

**THE PARTICIPATION OF LATIN AMERICAN BODIES IN THE IASB: AN UPDATE
AND INCREASED ROLE**

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Abstract

Accounting in Latin American countries has potential to become an important topic for research. These countries, integrated in emergent economies, have been increasing an important role in the global economy. The main objective of this paper is to put in evidence the role, efforts and influence of multiple standard-settings and supervisory entities from Latin American countries (LATAM) on the IASB' standards making process, with a particular emphasis in 2010 onwards. The results show that the increased participation of LATAM countries in an international context is important for understand the high degree of convergence of local standards to international accounting standards.

Key Words: international accounting harmonization; LATAM countries; roles in the IASB; convergence.

LA PARTICIPACIÓN DE ORGANISMOS DE AMÉRICA LATINA EN EL IASB: UN PAPEL CRECIENTE DE ACTUALIZACIÓN EDE INFLUENCIA

Resumen

Contabilización de los países de América Latina tiene potencial para convertirse en un tema importante para la investigación. Estos países, integrados en las economías emergentes, se han incrementado un papel importante en la economía global. El objetivo principal de este trabajo es poner en evidencia el papel, los esfuerzos y la influencia de múltiples organismos creadores de normas y entidades supervisoras de los países de América Latina (LATAM) sobre las decisiones en normas del IASB, con un énfasis particular en el año 2010 en adelante. Los resultados muestran que el aumento de la participación de los países de LATAM en un contexto internacional es importante para entender el alto grado de convergencia de las normas locales a las normas internacionales de contabilidad.

Palabras Clave: armonización contable internacional; Países de LATAM; papeles en el IASB; convergencia.

INTRODUCTION

Accounting in Latin American countries has potential to become an important topic for research. These countries, integrated in emergent economies, have been increasing an important role in the global economy. Notwithstanding their economic importance, there is still a relative low knowledge about accounting issues within Latin American countries. However, the diffusion and application of international accounting standards issued by the International Accounting Standard Board (IASB) has become supported by local Latin American standard setters and other regional boards. This decision has placed these countries in the spotlight of several institutional corporations and regulators, since it implies a new process of preparing information for investors and managers, perhaps similar to the one experienced by European Union countries. Well-established literature supports the evidence of regional, country wealth and cultural similarities between Latin American countries (Leuz, 2010). This does not mean that the financial reporting advances are equal in all the countries belonging to the same cluster, but rather that they have to be accompanied with a country-specific approach. This approach would take into account the existing heterogeneity as well as institutional characteristics that, similar to guidance on growth-enhancing policies (Daude, 2012), are often key to understanding the success or failure of accounting policies. But one thing is taking for granted: the recent changes on financial reporting in Latin American countries tell that the support to the IASB is far from being a passive process - but a really pro-active, participative and powerful compromise.

The main objective of this paper is to put in evidence the role, efforts and influence of multiple standard-settings and supervisory entities from Latin American countries (LATAM) on the IASB' standards making process, with a particular emphasis in 2010 onwards. This chapter thus offers an overview of what is going on with the development, adoption and endorsement of accounting standards in the recent strengthened relationship between LATAM countries and IASB. Not just regional bodies in which each country has representations will be focused, but rather the attention to each country, corporation and/or person, when its work on this subject is prominent. The paper is only able to source information from the public domain, namely, information released in the websites of each board that will be mentioned.

The concern of this paper is directly related with its usefulness for academic purposes, for the accounting profession, and for investors or parties with economic or work interests in LATAM countries. A related contribution was offered by Fortin, Barros and Cutler, who published in 2010 a book describing the status, development of

accounting and auditing profession in Latin America and Caribbean, under the aegis of The World Bank. Notwithstanding being published in 2010, it was completed during the global financial crisis between 2007 and 2009. However, as stated by Professor Eliseu Martins, "...Obviously, it does not report some very big changes in this region which occurred in several countries in 2009 and 2010 [and] some extraordinary changes in the region occurred after the book was completed. Various tables in the book on the countries' specific situations regarding different requirements are also outdated, although this is due to the speed with which changes have been taking place in the region" (Martins, 2011: 1482). One of the main changes that took place in the majority of LATAM countries was the adoption of International Financial Reporting Standards (IFRSs) since 2009/2010. This paper offers additional contributions with updated, accurate and relevant information taking into account the reality and the status of LATAM countries in the process of convergence of international standards. One of the most important secondary purposes of this paper is to present the information to the public in a coherent, interpretative and accessible manner, since the original information provided in their websites by LATAM accounting setters and other bodies are in Portuguese and Spanish language, but not in English.

