
Mexico

Local stock exchange

Bolsa Mexicana De Valores

<http://www.bmv.com.mx/>

Rules for listed filings

IFRS required or permitted for listed companies?

All companies whose securities trade in a public market are required to use IFRS in their consolidated financial statements, except for financial institutions and insurance companies, which must follow Mexican Financial Reporting Standards (“MFRS”) plus additional requirements adopted by the securities and insurance regulators.

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?

Yes. The Comisión Nacional Bancaria y de Valores (“CNBV”) [the National Banking and Securities Commission of Mexico] also allows foreign listed issuers, except for financial institutions, to report under US GAAP or the local standards of the relevant entity (if they are different), but it is necessary to include a document where the differences between these local standards and IFRS are detailed without quantifying the impact. In addition, when local standards (different from US GAAP) are followed, a reconciliation of the relevant differences between local GAAP and IFRS quantifying the impacts should be included. Foreign financial institutions could prepare information under IFRS or other GAAP. However, a reconciliation and explanation of the differences between IFRS or local GAAP used and the accounting standards pronounced by the CNBV should be included. Therefore, the adoption of IFRS becomes far more practical and less costly.

Rules for statutory filings

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

All statutory accounts must be prepared under either local Mexican FRS or IFRS. IFRS for SMEs is not permitted.

Version of IFRS

IFRS 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

See above for listed companies. The Consejo Mexicano de Normas de Información Financiera, A.C. ("CINIC") [the Mexican Board for Research and Development of Financial Reporting Standards, AC] is in the process of converging all Mexican FRS for all private entities. However, there are some delays in the original plan because the IFRS target is moving with the new standards issued recently. There is no specific date to finalize all the convergence but Mexican FRS are getting closer to IFRS.

Other useful websites

Mexican Board for Research and Development of Financial Reporting Standards, AC
<http://www.cinif.org.mx/>

National Banking and Securities Commission of Mexico
<http://www.cnbv.gob.mx/>

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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 income tax law.

Plans for IFRS converging as the basis of tax reporting

Because the Tax regime requires reconciliation from the accounting GAAP results to the tax law results, the local tax authorities allow entities to keep maintain their books and report the financial information either under Mex FRS, IFRS, or US GAAP as long as the adjustments are correctly addressed.