

## **BACKGROUND NOTE ON ACTION PLANS**

SMO Action Plans are developed by IFAC Members and Associates to demonstrate fulfillment of IFAC Statements of Membership Obligations (SMOs). SMOs require IFAC Members and Associates to support the adoption<sup>1</sup> and implementation<sup>2</sup> of international standards and other pronouncements issued by independent standard-setting boards under the auspices of IFAC as well as by the International Accounting Standards Board (IASB); and to establish a Quality Assurance (QA) review and Investigation and Disciplinary (I&D) systems.

IFAC Members and Associates conduct a self-assessment against the requirements of SMOs and identify areas where improvements are needed. Based on the results of the assessment, Members and Associates develop an SMO Action Plan to (a) demonstrate how they fulfill the requirements of the SMOs and (b) where some requirements are not yet addressed, to present plans towards their fulfillment.

SMO Action Plans are designed to be ever-green documents that provide a comprehensive description of the accountancy profession and its legislative and regulatory environment in the jurisdiction as well as the actions undertaken by IFAC Members or Associates to support adoption and implementation of international standards and best practices.

Regular updates of the SMO Action Plans are required as part of the IFAC Member Compliance Program.

### **Use of Information**

Please refer to the [Disclaimer](#) published on the Compliance Program website.

## **ACTION PLAN**

<b>IFAC Member:</b>	Colegio de Contadores de Chile (CCCH)
<b>Approved by Governing Body:</b>	CCCH's Council
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<sup>1</sup> *Adoption* is concerned with the decision that international standards are appropriate for use in specific national financial reporting environments and with the actions necessary to effect those decisions, including incorporation into national requirements or requiring the use of international standards through law. Adoption may include a process to review draft international standards, translation, public exposure of proposed standards, approval, incorporation into national requirements as necessary, and promulgation of final standards, and, where applicable, a convergence process to eliminate or minimize differences between international and national standards.

<sup>2</sup> *Implementation* may include a process to build awareness of the adopted standards, provide relevant education and training, develop or disseminate implementation guidance and any other activities that promote proper understanding and use of the standards in practice.

**General Background:**

The current charter of the *Colegio de Contadores de Chile, A.G. (Guild Association)* was established in 1981 by Decree Law 3,621 which stipulated that it is not a prior legal obligation or condition to exercising the accounting profession that one would have to be a member of any Professional Institute. The mission of the Institute is to Promote the rationalization, development and protection of the activities of the accounting profession, to broadcast the role within the community, to watch over its progress, prestige, perfection, prerogatives for its normal and proper functioning, incorporating accountants into the cultural, economic and social environment of the country and to maintain the professional discipline of its associates". The Institute currently has 4,700 associates, which represents approximately 7,1% of the universe of professionals with qualifications from universities and/or non-graduate institutions.

**Regulatory and Standard Setting Framework:**

The *Colegio de Contadores de Chile (The Institute of Accountants of Chile)* has its origins in the *National Register of Accountants* in 1932 and was came about with the passing of Law 5,102. In 1958, a new institutional professional structure was created with the passing of Law 13,011 and whose denomination is *Colegio de Contadores de Chile* and which has the attributions and faculties for pronouncing and enacting professional standards for use in Chile, and which is exercised through the *National Council of the Institute*, as well as maintaining publications about the profession.

In 1981, Decree Law 3,621 created the Guild Association, *Colegio de Contadores de Chile*, an institution whose organization and functioning are governed by Decree Law 2,757 of 1979 and its later modifications and is the legal successor of the *Colegio de Contadores de Chile* and, as such, individuals in the accounting profession with a degree from a university, professional institution or trade schools (see Articles 5, 5 additional, 6,7 and 8 of the by-laws), are obliged to comply with the professional standards pronounced by the Institute.

The Institute has the responsibility for promoting the profession and its international standards:

- a) Undisputed leader in Chile of the convergence towards international standards.
- b) Initial translation of the IFRS pronounced by the IASB, of the full and SME versions were done. These translations were covered under the contract signed with the IFRS Foundation.
- c) Starting, January 2013, the Spanish translation made by the IASB of the standards it publishes was adopted verbatim.
- d) Translation of professional standards on quality controls, audit, attest and review and compilation.
- e) Have a permanent technical group.

The *Colegio de Contadores de Chile* formed a Corporate Company, the "*Institute for Investigation and Professional Development (INDEP)* which is dedicated to technically perfecting and updating its members and the general public (see Article 13.12 of the by-laws). The *Colegio de Contadores* owns 99% of the shares of *INDEP*. *INDEP* has its own administration and business activity.

**Governance Framework:**

National Council that is made up of 15 professionals elected by the Regional Councils governs the Guild Association. The Expanded National

Council is made up of the National Council, plus the Regional Presidents and their task is to assist the National Council.

The Technical Advisory Commissions of the National Council are composed of outstanding professionals who serve on pro bono work. The respective Commissions cover: Audit-External and Internal; Accounting Principles and Standards; Higher Education; Professional Ethics and Practice; Economic Legislation- Tax, Labor and Professional Development.

**2015 Update – National Council:**

The main activities developed by the National Council & Technical Committees have been the continuous meetings with officers of Internal Revenue Service and main representatives of the Minister of Hacienda related to the new complex Tax Law already published. This new tax law created many different reactions regarding to its applicability and the understanding of new circulars explaining the application and understanding. All Accountants professionals have dedicated a lot time in understanding the scope of the confused law and also spending time in formal training. The CCCH throughout INDEP and its Regional Offices have developed and implemented training courses on the new tax law to its members & other external professional with the support of Internal Revenue Services.