In order to achieve the objectives of this study, a threefold perspective will be adopted, namely, (i) the participation of LATAM countries in the IASB' organization, (ii) the profile of use of IFRSs in each LATAM country, and (iii) the role and works of the main organizations/boards at a local and/or regional level to fulfill the objectives of international convergence with LATAM countries.

The remainder of this paper is organized as follows. In section 2 it is presented a brief description of IFRS Foundation and of IASB, in which the boards or individuals with a role on their structures are mentioned. In section 3 is presented detailed information about the role, skills, and other relevant information about the LATAM countries' boards or individuals nominated or elected for IASB' structure. The data will be mainly collected from the IASB website, where a spare set of information is available about this subject. With descriptive and graphic information specially designed, it will be presented the weight of LATAM countries within all around countries with a direct participation on the IASB organization. Given the growth of LATAM countries in the global economy, and considering that almost all have recently adopted IFRS, it is useful to link all the roles and the main outputs in one single document that resumes all the effort that is being done, suitable for outlining a future critical thinking. This is especially important for all preparers and academics. Then, section 4 offers a resumed profile about the use of IFRSs in each LATAM country will be offered. Not all the LATAM countries gave the same steps and are at the same stage. This comparative

information can be very helpful for future accounting researchers issues, and also for all investors with economic interests in LATAM countries.

2. IFRS FOUNDATION AND IASB: A BRIEF PRESENTATION

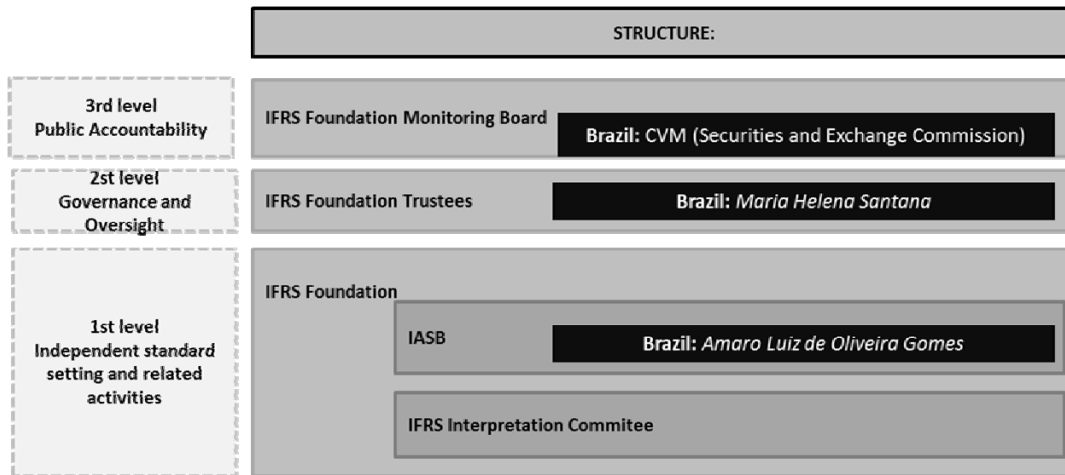
When someone asks for IFRS Foundation, one of the most important information that needs to know is *what IFRS Foundation is* and *what its mission is*. The IFRS Foundation is an independent, not-for profit private sector organization working in the public interests. Bearing this in mind, the objectives of IFRS Foundation are (IFRS Foundation, 2014a):

- to develop a single set of high quality, understandable, enforceable and globally accepted International Financial Reporting Standards (IFRSs) through its standard-setting body, the International Accounting Standards Board (IASB);
- to promote the use and rigorous application of those standards;
- to take account of the financial reporting needs of emerging economies and small and medium-sized entities (SMEs); and
- to promote and facilitate adoption of IFRSs through the convergence of national accounting standards and IFRSs.

