

Beginning 2009, the companies will have to issue their financial statement under **International Norms of Financial Information - NIF/IFRS**: In Grant Thornton we can help in this process of implementation

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Foundations

From the 1 of January of the 2009, the local companies will have to apply in the elaboration of their financial statements the International Norms of Financial Information - IFRS.

The IFRS differ, among other aspects, with the local norms in classification subjects and valuation of assets and liabilities and in the detail whereupon exposes the information (explanatory notes).

The application of the IFRS arises from the necessity to unify the elaboration and presentation and, therefore, the reading and analysis of the financial statements of companies in different countries. In effect, the internationalization of the economies and the companies makes essential converge to an only accountant normative body.

Although the date could be seen distant, the convergence from local countable criteria to the IFRS implies a period of intense work. More when still for the first year of application of the IFRS the presentation of comparative financial statements is demanded.

The convergence from the local norms to the IFRS requires of the elaboration of a Strategic Plan at the highest level within the companies and not to limit the convergence only to a subject of accounting matters.

In addition, the training of the accountant teams is necessary, but insufficient to approach the completely problematic that the convergence process rises.

One of the greater difficulties will be centered in how the company changes from the present scheme to one new one. It will imply to modify, to readapt and/or to create criteria of evaluation, registries, information systems, understanding of the users, etc.

It is essential to focus the subject from the Highest Direction of the company, to drive the change process completely.

Advisory's alternatives for the convergence to IFRS

Our advisory plan considers the following alternatives, which facilitate the convergence of your company to IFRS

1, Diagnosis that gives sustenance to a strategic plan of convergence

The Diagnosis has like objective to generate a executive report, that exposes:

- a) The main divergences between the present accountant criteria used by the company and the required ones by the IFRS.
- b) The scope and challenges that the solution of these divergences implies on the different areas from the company, the information systems and the personnel, among other aspects.
- c) The concrete actions that the company must undertake to assure an optimal adoption the IFRS all them sort in function to its materiality and importance, its state of divergence and the considered times of solution.

The diagnosis is based on a work methodology that, at least, considers the following stages:

- ✓ Knowledge of excellent aspects of holding, company and main areas, according to corresponds.
- ✓ Identification of the main accountant criteria used at the moment in the elaboration of the financial information, sensitized by materiality and importance
- ✓ Identification of the divergences between the accountant criteria used by the organization versus that IFRS indicate, sensitized by materiality and importance, present state of divergence and times considered for its solution.
- ✓ Identification and evaluation of sources of the internal or external data, of the necessities of training of the executive and operative personnel and the valuation and information systems, among other aspects.
- ✓ Detail of the necessary actions to undertake on the part of the company to assure its optimal convergence to IFRS. This detail is oriented to being the sustenance of the Strategic Plan of Convergence that formulates

Our work methodology is oriented to identify the divergences and to prioritize the remedial actions taking care of the three following variables: materiality and importance of the parties, present state of the divergences and times considered for its solution

In addition, our work methodology is not only restricted to the accountant scope, but that considers the combination of the following elements: new accountant norms, new extra accountant knowledge (specially in financial matters), enraptured users on the financial information based on IFRS, cultural changes, information systems and improvements in the quality, among other aspects.

2, Facilitator for direction, execution and control of the strategic plan of convergence

The roll of Facilitator implies, among others, the following activities:

- a) to be the technical nexus between the High Direction and the internal people in charge of the Strategic Plan of Convergence.
- b) To carry out the pursuit of the advance state of the different actions framed in the Strategic Plan of Convergence, preferably in terms of quality and time.
- c) To propose readapted to the Strategic Plan of Convergence, if being necessary.
- d) To generate executive information periodically to the High Direction, let then know the advance state, the possible deviations and causes and their possible solutions, among other aspects.
- e) To serve as technical against part forehead to possible suppliers (for examples, of information systems, valuation, etc).

How I can find out more?

If you are interested in the services exposed, please contact to us and one of our professional team will take care of your requirement.

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