## GLOSSARY

<b>AIC</b>	Asociación Interamericana de Contabilidad (Interamerican Accounting Association)
<b>AICPA</b>	American Institute of Certified Public Accountants
<b>ARSC</b>	AICPA's Accounting and Review Services Committee
<b>ASB</b>	AICPA's Auditing Standards Board
<b>AR</b>	AICPA's Accounting and Review Standards
<b>AT</b>	AICPA's Attest Standards
<b>AU</b>	AICPA's Auditing Standards
<b>BID (IDB)</b>	Banco Interamericano de Desarrollo (Inter-American Development Bank)
<b>BT</b>	Boletín Técnico (Chilean Accounting Standards)
<b>CCCH</b>	Colegio de Contadores de Chile (Chilean Accounting Institute)
<b>CCCH's Council</b>	Consejo Nacional del Colegio de Contadores de Chile (Chilean Accounting Institute's Governance Board)
<b>CDP</b>	Comisión de Desarrollo Profesional (CCCH's Professional Development Committee)
<b>CES</b>	Comisión de Educación Superior (CCCH's Higher Education Committee)
<b>CEEP</b>	Comisión de Ética y Ejercicio Profesional (CCCH's Professional Ethics and Practice Committee)
<b>CGR</b>	Contraloría General de la República de Chile (Government Accountability Office)
<b>CLETL</b>	Comisión de Legislación Económica, Tributaria y Laboral (CCCH's Labor, Tax and Economic Committee)
<b>CNA</b>	Comisión de Normas de Auditoría (CCCH's Auditing Standards Committee)
<b>CNAC</b>	Comisión Nacional de Acreditación (National Commission for Accreditation)
<b>CNE</b>	Consejo Nacional de Educación de Chile (National Education Council)
<b>CNAP</b>	Comisión Nacional de Acreditación de Chile (National Superior Education Assurance Council)
<b>CPNC</b>	Comisión de Principios y Normas de Contabilidad (CCCH's Accounting Principles and Standards Committee)
<b>CRE</b>	Comisión de Reforma de Estatutos (CCCH's Statutory Constitution's Law Reform Committee)
<b>EPYM</b>	Entidades Pequeñas y Medianas (Small and Medium Sized Entities)
<b>FOMIN (MIF)</b>	Fondo Multilateral de Inversiones (Multilateral Investment Funds)
<b>GAAS</b>	USA's Generally Accepted Auditing Standards
<b>GCH</b>	Gobierno de Chile (Chilean Government)
<b>IAASB</b>	IFAC's International Auditing and Assurance Standards Board
<b>IASB</b>	International Accounting Standards Board
<b>IAESB</b>	IFAC's International Accounting Education Standards Board
<b>IES</b>	IESBA's International Education Standards for Professional Accountants
<b>IESBA</b>	International Ethics Standards Board for Accountants
<b>IFAC</b>	International Federation of Accountants
<b>IFRS</b>	IASB's International Financial Reporting Standards
<b>INDEP</b>	Instituto de Investigación y Desarrollo Profesional (CCCH's Research and Professional Development Institute, Center of Continuing Education)
<b>ISA</b>	International Standards on Auditing
<b>ISQC</b>	International Standard of Quality Control
<b>IPSAS</b>	IPSASB's International Public Sector Accounting Standards

**GLOSSARY, CONTINUED**

<b>IPSASB</b>	IFAC's International Public Sector Accounting Standards Board
<b>MINEDUC</b>	Ministerio de Educación de Chile (Government Education Ministry)
<b>MH</b>	Ministerio de Hacienda de Chile (Government Finance Ministry)
<b>NAGAs</b>	Normas de Auditoría Generalmente Aceptadas en Chile (Chilean Generally Accepted Auditing Standards)
<b>PAO</b>	Professional Accountancy Organization
<b>NCC</b>	Normas de Control de Calidad (Quality Control Standards)
<b>OR</b>	Organismo Regulador (Regulatory Body)
<b>REAE</b>	Registro de Empresas de Auditoría Externa (External Audit Firms Register)
<b>ROSC</b>	Report on the Observance of Standards and Codes
<b>SAS</b>	ASB's Statement of Auditing Standards
<b>SBIF</b>	Superintendencia de Bancos e Instituciones Financieras de Chile (Financial Institutions and Banks Superintendent)
<b>SME</b>	Small and Medium Sized Entities
<b>SMP</b>	Small and Medium Sized Practices
<b>SSAE</b>	ASB's Statement on Standards for Attestation Engagements
<b>SSARS</b>	Statement on Standards for Accounting and Review Services - Issued by the Accounting and Review Services Committee
<b>SP</b>	Superintendencia de Pensiones de Chile (Chilean Pensions Superintendent)
<b>SQSC</b>	AICPA's Statement on Quality Control Standards - A Firm's System of Quality Control (Redrafted)
<b>SVS</b>	Superintendencia de Valores y Seguros de Chile (Superintendent of Corporations and Insurance Companies, Chilean Government Securities Commission)
<b>UNCTAD</b>	The United Nations Conference on Trade and Development
<b>USACH</b>	Universidad de Santiago de Chile (Universidad Pública)
<b>WB</b>	World Bank

### **PART 3 OF THE IFAC MEMBER BODY COMPLIANCE PROGRAM**

**Action Plan Subject:** SMO 1–Quality Assurance

**Action Plan Objective:** Develop and Issue the *Quality Control Standards* (NCC) for the Chilean State’s Regulatory Bodies

#### **SMO 1 - Background:**

The Chilean Corporate Governance Law 20,382, published and enacted on October 20, 2009, modified Corporation Law 18,046 and the Securities Market Law 18,045, establishing substantive changes for regulated corporations, listed and/or regulated in Chile, and also the functioning of external auditors. Since then, the external audit for listed and /or regulated corporations has to be performed by firms dedicated to external auditing, however these firms could practitioner any other activities not being prohibited by the ORs. Law 18045 does not consider QA.