To do it, the IFRS Foundation is overseen by geographically- and professionally-diverse bodies, in a three-tier structure: 1st) Independent standard-setting and related activities; 2nd) Governance and oversight; and, 3rd) Public accountability (IFRS Foundation, 2014a). Figure 1 presents this three-tier structure, in which it is included in a black box the name of the person, body or organization belonging to a LATAM country within IFRS Foundation Structure. As noticed, Brazil has a strong participation. This is a consequence of the History of IASB itself.

Namely, since 2001 (when IFRS Foundation was established and IASB announces its first program of technical projects) until 2013 (when Trustees established Accounting Standards Advisory Council), the progress towards global accounting standards has been achieved. The LATAM countries contribute to that process, not from the beginning but with a recent and important participation.

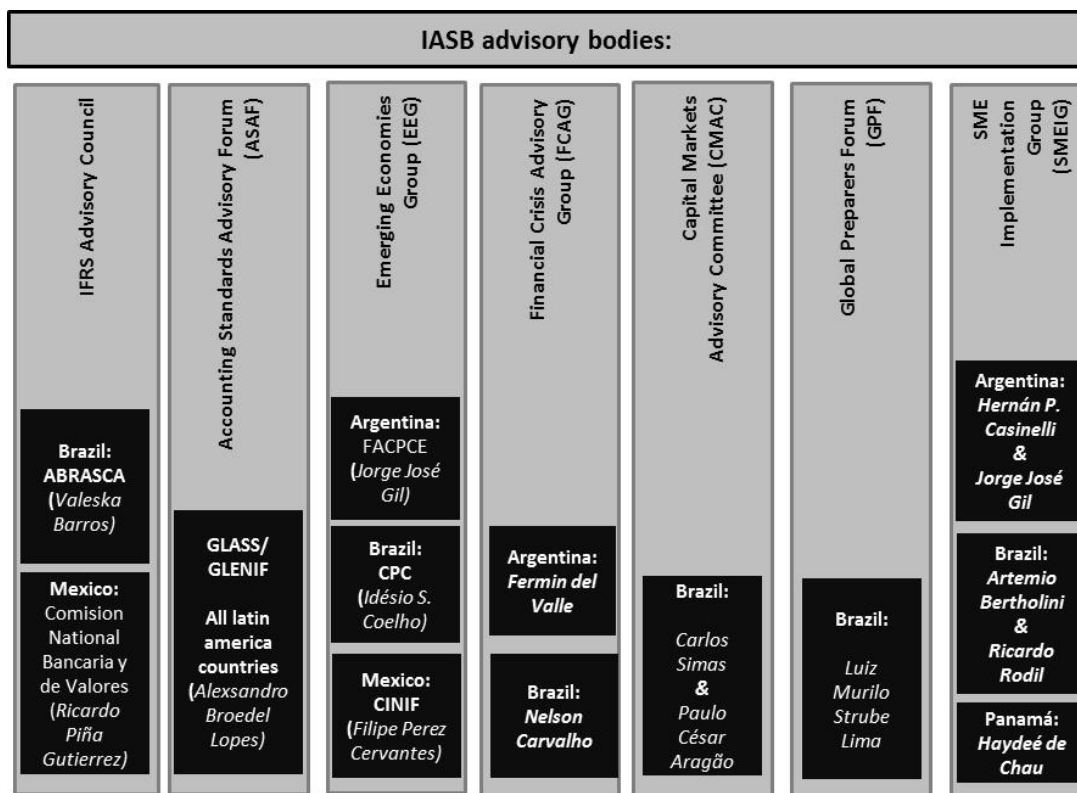
Figure 1: Three-tier structure of IFRS Foundation with LATAM countries highlighted



Source: Developed by the author, adapted from IFRS Foundation (2014a).

