

## IFRS APPLICATION AROUND THE WORLD

### JURISDICTIONAL PROFILE: **Dominican Republic**



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This Profile has been prepared by the IFRS Foundation based on information from various sources. The starting point was the answers provided by standard-setting and other relevant bodies in response to surveys that the Foundation conducted on the application of IFRS Standards around the world. The Foundation drafted the profile and invited the respondents to the survey and others (including regulators and international audit firms) to review the drafts, and their comments are reflected.

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Profile last updated: 16 June 2016

#### RELEVANT JURISDICTIONAL AUTHORITY

Organisation	Instituto de Contadores Públicos Autorizados de la República Dominicana (ICPARD) Superintendencia de Valores
Role of the organisations	The ICPARD has the legal power to establish accounting standards in accordance with article 31 of Law 479-08. The Superintendencia de Valores has legal power to regulate companies whose securities trade on the Bolsa de Valores de la República Dominicana (Stock Market of the Dominican Republic, or BVRD), including the power to adopt accounting standards that must be followed by those companies.
Websites	ICPARD: <a href="http://icpard.org/">http://icpard.org/</a> Superintendencia de Valores: <a href="http://siv.gov.do">siv.gov.do</a>
Email contacts	<a href="mailto:gerencia@icpard.org">gerencia@icpard.org</a>

## COMMITMENT TO GLOBAL FINANCIAL REPORTING STANDARDS

<p>Has the jurisdiction made a public commitment in support of moving towards a single set of high quality global accounting standards?</p>	<p>Yes.</p> <p>Article 31 of the General Law of Corporations and Limited Liability Companies Singles (Law No. 479-08 ) as amended by Law No. 31-11 provides that financial statements should be prepared in accordance with the principles and / or generally accepted accounting standards nationally and internationally.</p> <p>Further, both the ICPARD and the Superintendencia de Valores have required the use of IFRS Standards and the IFRS for SMEs Standard.</p> <p>See Resolución 001 Acta 2010-004 Adopción e Implementación de las NIIFs:  <a href="http://www.icpard.org/_\$ Server/descargar.php?f=HPA55_NIIF_RESOLUCION_001_ACTA_2010-004.pdf">http://www.icpard.org/_\$ Server/descargar.php?f=HPA55_NIIF_RESOLUCION_001_ACTA_2010-004.pdf</a></p> <p>And Resolución 20-03-2014 ACTA 222014 “Confirmacion Implementación de las NIIFs”, which confirmed that IFRS are required starting 1 January 2013:  <a href="http://www.icpard.org/comunicado/2014/03/resoluci%C3%B3n-20-03-2014-acta-222014-%E2%80%9Cconfirmacion-implementaci%C3%B3n-de-las-niif%E2%80%99s%E2%80%9D-(1).aspx">http://www.icpard.org/comunicado/2014/03/resoluci%C3%B3n-20-03-2014-acta-222014-%E2%80%9Cconfirmacion-implementaci%C3%B3n-de-las-niif%E2%80%99s%E2%80%9D-(1).aspx</a></p> <p>See also Superintendency of Securities Circular C-SIV-2011-12-MV Modificación de la Circular Que Informa a los Participantes del Mercado de Valores y Emisores de Valores Que Deberán Adecuarse a las Normas Internacionales de Información Financiera (NIIFs).  <a href="http://www.siv.gov.do/serve/listfile_download.aspx?id=1150&amp;num=1">http://www.siv.gov.do/serve/listfile_download.aspx?id=1150&amp;num=1</a></p>
<p>Has the jurisdiction made a public commitment towards IFRS Standards as that single set of high quality global accounting standards?</p>	<p>Yes.</p> <p>See above.</p>
<p>What is the jurisdiction's status of adoption?</p>	<p>The Dominican Republic has adopted IFRS Standards and the IFRS for SMEs Standard.</p>
<p>Additional comments provided on the adoption status?</p>	<p>In 2010, the ICPARD issued two resolutions adopting IFRS Standard, as follows:</p> <ul style="list-style-type: none"> <li>• Resolución 001 Acta 2010-004 <i>Adopción e Implementación de las NIIFs</i>. That resolution established the mandatory use of full IFRS Standards for all companies whose shares trade on the Bolsa de Valores de la República Dominicana (Stock Market of the Dominican Republic, or BVRD) starting in 2014. The resolution provided for a gradual implementation of full IFRS Standards, requiring some standards as mandatory starting in 2010 while others have been phased in prior to 2014.</li> <li>• Resolution 002 Acta 2010-004 <i>Adopción e Implementación NIIF Para Pymes</i>. That resolution established the mandatory use of the IFRS for SMEs Standard for all unlisted companies that are classified as medium-sized or large under Law 488-08 starting in 2014. The resolution provided for a gradual implementation of those sections of the IFRS for SMEs Standard, requiring some of the 22 sections as mandatory as from 2010 while others have been phased in prior to 2014.</li> </ul> <p>In addition, those resolutions allowed companies using US GAAP to continue to do so up to 2014 when they would need to use IFRS Standards.</p> <p>Although the principle of adopting IFRS Standards and the IFRS for SMEs Standard in those resolutions has not changed, several subsequent resolutions of the ICPARD and a Circular issued by the Superintendency of Securities (Superintendencia de Valores) have resulted in changes to the 2014 dates in the above resolutions, as follows:</p> <ul style="list-style-type: none"> <li>• In 2011, Resolución 1 <i>Normas de Contabilidad No. 1</i>, the ICPARD brought</li> </ul>