The SVS established the REAE in which there is 74 external audit firms are registered. The multinationals (Big 4) concentrate about 90% of the market and they maintain strict policies of quality control, which come from their head offices. The Chilean state’s regulatory bodies control the external audit firms by way of compliance with several requirements, which allows the firms to perform their role of external auditors of the large and medium sized registered and listed corporations and/or registered non-listed companies in its records.

The CCCH has no oversight whatsoever over the external audit firms, and for this reason, it will focus on:

- a) Encouraging the ORs to adopt the best practices of SMO1 in the implementation of their system of quality assurance.
- b) Assisting & supporting, where possible to the ORs in the implementation of their system of quality assurance in accordance with SMO1.

The ORs have not developed a formal model of QA or specific manual / procedure (SMO1) to be strictly followed and applied by audit firms.

The CCCH in 2012 translated and adopted the Quality Control System based on the SQCS 8 - A firm’s System of quality Control (Redrafted), issued by AICPA.

The CCCH considers that the firms included and recognized by the ORs follow the guidelines of compliance with international standards.

The CCCH has delegated the responsibility for continuously updating of the NCC, to the CNA.

The CNA will support and help implementing all technical initiatives on QA when implemented.

#### **SMO 1 - 2017 Update:**

The regulation by the ORs has maintained and improved its policy of registrations and has increased the controls over the registered audit’s firms.

The chairman of the *Technical Committee* is the link between the *ORs* and the *CCCH*.

#	Start Date	Actions	Completion Date	Responsibility	Resources
<i>Initial Activities in the Process, Which Ensures the Adoption and Issuing of Quality Control Standards.</i>					
#1	Ongoing	The convergence of professional standards is a strategic and priority objective of the institution.	Completed	Consejo Nacional of the CCCH	Consejo Nacional of the CCCH
<i>Continuous Review, Monitoring and Updating of the Standards</i>					
#2	Ongoing	The CNA is the vehicle, which will allow achievement of this, by continuously following-up on the publications of the standards and their modifications issued by the ASB of the AICPA. The Commission counts with a permanent professional team.	Completed	Consejo Nacional of the CCCH	CNA / Consejo Nacional of the CCCH
<i>Continuous Contact with the State's ORs</i>					
#3	Ongoing	Assisting & supporting to ORs is the objective of understanding the degree of compliance with the quality standards.	Continuous	Consejo Nacional of the CCCH	Consejo Nacional of the CCCH
#4	Ongoing	The CCCH is presently offering support for the investigative phase (working paper) to ORs, especially when a member of the PAO is under investigation.	Ongoing	Consejo Nacional of the CCCH	Consejo Nacional of the CCCH
<i>Development and Training on New Standards and Their Applicability</i>					
#5	Ongoing	Promote training programs on the Web and communication management of the courses.	Completed	Consejo Nacional of the CCCH	INDEP/ Regional Offices
#6	Ongoing	Where possible to support those audit firms do not have access to an international head office for improvement their QA.	Ongoing	Consejo Nacional of the CCCH	INDEP / CDP
<i>Review of CCCH's Compliance Information</i>					
#7	Ongoing	Perform review of revised SMOs and CCCH's SMO Action Plan and update relevant sections as necessary.	Ongoing	Consejo Nacional of the CCCH	Consejo Nacional of the CCCH

**Action Plan Subject:** SMO 2–International Education Standards for Professional Accountants and Other Pronouncements Issued by the IAESB  
**Action Plan Objective:** Communicate the profession’s international requirements to its members and educational institutions

**SMO 2 – Background:**

The CCCH has no oversight whatsoever, or control or influence over the universities, professional institutes, technical training centers or technical schools which deliver, using distinctive forms academic curriculum covering the respective accounting careers in Chile.

The CCCH, working through its CES, will ensure its best efforts to coordinate and communicate the IFAC educational standards to the universities, professional institutes, technical training Centers and technical schools.

The CCCH will ensure its best efforts with the state organizations charged with overseeing the quality of education, such as, the CNE and the National Commission for Accreditation (CNAC), in order to keep them informed of changes promoted by IES and published by the IAESB.

The CCCH maintains expedient exchanges of information with the ORs such as the SVS, SBIF, SP, the Ministry of Economy and the Ministry of the Treasury.

The CCCH has to inform its members of IES and modifications published by IAESB.

The CCCH counts with INDEP as its educational arm/continuing professional development.

The CCCH has named its CES, which is composed of members from higher education. The Commission meets several times during the year.

There is not regulation on setting Initial Professional Development.

There are not Consolidated records of professionals.

There are not requirements to practice the profession of accountant.

The CCCH requires its members to hold an accountant degree awarded by educational technical institutes and / or University level.

The Minister of Education does not have the rights of issuing & certification of diploma of Accountants. To work in Accounting / Finance do not require the diploma in Accounting.

**SMO 2 - 2017 Update:**

Educational reform promoted by Candidate Bachelet during her campaign and presently as President of Chile has been discussed for a long time, and the only change to present Education system is referred to *free to study* and not on issues such as homologations, certifications and continuous training processes.



