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- **The decision on the adoption process of International Financial Reporting Standards (IFRS) in Mexico by issuers is made public.**
- **This adoption shall enhance the comparability of financial information, in benefit of investors, analysts and issuers.**

As a part of its commitment of safeguarding the financial system and its equilibrium, and taking the evolution of global capital markets into consideration, the National Banking and Securities Commission (CNBV) has taken the decision to proceed with the adoption of International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Amongst other aspects, this decision seeks to reduce costs associated with the issuing of securities in Mexico, and increase investors' market size by providing a global financial information analysis of issuers, favoring decision making processes for involved parties in Mexican debt and capital markets.

For this purpose, CNBV will work on the regulatory adjustments to establish issuers' requirements to prepare and disclose their financial information using IFRS starting on 2012. Additionally, issuers who comply with those requirements set by CNBV and wish to adopt IFRS in an anticipated manner, may do so for the 2008, 2009, 2010 and the 2011 terms.



Examples of countries that have already implemented the adoption of IFRS are France, Spain and the United Kingdom. In the United States of America it is allowed for foreign issuers to prepare financial information using IFRS, with no reconciliation to US accounting standards. Finally, countries such as Canada, Chile and Brasil have already announced their intention of adopting such practices. Mexico joins this international trend in consideration that such an adoption shall result in great benefits to the Mexican financial market and investors, for instance:

- (i) Enabling both Mexican and foreign analysts and investors to compare financial information prepared by Mexican issuers to that of foreign issuers, producing similar information in financial reports and providing equal parameters in different markets around the world;
- (ii) Eliminating additional costs for preparing financial information through diverse accounting standards (for example, under the standards of issuer's country of origin and under those of the countries where it operates);
- (iii) Elaborating consolidated financial statements under same accounting standards for economic groups with presence in various countries already using IFRS;
- (iv) Promoting issuance of securities in Mexican capital market by enabling foreign issuers to present financial statements prepared under IFRS.

CNBV will work jointly with Consejo Mexicano para la Investigación y Desarrollo de Normas de Información Financiera (CINIF), an agency recognized by CNBV as the body responsible for developing Mexican financial reporting standards in Mexico. CINIF shall support issuers in order to achieve an orderly adoption process of IFRS.

CNBV will also continually monitor, to the extent of its faculties, work done by IASB through the recently created IASB-Monitoring Working Group, at the International Organization of Securities Commissions (OICV-IOSCO), as an active member of its Technical Committee.

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