Beyond the structure presented in Figure 1, there are several IASB's formal advisory bodies providing important instruments for the IASB to obtain input on its work, as well as to consult interested parties from a broad range of backgrounds and geographical regions. Precisely because of the awareness with several geographies, LATAM countries recently became an important part within formal IASB's advisory boards and they are presented in all of them. One can confirm this when drawing a chart in which the persons, bodies or other parts from LATAM countries are positioned within each advisory board. Figure 2 presents this insight.

Figure 2: IASB formal advisory boards with LATAM countries highlighted



Source: Developed by the author.

3.LATIM AMERICAN COUNTRIES IN THE STRUCTURE OF IFRS FOUNDATION: WHO ARE THEY?

Based on figure 1, this section (sub-sections 2.1 to 2.3) will provide a description of the main objectives of each one of the IFRS Foundation bodies and IASB’s advisory boards, as well as the skills and other information relevant for understand who can be appointed or nominated as a member. Afterward is indicated the person, body or organization from LATAM countries that has a seat on that Board.

3.1. LATAM countries in “Public Accountability” Structure

The **IFRS Monitoring Board** is the only Board at the Public Accountability level. It was created in January 2009 to “provide a formal link between the Trustees and public authorities, so that the public accountability of the IFRS Foundation would be enhanced” (IFRS Foundation, 2013b, p.4). Its members are capital markets authorities with responsibilities in setting the form and contend of financial reporting, serving as a

mechanism for formal interaction between those authorities and the IFRS Foundation. Doing so, it is intended to facilitate the ability of capital markets authorities that use IFRS in their jurisdictions to release their instructions relating investor protection, market integrity and capital formation.

In 2012, one of the recent reports undertaken (and coordinated with Trustees of the IFRS Foundation) included an action plan to enhance the governance framework of IFRS Foundation. One of the key decisions was to expand the Monitoring Board's membership to "include additional authorities primarily from major emergent markets (a maximum of four, and not necessarily all added immediately)" (IFRS Foundation, 2013c:4). The call for nominations for these permanent seats was released in May 2013 with closing date of end-June of the same year. Recently, in 28 January 2014, the CVM (Securities and Exchange Commission) of Brazil was announced as one of the permanent member of the Monitoring Board (IFRS Monitoring Board, 2014).

3.2. LATAM countries in "Governance and oversight" Structure

The **IFRS Foundation Trustees** are positioned at the governance and oversight level. Although not involved in any technical matter, the Trustees promote the work of IASB and the application of IFRSs. From its responsibilities, are selected: i) the appointment of IASB members, the IFRS Interpretation Committee and the IFRS Advisory Council; ii) the establishment and amendment of the operating procedures, consultative arrangements and due process for the previous boards; iii) the review and assessment of the strategy of IASB; iv) the guarantee of the finance provided to IFRS Foundation and the approval of its annual budget (IFRS Foundation, 2014d).

Each person is appointed to the Trustee for a renewable term of three years. Currently (March 2014) there are 22 trustees from six geographies: Africa (1 seat), Asia/Oceania (6 seats), Europe (6 seats), Middle East (1 seat), North America (6 seats) and South America (1 seat), and the Chairman. To be appointed, the qualifications of each candidate embrace, but are not limited to, top level experience in an organization with interests in accounting standards, financial knowledge, and the need to establish a strong commitment to serving the public interest.

It is important to mention that the mix of Trustees should broadly reflect the world's capital markets. They should thus come from a diversity of environments reflecting the opinion of a wide range of stakeholders, regardless of the geographical formula for representation. Then, each Trustee has one vote, and ordinarily decisions are taken by simple majority vote (although some matters require a 75% majority). Usually they

have two-day meetings four times a year, and all the meetings are held as venues all over the world, in public and webcast. For the first time, one of the meetings will be nearly in a LATAM country, specifically in Mexico, in October 2014. The Trustee from LATAM countries is *Maria Helena Santana*, from Brazil, the former chair and president of the Brazilian CVM (Securities and Exchange Commission) and former executive officer of the Brazilian stock exchange (BOVESPA). Its term expires in December 2016 and she is presently on the boards of a number of Brazilian public companies as an independent director.