<p>Intensive training courses on the new currently published Tax Law have been developed and implemented through INDEP and its Regional Offices across the country and respectively. An estimated 6,000 - 8,000 professionals (CCCH members and external) have been assisted to different modules offered of the new tax law. It is estimated about 80%-90% of active members have attended to different modules.</p> <p>The CES is composed of members from the universities of Talca, Chile, The Frontier, Antofagasta, Catholic University of Valparaiso, Santiago, Arturo Prat, La Serena, University of Bio-Bio, and the School of Auditors/Accountants of Santiago.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resources
<i>Initial Activities of Communication Implementation of SMO No. 2</i>					
#8	Ongoing	Check the inclusion of NIIF as a course in the Accountant's curriculum in higher education establishments.	Ongoing	CES	CES
#9	Ongoing	The educational processes in <i>INDEP and Regional Offices</i> have continued its work on Accounting & Tax Law matters.	Ongoing	Consejo Nacional of the CCCH	INDEP / Regional Offices / CDP
<i>Review, Monitoring and Continuous Updating of the Standards</i>					
#10	Completed	The CES translated the version of 2014. During 2014 was launched IES # 1 and # 7 respectively. The implementation of last one is hard to predict, because each Educational Organization designs its own training programs.	Ongoing	Consejo Nacional of the CCCH	CES
<i>Continuous Meetings with Educational Organizations</i>					
#11	Ongoing	The CCCH has named its CES to lead meetings with educational organizations. The objective is to share the IES requirements and communicate with its members.	Ongoing	Consejo Nacional of the CCCH	CES
<i>Diffusion about IFAC to Members and the General Public</i>					
#12	2013	Redesign the CCCH's website, including the IFAC section and the norms of IES, and include direct links to the IFAC section. Besides the website, the CCCH has issued technical magazines as well as Standards to associated & general public.	Ongoing	Consejo Nacional of the CCCH	INDEP / Regional Offices

#	Start Date	Actions	Completion Date	Responsibility	Resources
<i>Diffusion about Continuous Training Processes to Members and the General Public</i>					
#13	Ongoing	Redesign the CCCH's website, including INDEP and some Regional Offices have been implemented to promote Training on Accounting Standard & Tax Law matters. About 6.000 – 8.000 professionals have attended to the different modules offered.	Ongoing	<i>Consejo Nacional of the CCCH</i>	<i>INDEP / Regional Offices /CDP</i>
<i>Review of CCCH's Compliance Information</i>					
#14	Ongoing	Perform review of revised SMOs and CCCH's SMO Action Plan and update relevant sections as necessary.	Ongoing	<i>Consejo Nacional of the CCCH</i>	<i>CES</i>

**Action Plan Subject:** SMO 3–International Standards and other Pronouncements Issued by the IAASB  
**Action Plan Objective:** CCCH is the organization in Chile which issues and updates audit standards

**SMO 3 – Background:**

The Chilean Corporate Governance Law 20,382, published and enacted on October 20, 2009, modified Corporation Law 18,046 and the Securities Market Law 18,045, establishing substantive changes for regulated corporations, listed and/or regulated in Chile, and also the functioning of external auditors. Since then, the external audit for listed and /or regulated corporations has to be performed by firms dedicated to external auditing.

The SVS established the REAE in which there is 74 external audit firms are registered. The multinationals (Big 4) concentrate about 90% of the market and they maintain strict policies of quality control, which come from their head offices. The Chilean state's regulatory bodies control the external audit firms by way of compliance with several requirements, which allows the firms to perform their role of external auditors of the large and medium sized registered and listed corporations and/or registered non-listed companies in its records.

The CCCH will communicate new standards and/or their modifications to its members and the general public, on a timely and continuous basis, using the most efficient methods.

The CNA will support and help implementing all technical initiatives on SMO 3 standards that the CCCH may agree with the various stakeholders.

The CCCH has no oversight over the external audit firms.

The CCCH will ensure its best efforts to communicate the current standards of the profession, on a timely basis, to educational institutions and the general public.

The CCCH decided to continue issuing the ASB of the AICPA standards because of;

- (a) Large number of important American companies.
- (b) Important national companies got financial funds through ADR (Wall Street).
- (c) The PAO in Chile has published the AICPA standards for a long time, and because it provides better tools to attestation phase.

This decision was discussed & communicated to IFAC task force that visited Chile in 2009.

**SMO 3 - 2017 Update:**

The CNA has continued with translations and updates of NAGAs for its members and stakeholders. External Auditors are applying NAGA in Chile. The general public could buy the standards issued by CCCH.

The *Auditing Standards Committee* has maintained a close relationship with ORs, through permanent communications. Main discussions and exchanges ideas are related to interpretations of present and / or new rules.

#	Start Date	Actions	Completion Date	Responsibility	Resources
<i>Initial Activities of the Communication Application of SMO No. 3</i>					
#15	Ongoing	The CCCH has adopted the standards issued by the ASB of the AICPA (NAGA).	Completed	Consejo Nacional of the CCCH	Consejo Nacional of the CCCH
#16	2009		Completed	Consejo Nacional of the CCCH	Consejo Nacional of the CCCH
<i>Review, Monitoring and Continuous Updating of Standards</i>					
#17	2009	The CNA is the vehicle to allow the achievement of continuing and following-up on the publications of the standards and their modifications issued by the ASB of the AICPA. The Commission counts with a permanent professional team.	Ongoing	Consejo Nacional of the CCCH	CNA / Consejo Nacional of the CCCH
<i>Development and Training on the New Standards and Their Applicability</i>					
#18	Ongoing	Promoting continuous training programs through the Web and general public.	Ongoing	Consejo Nacional of the CCCH	INDEP / Regional Offices /CDP
#19	2014	Focus communication and promotional efforts in those audit firms that do not have access to a head office for improvement.	Ongoing	Consejo Nacional of the CCCH	CNA / Consejo Nacional of the CCCH
#20	Ongoing	Redesign the CCCH's website, including INDEP and some Regional Offices to promote training on specific matters. This is the methodology used by the CCCH to disseminate standards and publications.		Consejo Nacional of the CCCH	INDEP / Regional Offices /CDP
<i>Continuous Contact with the State's Regulatory Bodies</i>					
#21	Ongoing	Meetings with regulatory bodies (SVS/SBIF) with the objective of understanding the degree of compliance with audit standards. The CNA will document observations made by the regulatory bodies.	Ongoing	Consejo Nacional of the CCCH	Consejo Nacional of the CCCH