forward the mandatory application dates to 1 January 2012. Resolución 1 may be downloaded here:

[http://www.icpard.org/\\_\\$\\_Server/descargar.php?f=522FD\\_ARTE\\_RESOLUCION\\_NIIF\\_PUBLICADAS\\_7-2-2011.JPG](http://www.icpard.org/_$_Server/descargar.php?f=522FD_ARTE_RESOLUCION_NIIF_PUBLICADAS_7-2-2011.JPG)

- After that resolution was issued the ICPARD gave two 12 month extensions to companies that were not able to comply with the 2012 deadline. Therefore, the ICPARD deadlines are for fiscal years starting 1 January 2014. The ICPARD also decided that companies using US GAAP could continue to do so without time limit. These extensions do not apply to companies registered with the Superintendency of Securities.
- In Circular C-SIV-2011-12-MV, the Superintendency of Securities (Superintendencia de Valores) requires that companies registered with the Superintendency adopt IFRS Standards effective in 2013 and does not allow US GAAP.

Circular C-SIV-2011-12-MV may be downloaded here:

[http://www.siv.gov.do/serve/listfile\\_download.aspx?id=1150&num=1](http://www.siv.gov.do/serve/listfile_download.aspx?id=1150&num=1)

Therefore, the status of adoption of IFRS and the IFRS for SMEs is as follows:

- Companies registered with the Superintendency of Securities were required to use full IFRS Standards starting in 2013. They could no longer use US GAAP starting in 2013.
- Unlisted companies that are medium-sized or large as defined in Law 488-08 were required to start using the IFRS for SMEs Standard in full starting in 2014. For 2013, they are permitted to use those 22 sections of the IFRS for SMEs Standard that were mandated by Resolution 002 Acta 2010-004 *Adopción e Implementación NIIF Para Pymes* if they are unable to comply in full.
- Unlisted companies that have been using US GAAP may continue to do so without time limit.

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If the jurisdiction has NOT made a public statement supporting the move towards a single set of accounting standards and/or towards IFRS Standards as that set of standards, explain the jurisdiction's general position towards the adoption of IFRS Standards in the jurisdiction.

Not applicable.

## EXTENT OF IFRS APPLICATION

***For DOMESTIC companies whose debt or equity securities trade in a public market in the jurisdiction:***

Are all or some domestic companies whose securities trade in a public market either required or permitted to use IFRS Standards in their consolidated financial statements? Yes.

If YES, are IFRS Standards REQUIRED or PERMITTED? Required.

Does that apply to ALL domestic companies whose securities trade in a public market, or only SOME? If some, which ones? All.