3.3. LATAM countries in “Independent standard-setting and related activities” Structure

Persons of LATAM countries appointed as IASB members

The IASB is the standard-setting body of IFRS Foundation, whose principal objectives includes the development of a single set of high quality, understandable, enforceable and globally accepted international standards, in which the taking account of the financial reporting needs of emerging economies is included. Since 2012 the IASB comprises 16 full-time members that are independent experts, who are responsible for the development and publication of IFRSs and IFRS for SMEs and for approving its interpretations. The skills of its members include an appropriate mix of recent practical experience in setting accounting standards, as well as in preparing, auditing or using financial reports. Accounting education is also mentioned as a skill. These experts are appointed by the IFRS Foundation Trustees in a rigorous and transparent process, that can be summarized in the following steps: i) applications are invited; ii) The Chair of the Trustees’ Nominating Committee writes to relevant stakeholder groups to seek nominations; iii) In conjunction with IASB Senior Management, the Nominating Committee reviews the candidate names and agrees a short list, followed by interviews are undertaken; iv) vetting procedures are undertaken by a specialist third party organization, checking the past 10 years in detail, major issues identified in the previous 20 years, professional and graduate level qualifications, regulatory / licensing status; v) After the above and other not-mentioned steps have been completed, an offer of a position is made to the candidate.

Currently, *Amaro Luiz de Oliveira Gomes*, former Head of Financial System Regulation Department of the Central Bank of Brazil, is the only LATAM country’ member appointed for full-time on 1 July 2009 for a five-year term.

(Absence of) Persons of LATAM countries appointed to IFRS Interpretation Committee

The IFRS Interpretations Committee comprises 14 voting members appointed by IFRS Foundation Trustees. Its principal aim is to review on a timely basis extensive accounting issues that have arisen from current IFRSs and to provide authoritative guidance on them. Its members thus are drawn from a variety of countries and they should have extensive professional background. Until the moment, this seems to be the unique body in which a person, a body or an organization of LATAM country does not have a seat.

3.4. LATAM countries with seats on IASB's Advisory Bodies

Bodies/persons from LATAM countries with a position in IFRS Advisory Council

The IFRS Advisory Council is the formal advisory body providing advices for both the IASB and the Trustees. The Council is composed of individuals, or representatives of organizations, interested in the development of high quality IFRSs (IFRS Advisory Council, 2012). It provides thus a broad strategic advice on the IASB's technical agenda and related projects, also serving as a sounding board that can be used to meet views that supplement the normal consultative process (IFRS Foundation, 2013c). Its members are from a wide range of representatives from different groups, including investors, financial analysts, preparers, academics, auditors, regulators, professional accounting bodies and standard-setters.

This Council is the largest among all other bodies. At February 2014 it has 44 members as individuals or as representative of organizations that are affected by and interests in the IASB's work, behind one chairwoman and two vice-chairmen. There are two individuals that are representing LATAM countries organizations, namely: *Valeska Barros*, Controller (LLX Logística SA), in representation of Brazilian Association of Listed Companies (ABRASCA); and, *Ricardo Piña Gutierrez*, General Director of Market Supervision, in representation of Comision National Bancaria y de Valores, Mexico.

Bodies from LATAM countries with a position in Accounting Standards Advisory Forum (ASAF)

The ASAF (Accounting Standards Advisory Forum) is one of the most recent bodies of IFRS Foundation. It arose from a public comment proposal published by IFRS

Foundation to respond to a prior recommendation by the Trustees to create a new advisory group.