#	Start Date	Actions	Completion Date	Responsibility	Resources
<i>Review of CCCH's Compliance Information</i>					
#22	Ongoing	Perform review of revised SMOs and CCCH's SMO Action Plan and update relevant sections as necessary.	Ongoing	<i>CNA / Consejo Nacional of the CCCH</i>	<i>Consejo Nacional of the CCCH</i>

**Action plan Subject:** SMO 4–IESBA Code of Ethics for Professional Accountants  
**Action plan Objective:** Communicate the ethics code of the profession to its members and institutions in the country

**SMO 4 – Background:**

Superintendent of Corporations, in general have the authority to determine ethical requirement for auditors of entities under their supervision, however, there is no specific regulation detailing what is considered as ethical or not.

The CCCH, in its by-laws, establishes that, “*only professionals classified as Active Members of CCCH*” are obliged to comply with the professional standards pronounced by the CCCH (se Articles 5, 5additional, 6, 7 and 8 of the by-laws.).

The CCCH will communicate new standards and/or modifications of the Code on a timely and continuous basis, by the most efficient means, to its members.

The CCCH has no oversight whatsoever, or control or influence over the universities, professional institutes, technical training centers or technical schools.

The CCCH has no oversight over the external audit firms or the State’s regulatory bodies.

The CCCH will ensure its best efforts to coordinate and communicate the standards of the ethics code of the profession to the universities, professional institutes, technical training Centers or technical schools.

The CCCH will ensure its best efforts with the state bodies such as, CNE and CNAP to inform them of the standards of the profession’s ethics code.

The CCCH will ensure its best efforts to communicate current standards, on a timely basis, to educational institutions, the judicial and penal system and the general public.

The CCCH, through its National Council adopted the new Codes of *Ethic for Professional Accountants* in accordance with the IESBA of IFAC.

**SMO 4 - 2017 Update:**

The CCCH, through its National Council has not received any compliance regarding new Codes during the year, nor public in general.

#	Start Date	Actions	Completion Date	Responsibility	Resources
<i>Initial Activities of the Implementation Communication of SMO Nº 4</i>					
#23		The CCCH is already working on a comparative GAP analysis between Local Code versus IESBA’s.	Completed Ongoing	<i>Consejo Nacional of the CCCH</i>	<i>CEEP</i>

#	Start Date	Actions	Completion Date	Responsibility	Resources
<i>Review, Monitoring and Continuous Updating of the Standards</i>					
#24	Ongoing	The CCCH, through its CEEP is the vehicle to allow the achievement of continuing and following-up on the publications.	Ongoing	Consejo Nacional of the CCCH	CEEP
#25	2015	The CCCH will develop a GAP analysis of the IESBA's Code of Ethic versus methodology used by ORs.	Ongoing	Consejo Nacional of the CCCH	CEEP
<i>Updating and Distribution of the Ethics Code</i>					
#26	2013 - 2014	The National Council in its session #12 of October 9, 2013 defined the adoption of the IFAC Ethics Code. Distributed to all associates and institutions such as; Judiciary and Legislature powers, Government and Educational Institutions and ORs. The Public in general can buy these rules in the Institution. Version translated is 2009.	Completed	Consejo Nacional of the CCCH	National Council Members and Associates
#27	2015 - 2016	The CCCH will coordinate with IFAC to define the policy of reproduction agreements of IESBA Code of Ethics. Contacts will be during the coming months & with the GAP analysis of Codes as explained above.	Ongoing	Consejo Nacional of the CCCH	CEEP
<i>Development and Training on the New Ethics and Practice Code</i>					
#28	Ongoing	Upload the Code onto the CCCH, including INDEP, Regional Offices and CEEP's website for active members. The Public in general can buy these rules in the Institution.	Ongoing	Consejo Nacional of the CCCH	INDEP / Regional Offices / CEEP
<i>Continuous Contact with Institutional Bodies</i>					
#29	Ongoing	Meetings with regulatory bodies, educational bodies, judiciary and legislative powers, and government, with the objective of becoming aware of the degree of understanding and compliance with the Code.	Ongoing	Consejo Nacional of the CCCH	CEEP / Consejo Nacional of the CCCH

#	Start Date	Actions	Completion Date	Responsibility	Resources
<i>Review of CCCH's Compliance Information</i>					
#30	Ongoing	Perform review of revised SMOs and CCCH's SMO Action Plan and update relevant sections as necessary.	Ongoing	<i>Consejo Nacional of the CCCH</i>	<i>CEEP / Consejo Nacional of the CCCH</i>



**Action Plan Subject:** SMO 5–International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB  
**Action Plan Objective:** Contribute to the Convergence Plan for International Standards

**SMO 5 – Background:**

The CCCH has the faculty of issuing and setting professional standards for use in Chile, and which is exercised by the *Consejo Nacional* of CCCH, as well as maintaining publications concerning the profession.

Regarding the issue and enactment of the public sector accounting standards, the sole party responsible in Chile, by law, is the *Controller General of the Republic of Chile (CGRCH)*.