Are IFRS Standards also required or Yes.

permitted for more than the consolidated financial statements of companies whose securities trade in a public market?	
For instance, are IFRS Standards required or permitted in separate company financial statements of companies whose securities trade in a public market?	Required for all.
For instance, are IFRS Standards required or permitted for companies whose securities do not trade in a public market?	Full IFRS Standards are permitted for all. The IFRS for SMEs Standard is required for those companies whose securities do not trade in a public market that are classified as large or medium-sized under Law 488-08. The IFRS for SMEs Standard is permitted for all others.
If the jurisdiction currently does NOT require or permit the use of IFRS Standards for domestic companies whose securities trade in a public market, are there any plans to permit or require IFRS Standards for such companies in the future?	Not applicable.

***For FOREIGN companies whose debt or equity securities trade in a public market in the jurisdiction:***

Are all or some foreign companies whose securities trade in a public market either REQUIRED or PERMITTED to use IFRS Standards in their consolidated financial statements?

Yes.

If YES, are IFRS Standards REQUIRED or PERMITTED in such cases?

Required.

Does that apply to ALL foreign companies whose securities trade in a public market, or only SOME? If some, which ones?

All.

**IFRS ENDORSEMENT**

Which IFRS Standards are required or permitted for domestic companies?

IFRS Standards as issued by the IASB Board.

The auditor's report and/or the basis of presentation footnotes states that financial statements have been prepared in conformity with:

IFRS Standards.

Does the auditor's report and/or the basis of preparation footnote allow for 'dual reporting' (conformity with both IFRS Standards and the jurisdiction's GAAP)?

No.

Are IFRS Standards incorporated into law or regulations?

Yes.

If yes, how does that process work?

See [above](#).

If no, how do IFRS Standards become a requirement in the jurisdiction?

Not applicable.

Does the jurisdiction have a formal process

No.

for the 'endorsement' or 'adoption' of new or amended IFRS Standards (including Interpretations) in place?	
If yes, what is the process?	Not applicable.
If no, how do new or amended IFRS Standards become a requirement in the jurisdiction?	New and amended IFRS Standards become required when issued by the IASB Board and translated into Spanish.
Has the jurisdiction eliminated any accounting policy options permitted by IFRS Standards and/or made any modifications to any IFRS Standards?	No.
If yes, what are the changes?	Not applicable.
Other comments regarding the use of IFRS Standards in the jurisdiction?	In the process of gradually implementing IFRS Standards prior to 2013, some IFRS Standards were not mandatory prior to 2013. But starting in 2013 all companies registered with the Superintendency of Securities must use IFRS Standards as issued by the IASB Board in full.

## TRANSLATION OF IFRS STANDARDS

Are IFRS Standards translated into the local language?	The IFRS Foundation develops and publishes a Spanish translation of IFRS Standard.
If they are translated, what is the translation process? In particular, does this process ensure an ongoing translation of the latest updates to IFRS Standards?	The translation follows the official IFRS Foundation translation process.

## APPLICATION OF THE IFRS FOR SMEs STANDARD

Has the jurisdiction adopted the IFRS for SMEs Standard for at least some SMEs?	Yes.
If no, is the adoption of the IFRS for SMEs Standard under consideration?	Not applicable.
Did the jurisdiction make any modifications to the IFRS for SMEs Standard?	No.
If the jurisdiction has made any modifications, what are those modifications?	Not applicable.
Which SMEs use the IFRS for SMEs Standard in the jurisdiction, and are they required or permitted to do so?	Not applicable.
For those SMEs that are not required to use the IFRS for SMEs Standard, what other accounting framework do they use?	SMEs may choose to use full IFRS Standards. In addition, <a href="#">Resolución 20-03-2014 ACTA 222014</a> "Confirmación Implementación de las NIFFs" encouraged micro-sized entities to use <i>A Guide for Micro-sized Entities Applying the IFRS for SMEs</i> (2009) issued by the IASB Board in June 2013.
Other comments regarding use of the IFRS for SMEs Standard?	In the process of gradually implementing the IFRS for SMEs Standard prior to 2014, 13 of the 35 sections of the IFRS for SMEs Standard were not mandatory prior to 2014. But starting in 2014 the IFRS for SMEs Standard in its entirety is

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required for all large and medium-sized unlisted companies.

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