The proposal to establish the ASAF was circulated as a public consultation paper on 1 November 2012, to which IFRS Foundation welcomed invitations to comment. This new body seems to have a great importance to LATAM countries because it is formed by a group of nominated members from both national accounting standard-setters and regional bodies with an interest in financial reporting, in which Latin Americans could have a seat. The Foundation received 63 comment letters which are summarized in IFRS Foundation (2013a) by geographical region. It is not possible identify in that summary the weight of LATAM countries because they were included in the “Americas” group, with 9 respondents which represents 15% of the total. However, a more detailed breakdown can be done if all the list of respondents is analyzed. In fact, Brazil and Mexico were the only LATAM countries responding. Three comment letters were received from Brazil, two of them sent by individual persons and one sent by the *Comite de Pronunciamentos Contabeis* (CNC). The *Conjexo Mexicano de Normas de Informacion Financiera* (CINIF) also sent one comment letter on this subject.

The analyze of the responses to the prior consultation demonstrated a high level of support for establishing the ASAF, with the objective of obtaining a more streamlined and effective dialogue between IASB and the global accounting standard-setting community (IFRS Foundation, 2013). As a consequence, on 8 April 2013 was signed the Memorandum of Understanding between the IFRS Foundation and National Standard-setters and regional bodies and ASAF was established. The ASAF comprise twelve non-voting members, represented by twelve individuals (plus the Chair), but the appointment is not in their personal capacity. In order to ensure a broad geographical representation it was decided that the twelve members are: i) one from Africa; ii) three from the Americas (North and South); iii) three from the Asia/Oceania region; iv) three from Europe (including non EU); and v) two appointed from any area of the world at large, subject to maintaining overall geographical balance. Presently, *Alexsandro Broedel Lopes* is the representative for the *Group of Latin American Standard Setters* (GLASS/GLENIF), with one seat of the total positions.

Persons of LATAM countries appointed as members of Emerging Economies Group (EEG)

Bearing in mind the effort to enhance the participation of emerging economies in the development of IFRSs, in 2011 the IFRS Foundation decided to create the Emerging Economies Group (EEG). This Group debates the application and implementation of IFRSs in emerging economies, including the consideration of if, and how, the IASB

could afford educational guidance at the right level for interested parties in those economies. So its membership includes all the economies member countries of the G20 and also Malaysia. Beyond the chair and vice-chair, the 12 seats include member countries from LATAM region, namely, Argentina, Brazil and Mexico. Each country has a represented body, which, in turns, has person representing that body. As of January 2014, the members from LATAM countries are (IFRS Foundation, 2014c): *Jorge José Gil*, in representation of Argentine Auditing and Accounting Standards Board (FACPCE), *Idélío S. Coelho*, in representation of Brazilian Accounting Announcements Committee (CPC), and *Filipe PerezCervantes*, in representation of Mexican Financial Reporting Standards Board Reporting Standards Board (CINIF).

Two meetings each year are planned, taking place in one of the member countries. Argentina (Buenos Aires) and Brazil (São Paulo) were the host countries in two of the six meetings held since the 2011 until de end of 2013.

Persons of LATAM countries selected to be in Financial Crisis Advisory Group (FCAG)

Although having currently its work concluded, Financial Crisis Advisory Group (FCAG), had an important role when invited to discuss several issues concerning how improvements in financial reporting could help enhance investor confidence in financial markets. Doing so, this advisory group suggested several accounting issues requiring urgent attention or long-term consideration of the boards, as appointed in the letters that FCAG sent to the G-20.

Committee members were drawn from senior leaders throughout the world, and all of them have broad experience of international financial markets and an interest in the transparency of financial reporting information. The FCAG comprised 2 chairs, 16 members and 8 observers from several countries. *Fermin del Valle*, former president of IFAC, from Argentina, was the only member from a LATAM country, meanwhile *Nelson Carvalho*, IASB SAC Chairman, from Brazil, was the only observer from a LATAM country.

Persons of LATAM countries appointed to be in the Capital Markets Advisory Committee (CMAC)

The Capital Markets Advisory Committee (CMAC) was formerly the Analyst Representative Group (ARG). It is independent from the IASB and the IFRS Foundation, and was created to provide the IASB with regular input from the international community of *users* of financial statements. That is why members (unpaid, serving as individuals and not as representatives of their employer or organization) are

selected by the CMAC on the merits of their professional competence as capital markets participants, and of their ability to represent participants' views. All the members of CMAC have, thus, extensive practical experience in analyzing and using financial reporting information. As of February 2014, this Committee comprises 17 experts, from which 2 of them are Brazilian, with an extent and valuable market experience, specifically, *Carlos Simas* (Partner-Dynamo Capital LLP) and *Paulo César Aragão* (Partner-Barbosa, Mussnich&AragãoAdvogados). IASB representatives and CMAC members have meetings three times a year.

