of financial statements for "large taxpayers" is now mandatory in order to comply with a fiscal requirement.

Banks and financial institutions are required to prepare financial statements in accordance with the accounting framework established by the financial regulators (Superintendencia de Entidades Financieras / "SUGEF"), which differs from IFRS.

For fiscal purposes, companies should prepare at year-end a reconciliation between accounting income and tax income, calculated in accordance with the Income Tax Law.

The local Accounting Supervisory Board has approved the use of IFRS for SMEs based upon the version published by the IASB and defined as criteria for SMEs the same

definition used by Tax Regulators for a Small Contributors. Under these criteria, most of corporations established in Costa Rica will not be eligible to use SMEs.

Version of IFRS

IFRS and IFRS for SMEs as published by the IASB

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

IFRS conversion plans

Plans for converging

Not applicable

Other useful websites

Colegio de Contadores Publicos de Costa Rica
<http://www.ccpa.or.cr/>

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

Companies should prepare at year-end a reconciliation between accounting income and taxable income, calculated in accordance with the Income Tax Law.

Plans for IFRS converging as the basis of tax reporting

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