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**Key foundations for high-quality reporting: Good practices
of monitoring and enforcement, and compliance**

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Monitoring of compliance and enforcement of corporate reporting standards and codes in Colombia

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Content



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2. Regulatory and institutional settings of monitoring and enforcement mechanisms
3. Synergies/coordination among compliance monitoring and enforcement authorities
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Country overview



1. Colombia is one of the most stable countries in Latin America, especially by the growth of GDP and other macroeconomic indicators
2. Dominant sectors 2013: Financial institutions, insurance, real estate and business services (20%); activities of social, community and personal services (15%); local trade, hotels and restaurants (12%); manufacturing (11%)
3. Main exports: petroleum, coal, coffee, manufactured goods
4. Colombia Stock Exchange, established in 2001; before there were three exchanges created in 1928, 1961 and 1983

... country overview



1. Foreign listed companies: Pacific Rubiales, BBVA, Banco Falabella, Skandia, Cemex, Chevron, Citi bank, Helm bank, Itaú bba, J.P.Morgan, Sodimac
2. Colombian companies listed on NYSE: Bancolombia, Avianca, Ecopetrol, Grupo Aval, Cementos Argos, ISA, Grupo Sura, Isagen, Corficol, Nutresa, Éxito and Tecnoglass
3. Registered foreign audit firms: PwC (1947), KPMG (1952) Deloitte (1959), Erns & Young (1963)
4. Applied accounting standards: convergence to IFRS since 2009

Regulatory and institutional settings of monitoring and enforcement mechanisms

1. Local regulatory basis: Political Constitution of Colombia, Act 43, 1990; Decree 2649, 1993; Decree 2650, 1993; Tax Statute
2. Regulatory basis of the convergence process towards IFRS: Act 1314, 2009; Decree 2784, 2009; Decree 691, 2010; Decree 2706, 2012 (SMEs); Decree 1851, 2013
3. Institutional setting: Technical Council of Accountancy (CTCP, for its acronym in Spanish); Central Board of Public Accountants; National Institute of Accountants; accountants colleges; Federation of Accountants; accounting schools associations (ASFACOP and Redfacont); Ministry of Commerce, Industry and Tourism; Ministry of Finance and Public Credit
4. Group of Latin-american Accounting Standard Setters (GLENIF, for its acronym in Spanish); IASB; IFRS; IFAC

Synergies/coordination among compliance monitoring and enforcement authorities

Regulatory authorities:

Direction: President

Execution (working together): “Ministry of Commerce, Industry and Tourism” and “Ministry of Finance and Public Credit”

Normalization Authority:

Technical Council of Accountancy (CTCP)

Supervisory authority:

State entities exercising inspection, supervision or control

Central Board of Accountancy

Impact assessments:

Honorary committees for areas: financial sector; documentation system; “real” sector; education sector and assurance committee

Achieving consistency in implementation and enforcement of global standards and codes: CTCP

1. Work Plan for the period 2010-2016, updated each semester
2. Hiring support staff with the "Ministry of Commerce, Industry and Tourism" budget
3. Appointment of honorary "technical committees": financial sector; accounting documentation system; "real" sector; education sector and assurance committee
4. Main areas of work: (1) Administrative operations of the CTCP; (2) convergence toward international accounting standards, financial reporting and assurance; (3) dissemination of accounting standards, financial reporting and assurance; (4) training

Technical Council of Accountancy (CTCP)

IFRS implementation, by group

Group	Mandatory preparation period	Transition date	Opening financial position state	Transition period	Date of application	Latest financial statements with current regulations	First period of application	Date of Report
1	January 1, 2013 - December 31, 2013	January 1, 2014	January 1, 2014	January 1, 2014 - December 31, 2014	January 1, 2015	December 31, 2014	January 1, 2015 - December 31, 2015	December 31, 2015
2	January 1, 2014 - December 31, 2014	January 1, 2015	January 1, 2015	January 1, 2015 - December 31, 2015	January 1, 2016	December 31, 2015	January 1, 2016 - December 31, 2016	December 31, 2016
3	January 1, 2013 - December 31, 2013	January 1, 2014	January 1, 2014	January 1, 2014 - December 31, 2014	January 1, 2015	December 31, 2014	January 1, 2015 - December 31, 2015	December 31, 2015

Group 1: Issuers of securities; public interest entities; large institutions that are dependent on foreign applying IFRS or foreign trade represents a high percentage of their operations

Group 2: Large and medium enterprises, other than those of group 1

Group 3: Individuals and microenterprises

Technical Council of Accountancy (CTCP)

Developing processes

1. Interaction with IASB, IFAC and XBRL International; CTCP participation in "technical working groups" of GLENIF
2. Implementation of the "trainer of trainers" program, education sector commission: full IFRS, IFRS for SMEs and assurance standards
3. Accounting documentation system: publication of the standard in 2014 and mandatory from January 1, 2015
4. Information assurance standards: formalization of standards, 2014; period of preparation, 2015; mandatory from January 1, 2016
5. Financial reporting standard for entities in liquidation: publication of the standard in 2014 and mandatory from January 1, 2016
6. Publication of guidelines for the valuation of assets and liabilities: 2015

Technical Council of Accountancy (CTCP) Members



Luis Colmenares*



Wilmar Franco



Daniel Sarmiento



Gabriel Suárez



Gustavo Serrano

* He was CTCP member and president, between 2010 and 2013

Source: website of the CTCP

Main challenges and lessons learned

1. We learned from countries that previously initiated the process
2. In these processes is needed to balance the institutional mechanisms for the creation of the standards and requirements and user experience
3. The team responsible for standardization requires both direct support staff and formal mechanisms of interaction with users
4. Firms with greater international links and monitoring bodies (such as superintendents) have contributed greatly to building standards
5. Training to employees of businesses and the education sector are central to the success of the process