Persons of LATAM countries appointed to be in the Global Preparers Forum (GPF)

As in the previous Committee, also members of Global Preparers Forum (GPF) are unpaid and serve as individual (not as represented of their respective employer or preparer organization). The GPF is also an independent body and its members are from a variety of industry and geographical know-hows, namely those related with practical experience of financial reporting, well established as commentators on accounting matters in their own right or through working with representative bodies in which they are involved. As of February 2014, this Forum includes 16 experts, being one from Brazil, precisely, *Luiz Murilo Strube Lima*, Manager in Petrobras (Brazil).

Persons of LATAM countries selected for SME Implementation Group (SMEIG)

The SME Implementation Group (SMEIG) was approved in July 2009, and was officially created, with nominations, one year later. Aiming to support the international adoption of the IFRS for SMEs and monitor its implementation, the candidates to SMEIG need to explain their knowledge and experience in the financial reporting of SMEs if they want to be selected to have a seat in this Group.

Its members have twofold responsibilities. By one hand, they consider some questions raised by users and they decide which ones are more important to be included in implementation guidance, and develop proposed guidance in the form of questions and answers (Q&A) that are also approved by IASB. By another hand, they make recommendations to the IASB on the need to amend some of the existent IFRS, irrespectively of being new and amended that have been adopted since IFRS for SMEs was issued/amended.

Behind the chairman, this Group has currently 22 seats from which 5 experts are from Latin America, namely, 2 from Brazil, 2 from Argentina and 1 from Panama (IFRS Foundation, 2010): *Artemio Bertholini* (Brazil, Partner, Directa Auditores), *Hernán P Casinelli* (Argentina, Director of IFRS course and the Chartered Public Accounting

Program, Universidad Argentina de la Empresa, Associate member of Gajst & Asociados, *Haydeé de Chau* (Panamá, Partner, KPMG), *Jorge José Gil* (Argentina, Professor, University of Cuyo, Aconcagua University, General Director of the Argentinean standards board), and *Ricardo Rodil* (Brazil, Senior Partner, Nexia Villas Rodil Auditores Independientes).

4. IFRSs ADOPTION IN LATAM COUNTRIES: A BRIEF DESCRIPTION

Commitments in supporting the move around the adoption of IFRSs within LATAM countries are recent, but the great majority of LATAM countries are at a very similar stage of adoption of IFRSs. Except Paraguay, all the other LATAM jurisdictions made a *public* commitment in support of moving towards a single set of high quality global accounting standards.

However, the requirements or permissions to apply international standards are diverse when countries are compared, as well as the decision to adopt as issued by IASB or with some limitations or eliminations. Table 2 offers a comparison of IFRSs adoption within LATAM countries, based on the profiles prepared by IASB for each country (IASB, 2014d). This Table does not cover nor banks, insurance companies or other financial firms, neither details about IFRS for SMEs. A detailed analysis of the table allows identify differences and similitudes, inviting the lecture to draw own conclusions...

Table 2: Comparison of IFRSs adoption within LATAM countries (except for banks, and other financial companies)

COMMITMENT TO GLOBAL FINANCIAL REPORTING STANDARDS:		
	Yes	No
Has the jurisdiction made a public commitment in support of moving towards a single set of high quality global accounting standards?	Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica Republic, Dominican Republic, Ecuador, El Salvador, Guatemala, Mexico, Panama, Paraguay, Venezuela, Uruguay	Honduras
Has the jurisdiction made a public commitment towards IFRSs as that single set of high quality global accounting standards?	Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica Republic, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay, Venezuela, Uruguay	-