The CCCH, by way of its CPNC, has contacted the CGRCH, to assist this body with matters of the profession, as well as being available to be included in the project team.

The CCCH will inform members on a timely and continuing basis, through the most efficient ways, about new public sector standards and/or their modification.

The CCCH has no oversight over the CGRCH.

The CCCH has no oversight whatsoever, or control or influence over the universities, professional institutes, technical training Centers or technical schools, with regard to them including the public sector international standards in their academic plan.

The CCCH will ensure its best efforts to communicate the current standards of the profession, on a timely basis, to educational institutions and the general public.

The CCCH will ensure its best efforts in contributing to the adoption in Chile of the public sector international accounting standards.

**Contraloría General de la República de Chile (CGRCH)**

**Government Accountability Office (CGR)**

The CGR has the sole responsibility, by law to issue and enact the Public Sector Accounting Standards. Every year, in April is reported the Financial Statement of the Nation addressed to the President of the Republic, and Chambers of Deputies and Senators. The financial statements report consist of information of 5 Divisions classified as follows:

- Public sector. Includes 1,216 accounting entities;
- Municipality sector. Includes 223 accounting entities;
- State-owned enterprise. Includes 22 accounting entities;
- Higher Education. Includes 16 accounting entities;
- Treasury of the Nation. Consolidates all the offices along the country.

The first two categories mentioned above (a + b) carry governmental accounting system based on accrual basis (that includes cash received and paid). The third category, c) is developed by the nation in commercial areas, and most of the entities are corporations and they operate under the Laws N°18.045 and N°18.046 respectively, therefore, they apply IFRS. The other categories (d + e), Higher Education category (State universities) and the Treasury of the Nation (main function is to receive all the payments that individuals, companies and other forms of activities generate some kind of taxes to be paid to the nation), carry governmental accounting system based on accrual basis (that includes cash received and paid).

**SMO 5 – 2017 Update:**

The *CGRCH* decided to make an indirect adoption of IPSAS (\*), which consists of a writing issue of a national standard that meets with international standards, through the publication of CGR Resolution No. 16 of February 2015, allowing advance in the quality, comparability and transparency of accounting information for internal and external users, and also tending to better accountability. For this purpose, the *CGRCH* has taken into consideration the 32 standards issued by the IFAC until 2013. The legislation has been analyzed and developed on the basis of a work plan initiated in 2011 in which development has had an external advisory financed by the Inter-American Development Bank (IDB) and working groups with public sector entities, auditing firms and universities. The *CCCH* attended to several meetings during the evaluation / analysis period.

This regulation will be mandatory from 1 January 2016, for all public sector entities to which refers to article 2º of Decree Law No. 1.263, of 1975, and those determined by the Comptroller General explicitly: the Executive, with the dependent services and related ministries; the Legislature; the Judiciary; the *CGRCH*; the Public Ministry, and to the Municipalities.

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#	Start Date	Actions	Completion Date	Responsibility	Resources
<i>Initial Activities of the Process Which Ensures the Adoption and Issue of NCC</i>					
#31	Ongoing	The convergence towards the professional standards issued by IFAC is a strategic and priority objective of the <i>CCCH</i> .	Completed	<i>Consejo Nacional of the CCCH</i>	<i>CPNC</i>
<i>Enactment and Updating of the Standards/ Continuous Monitoring</i>					
#32	Ongoing	The web Site of <i>CCCH</i> will develop A link to IFAC for further information.	Ongoing	<i>Consejo Nacional of the CCCH</i>	<i>CPNC</i>

#	Start Date	Actions	Completion Date	Responsibility	Resources
<i>Assist the CGRCH in Its Process of Convergence with IPSAS</i>					
#33	Ongoing	Assisted the <i>CGRCH</i> in its process of convergence with <i>IPSAS</i> , through meetings, and advisory. The <i>CCCH</i> has made its best efforts in contacting and assisting the <i>CGRCH</i> during the convergence phase.	Ongoing	<i>Consejo Nacional of the CCCH</i>	<i>CPNC</i>
<i>Periodic Contact with Educational Institutions</i>					
#34	Ongoing	The <i>CCCH</i> has designated its <i>CES</i> to be the coordinator of meetings with educational bodies, to incorporate <i>IPSAS</i> into the academic framework.	Ongoing	<i>Consejo Nacional of the CCCH</i>	<i>CES</i>
<i>Review of CCCH's Compliance Information</i>					
#35	Ongoing	Perform review of revised <i>SMOs</i> and <i>CCCH's SMO Action Plan</i> and update relevant sections as necessary.	Ongoing	<i>Consejo Nacional of the CCCH</i>	<i>Consejo Nacional of the CCCH</i>

**Action Plan Subject:** SMO 6–Investigation and Discipline  
**Action Plan Objective:** Apply the Code of Ethics to Active Members and assist the institutions in the country

**SMO 6 – Background:**

The CCCH, as a result of Decree Law 3,621 of 1981, stipulated that *it is not a prior legal obligation or condition to exercising the accounting profession* that one would have to be a member of any Professional Institute.

The CCCH, in its founding by-laws (Articles 5, 5additional, 6, 7 and 8), obliges its Active Members to comply with the professional standards contained in the Code of Ethics. (SMO 4).

In its by-laws-Chapter VIII and IX, the CCCH contemplates an I&D Committee on a permanent basis for its active members. The Code of Ethics will be the instrument for determining responsibilities.

The CCCH has no oversight whatsoever, or any type of control or influence, over the state's regulatory bodies (SVS and others ORs).

