



June 29, 2016
Circular N° SBP-DR-0075-2016

General Manager

Subject: Reminder on the entry into force of
International Financial Reporting Standard
No. 9.

Dear General Manager

We refer you to Circular No. SBP-DR-0160-2015 dated October 12, 2015, by means of which we reiterate that according to Rule 6-2012, the technical standards that banks and banking groups must use for their accounting records and in preparing their individual and consolidated financial statements are the International Financial Reporting Standards (IFRS).

Additionally, in the cited circular we informed you that, although IFRS 9 on Financial Instruments is ready to replace International Accounting Standard (IAS) 39 on January 1, 2018, a survey conducted by the Superintendency noted that banks have advanced very little in general in analyzing the implications of the new standard.

In this regard, said circular requested the bank and banking Group Audit Committees, as well as the General Managers, provide the relevant instructions to their staff so that the entity could focus on the prompt analysis of this issue and coordinate an implementation schedule for IFRS 9 with their external auditors. This implementation schedule was to be submitted to the Superintendency before June 30, 2016.

Based on the above, we wish to clarify that the “coordination schedule with the external auditors” referred to in the cited circular does not imply a Superintendency requirement for this schedule to be certified by the external auditors. This coordination is based on the normal *supplier-customer* relationship, considering that the external auditors will be the ones issuing the opinion on the audited financial statements based on the IFRS. The proof of coordination meetings with external auditors may consist of notations in the Audit Committee’s Meeting Minutes or in an internal memorandum from top management addressed to the auditors.

Given that the scheduled date for the submittal of this schedule is June 30, 2016, the Superintendency has deemed it convenient to postpone its submittal until July 15, 2016.

Additionally, we require you to report the progress you have made on the schedule, to be submitted as follows:

- The first progress report must be submitted on December 2016, with deadline on the 30th day of the current month.

“Velando por la solidez del Centro Bancario Internacional”

- During April 2017, with deadline on the 30th day of the current month.
- During August 2017, with deadline on the 30th day of the current month.

Last but not least, we wish to inform you that the schedules must be submitted to the Superintendency in writing. Should you have any questions on this requirement, feel free to contact our Supervision Division at 506-7947 or 506-7997.

We would appreciate your providing the pertinent instructions to your staff for compliance with these provisions.

Best regards,

Ricardo G. Fernández D.
Superintendent

ARV/ac

Cc: Audit Committees

TRANSLATION