	Not adopted	Required or Permitted
What is the jurisdiction's status of adoption?	Bolivia, Paraguay	Argentina, Brazil, Chile, Colombia, Costa Rica Republic, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Venezuela, Uruguay

EXTENT OF IFRS APPLICATION:			
For DOMESTIC companies whose debt or equity securities trade in a public market in the jurisdiction:			
	Required	Permitted	Observations:
Are all or some domestic companies whose securities trade in a public market either required or permitted to use IFRSs in their consolidated financial statements?	Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica Republic, Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Venezuela, Uruguay	Bolivia, Guatemala, Panama, Paraguay	Honduras: doesn't have stock exchange. Panama: either IFRSs or US GAAP; Venezuela: IFRSs 2008 version

	All	Some	Observations:
Does that apply to ALL domestic companies whose securities trade in a public market, or only SOME? If some, which ones?	Argentina, Brazil, Chile, Colombia, Costa Rica Republic, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay, Venezuela, Uruguay	Bolivia: Only for the purpose of consolidation if required head office: <ul style="list-style-type: none"> Foreign companies; Bolivian national companies but subsidiaries of foreign companies. 	Honduras: not applied.

	As issued by IASB	As issued by IASB with modifications	What are those modifications?
Which IFRSs are required or permitted for domestic companies?	Bolivia, Chile, Colombia, Costa Rica Republic, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay	Argentina, Brazil, Venezuela, Uruguay	<ul style="list-style-type: none"> IAS 27: Argentina, Brazil, Uruguay; IAS 16, IAS 38, IFRIC 15: Brazil; IAS 29: Venezuela, Uruguay

	Required	Permitted	Neither required nor permitted
Are IFRSs required or permitted in separate company financial statements of companies whose securities trade in a public market?	Argentina, Brazil, Chile, Colombia, Costa Rica Republic, Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Panama (or US GAAP), Paraguay, Venezuela	Guatemala	Bolivia, Uruguay

For FOREIGN companies whose debt or equity securities trade in a public market in the jurisdiction:			
	Required	Permitted	Observations:
Are all or some foreign companies whose securities trade in a public market either REQUIRED or PERMITTED to use IFRSs in their consolidated financial statements?	Argentina, Brazil, Dominican Republic, Ecuador, El Salvador, Venezuela, Uruguay	Bolivia, Chile, Colombia, Costa Rica Republic, Guatemala, Mexico, Panama, Paraguay,	<ul style="list-style-type: none"> Honduras: no stock exchange. Mexico, Panama: IFRSs or US GAAP

Accounting standards For COMPANIES whose debt or equity does not trade in a public market in the jurisdiction:			
	Required	Required for some companies	Permitted
IFRSs		Bolivia, Colombia, Costa Rica, Ecuador	Brazil, Chile, Costa Rica Republic, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay, Venezuela
IFRSs for SME		Dominican Republic, Venezuela	Argentina, Chile, Ecuador, El Salvador, Honduras, Guatemala, Panama
Local Standard converged to IFRSs			Argentina, Brazil, Mexico (under project)
Local standards	Uruguay		

FINAL REMARKS

While some argues that “it is too early to say what impact they will have on the future of development of IFRS” (Camfferman, 2014), the analysis provided in this study can be useful to draw conclusions about a completely new and well-succeeded period

overriding the pre-2010 characterized by Fortin et al (2010) as fragmenting efforts and wasting financial and human resources. This is of special interest not just for preparers, academics and investors, but also for those who want to work in multinational firm and for the public interests of all LATAM citizens.

The analysis to the major LATAM standard setters, organizations, regulators and other institutional or personal entities that directly or indirectly have been taken an active and pro-active role shows that LATAM countries are engaged with: (i) the dissemination of and improvement proposals to existent IFRSs; (ii) the responses to the development of new standards; (iii) the coordination of the alignment between IASB and LATAM agenda and points of view; (iv) the leadership of international convergence on LATAM countries. These roles are extensible and include all LATAM countries, especially because of the participation of GLASS/GLENIF but, undoubtedly, Brazil, Mexico, Argentina and Venezuela are the countries with a more prominent voice in the IASB.

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