The audit firms registered in the REAE, which pertains to the state's regulatory bodies (SVS) is the only ones authorized to perform audits of listed and/or regulated corporations in Chile, and as such, these firms are subject to the requirements of these regulators.

Audit firms not registered in the REAE and non-CCCH member accounting professionals are subject to the Courts of Justice.

The CCCH, by mean of the *National Council* and the *CES* already distributed the *Ethics Code* to: Government, Parliament, Ministries of Justice and Education, as well as controlling bodies and educational institutions in general.

The National Council also distributed the Code to CCCH's active members.

The CCCH will communicate new standards of the Ethics Code, and/or modifications thereto, to its members, on a timely and continuous basis, using the most efficient methods.

The CCCH will ensure its best efforts to communicate current professional standards, on a timely basis, to educational institutes and the general public.

**SMO 6 - 2017 Update:**

There have been no negative comments from Associates or Public in general.

SMO 6 is being evaluated to determine GAP versus PAO's procedure.

#	Start Date	Actions	Completion Date	Responsibility	Resources
<i>Initial Activities of Communication Implementation of SMO No. 6</i>					
#36	Ongoing	The convergence to international standards is a strategic objective of the CCCH.	Ongoing	Consejo Nacional of the CCCH	CEEP / Consejo Nacional of the CCCH
<i>Review, Monitoring and Continuous Updating of the Standards</i>					
#37	Ongoing	The CCCH, through its CEEP is the vehicle that will continuously evaluate, review and monitor compliance with this obligation.	Ongoing	Consejo Nacional of the CCCH	CEEP
#38	2015	The CCCH is being evaluated to determine differences between standards versus PAO's, as well as to do best effort to work together with OR's to determine GAP's.		Consejo Nacional of the CCCH	CEEP
<i>Updating and Distribution of the Ethics Code</i>					
#39	2013 – 2014		Completed	Consejo Nacional of the CCCH	CEEP / Consejo Nacional of the CCCH
<i>Development and Training on the New Code of Ethics</i>					
#40	Ongoing	Upload the Code onto the CCCH, INDEP and some Regional Offices' website for active members.	Completed	Consejo Nacional of the CCCH	Consejo Nacional of the CCCH
#41	2016	Incorporate the Ethics and Practice Code into new continuing training courses.	Continuous	INDEP / Regional Offices / CDP	INDEP / Regional Offices / CDP
<i>Review of CCCH's Compliance Information</i>					
#42	Ongoing	Perform review of revised SMOs and CCCH's SMO Action Plan and update relevant sections as necessary.	Continuous	Consejo Nacional of the CCCH	CEEP/ Consejo Nacional of the CCCH

**Main Requirements of SMO 6**

Requirements	Y	N	Partially	Comments
<b>Scope of the System</b>				
1. A system of investigation, discipline and appeals exists for the accountancy profession. The system is operational.	X			
2. Information about the types of misconduct which may bring about investigative actions is publicly available.		X		
<b>Initiation of Proceedings</b>				
3. Both a “complaints-based” and an “information-based” approach are adopted.	X			
4. Link with the results of QA reviews has been established.		X		
<b>Investigative Process</b>				
5. A committee or similar body exists for performing investigations.	X			
6. Members of a committee are independent of the subject of the investigation and other related parties.	X			
<b>Disciplinary Process</b>				
7. A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.	X			
8. Members of the committee/entity include professional accountants as well as non-accountants.		X		

Requirements	Y	N	Partially	Comments
9. The tribunal exhibits independence of the subject of the investigation and other related parties.	X			
<b>Sanctions</b> 10. The disciplinary system allows imposing an extensive range of penalties. It is particularly important to include (a) loss of professional designation; (b) restriction and removal of practicing rights; and (c) exclusion from membership.		X		It is not allowed by the constitution law.
<b>Rights of Representation and Appeal</b> 11. A third appeals body exists which is separate from both the disciplinary committee and investigative committee.	X			
<b>Administrative Processes</b> 12. Timeframe targets for disposal of all cases are set.		X		
13. Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.	X			
14. Records of investigations and disciplinary processes are established.	X			
<b>Public Interest Considerations</b> 15. Activities are supported to ensure that the public is aware that an investigative and disciplinary system exists in the jurisdiction.	X			

Requirements	Y	N	Partially	Comments
16. A process for the independent review of complaints on which there was no follow-up is established.		<b>X</b>		
17. The results of the investigative and disciplinary proceedings are made available to the public.		<b>X</b>		
<b>Liaison with Outside Bodies</b> 18. There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.	<b>X</b>			
<b>Regular Review of Implementation and Effectiveness</b> 19. Regular review of implementation and effectiveness of the system are performed and corrective actions are implemented.			<b>X</b>	



**Action plan Subject:** SMO 7–International Financial Reporting Standards and Other Pronouncements issued by the IASB  
**Action plan Objective:** To be the official reference point for IFRS in Chile

**SMO 7 – Background:**

Superintendent of Corporations, in general have the authority to determine specific regulation (accounting standard) for the companies under its regulation. New law #21.000 will allowed to issue Audit Standard for the companies under its control.

The *CCCH* has the attribution and faculty of issuing and setting professional standards for use in Chile, implemented by the *Consejo Nacional of CCCH*, as well as maintaining publications concerning the profession.

The *CCCH*, through its *CPNC*, translated the standards and circulars on IFRS. Nowadays is directly used the IASB publication in Spanish.

The *CCCH*, through its *CPNC*, analyzes drafts of standards issued by the IASB for comment.

The *CPNC* maintains permanent technical meetings according to the requests, with different stakeholders.

The *CCCH* has no oversight over the regulatory bodies which issue their own standards for corporations registered with them-*SVS*, *SBIF* and *SP*.

