

# Press Release



SUPERINTENDENCIA  
VALORES Y SEGUROS

## SVS relaxes requirement for presenting financial statements under IFRS standards for 2009

- *Companies may be able to present financial statements under the new accounting standards as of December 31, 2009, instead of being required to do so during the first quarter, as was previously established.*

The Superintendencia de Valores y Seguros (SVS) began the official process of adopting the IFRS International accounting standards in 2006, a process that has been taken on by more than 100 countries. This change in accounting practices, which will make it easier for Chilean companies to enter international financial markets, considers the adoption of these standards by a significant number of issuing companies during 2009.

Nevertheless, due to the complex situation faced by the global markets and the repercussions it has had in Chile, the SVS decided to loosen the requirement for presenting financial statements under IFRS originally established for 2009.

Up to now, the companies required to adopt IFRS in 2009 could choose whether to present all of their quarterly and annual financial statements under IFRS, including the comparative statement; or under Chilean standards (FECU), in which case they must present their quarterly and annual financial statements under IFRS, without the comparative statement.

The current modification allows companies originally required to present their financial statements under IFRS as of 2009 **to present these under the new accounting standards as of December 31, 2009, instead of doing so during the first quarter, as was originally established.**

In particular, two new options have been added to the current two alternatives:

- a. Companies may continue to present their financial statements under current accounting standards (FECU) during the first three quarters of 2009, and present the annual **comparative** financial statements for 2009 vs. 2008, with full application of IFRS.
- b. Companies may continue to present their financial statements under current accounting standards (FECU) during 2009. Nevertheless, the companies that choose this alternative must also present their annual **non-comparative** financial statements for 2009 (pro forma).

Whichever option is selected by the administration of the companies that begin to apply IFRS in 2009, the SVS must be informed of this selection by February 28, 2009, at the very latest, as established in [Circular N° 485](#), issued today by the SVS.

This is because the IFRS standard adoption process requires active participation by the directors and executives of the companies. **The objective of this measure is that the directors and executives of the companies supervised by SVS concentrate their efforts, as they deem necessary, on reviewing the effects of the current situation.**

The SVS Superintendent, Guillermo Larrain, explained that “this measure allows us to adhere to the objective of initiating IFRS adoption during 2009 in the securities market, while at the same time providing the necessary flexibility for the companies to be able to appropriately deal with the current situation of the world markets”.

***Santiago, November 19, 2008.***

Summary of proposal to loosen the requirement to begin the adoption of the IFRS in 2009:

Companies required to adopt the IFRS each year	Current options for IFRS adoption	New options for IFRS adoption
<p><b>2009: Companies</b></p> <p>a) Whose shares have stock market presence or transactions, under the terms listed in General Rule No. 103 of 2001, issued by the SVS, that is, those that have adjusted presence of 25% or more within the last 180 working days, or</p> <p>b) Who are required to have a Board of Directors, in accordance with Circular No. 1,526 of 2001, issue by the SVS.</p>	<p><b>Option 1 (Full IFRS):</b> Present comparative quarterly and annual financial statements for 2009 (compared to 2008), with full application of IFRS</p> <p><b>Option 2 (pro-forma):</b> Present quarterly and annual financial statements for 2009 under local standards (FECU). Also must present <b>non</b>-comparative quarterly and annual financial statements under IFRS. As of 2010, must present the comparative financial statements (2010 vs. 2009), with full application of IFRS.</p>	<p><b>Option 1 (full IFRS):</b> (same as before)</p> <p><b>Option 2 (pro-forma)</b> (same as before)</p> <p><b>Opción 3 (full annual IFRS):</b> Present financial statements under local standards (FECU) for the first three quarters of 2009, and present comparative annual financial statements (2009 vs. 2008) with full application of IFRS. As of 2010, must present the comparative financial statements (2010 vs. 2009), with full application of IFRS.</p> <p><b>Option 4 (annual pro-forma):</b> Present financial statements for 2009 under local standards (FECU). Also must present <b>non</b>-comparative annual financial statements as of December 31, 2009 under IFRS (called "pro-forma"). As of 2010, must present the comparative financial statements (2010 vs. 2009), with full application of IFRS.</p>
<p><b>2010: Companies</b> Companies that issue securities through public offering, which do not comply with the conditions listed above in a) and b).</p>	<p>Comparative financial statements for 2010 (vs. 2009), with full application of IFRS.</p>	<p>No change.</p>
<p><b>2011: Companies</b> Companies listed in the Securities Registry that do not issue securities through public offering.</p>	<p>Comparative financial statements for 2010 (vs. 2009), with full application of IFRS.</p>	<p>No change.</p>