The *CCCH* has no oversight whatsoever, or control or influence over institutions such as universities, professional institutes, technical training Centers or technical schools, to have them include IFRS in their academic curriculum. At the present time, universities and training institutes deliver IFRS courses.

The *CCCH* will communicate new standards and/or their modifications to its members and the general public, on a timely and continuous basis, using the most efficient methods.

The *CCCH* will ensure its best efforts to communicate the current standards of the profession, on a timely basis, to educational institutions, regulatory bodies and the general public.

The *CCCH*, through *INDEP* and Regional Offices carry out continuous training processes and dissemination activities.

**IFRS**

- Large Business: The *CPNC* established in BT # 85, that Chile adopted in a comprehensive, explicit and unreserved International Financial Reporting Standards (IFRS), without introducing any local adaptations or exceptions. Principles Generally Accepted in the country, correspond exclusively to IFRS issued by the International Accounting Standards Board (IASB).
- SME: The *CPNC* established in the BT-EPYM # 02, established the same criteria and scope for large business established in the BT # 85.

The *CCCH's Council* approved on December 19, 2013, the BT # 85 and BT-EPYM # 02, setting a mandatory to all companies, the adoption of these Standards to Financial Statements beginning on January 1, 2013.

#	Start Date	Actions	Completion Date	Responsibility	Resources
<i>Initial Activities of Communication Implementation of IFRS</i>					
#43	Ongoing	The convergence towards the professional standards issued by IASB is a strategic and priority objective of the CCCH.	Ongoing	Consejo Nacional of the CCCH	CPNC / Consejo Nacional of the CCCH
#44	Ongoing	The CCCH has adopted the IFRS issued by the IASB.	Completed	Consejo Nacional of the CCCH	Consejo Nacional of the CCCH
#45	2013	In August 2009, the CCCH and the IFRS Foundation signed a framework contract, which gives CCCH exclusivity to translate and issue its standards in Chile. The contract signed between the parties is in full force.	Completed	Consejo Nacional of the CCCH	Consejo Nacional of the CCCH
<i>Review, Monitoring and Continuous Updating of the Standards</i>					
#46	Ongoing	The CCCH, through its CPNC is the vehicle that will review and continuously monitor the compliance with this obligation.	Ongoing	Consejo Nacional of the CCCH	CPNC
#47	Ongoing	The CPNC analyzes and discussed the drafts and documents issued by the IASB. Starting January 2013 is literally adopted the standards published by the IASB. The Commission counts with a professional team on a continuous basis. The CCCH implemented the IFRS without the help of GLENIF.	Permanent Staff	Consejo Nacional of the CCCH	CPNC
<i>Updating and Issue of IFRS</i>					
#48	Ongoing	Present standard and updates of the IFRS are posted into the website and available for its associates. General public can get them from the CCCH.	Ongoing	CPNC	Consejo Nacional of the CCCH

#	Start Date	Actions	Completion Date	Responsibility	Resources
<i>Development and Training on New Standards and Their Applicability</i>					
#49	Ongoing	Promote continuous training programs on the website.	Completed	INDEP / Consejo Nacional of the CCCH	INDEP / Regional Offices / CDP
#50	Ongoing	INDEP and some Regional Offices have delivered numerous training courses on IFRS and Tax Law during recent years.	Ongoing	INDEP / Consejo Nacional of the CCCH	INDEP / Regional Offices / CDP
<i>Continuous Contact with the State's Regulatory Bodies</i>					
#51	Ongoing	Meetings with the regulatory bodies (SVS/SBIF) with the objective of understanding their needs regarding to the standards.	Ongoing	Consejo Nacional of the CCCH	Consejo Nacional of the CCCH / CPNC
<i>Periodic Contact with Educational Institutions</i>					
#52	Ongoing	Establish meetings with the objective of communicating modifications to IFRS. All State / Traditional Universities in the country have included this subject in their academic curriculum, as well as large portion of private Universities also have included this matter into its curriculum.	Ongoing	Consejo Nacional of the CCCH	CES / Consejo Nacional of the CCCH
<i>Review of CCCH's Compliance Information</i>					
#53	Ongoing	Perform review of revised SMOs and CCCH's SMO Action Plan and update relevant sections as necessary.	Ongoing	Consejo Nacional of the CCCH	Consejo Nacional of the CCCH

**Subject:** Letter to Confirm Institutional Support for the SMO Action Plan.

**Nº 247**

Santiago of Chile July, 25th, 2017

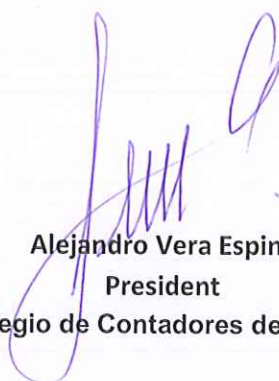
Mr Manuel Arias  
Manager Compliance Program  
IFAC  
Email: ManuelArias@ifac.org

Dear Mr. Arias,

This letter is to confirm that the leadership of the **Consejo Nacional** has reviewed the information contained in the SMO Action Plan prepared by **Colegio de Contadores de Chile AG**. as part of the IFAC Member Compliance Program and will provide institutional support for its implementation.

On behalf of the leadership of the **Consejo Nacional**, I endorse publication of the SMO Action Plan on the IFAC website in the interests of transparency and to demonstrate our commitment to enhancing the quality and credibility of the accountancy profession worldwide.

Sincerely,



**Alejandro Vera Espinosa**  
President  
Colegio de Contadores de Chile AG

c.c.: Vice-president  
Secretary  
Incl.: Lo que se indica  
LEE/lcs.