

Grupo Latinoamericano de Emisores de Normas de Información Financiera –
GLENIF –

Grupo Latino-Americano de Normatizadores Contábeis

Group of Latin American Accounting Standard Setters – GLASS

Constitution

June 28, 2011

Amended August 1, 2013

Amended July 31, 2014

Amended September 18, 2015

Constitution of the Group of Latin American Accounting Standard Setters – GLASS.

Introduction

This constitution is the result of four meetings of the Group of Latin American Account Standard Setters (GLASS) held on:

- February 4, 2011, in Brasilia, Brazil;
- March 30, 2011, in Brasilia, Brazil;
- May 23, 2011, in Buenos Aires, Argentina;
- June 28, 2011 in Buenos Aires, Argentina.

It was approved on June 28, 2011, in Buenos Aires, Argentina, and was amended in subsequent meetings of GLASS held on August 1, 2013, July 31, 2014, and September 18, 2015.

The primary objective of GLASS is of a technical nature regarding all documents issued by the IASB.

Constitution of the Group of Latin American Accounting Standard Setters – GLASS

**Approved by the representatives of the Latin American Institutions that
signed this Constitution.**

Name

- 1 The name of the organization will be Grupo Latinoamericano de Emisores de Normas de Información Financiera – GLENIF – (in Spanish), Grupo Latino-Americano de Normatizadores Contábeis - (in Portuguese) and Group of Latin American Accounting Standard Setters – GLASS – (in English).
- 2 The primary objective of GLASS is of a technical nature regarding all documents issued by the IASB.
- 3 In the future, the possibility of the group interacting and working to issue opinions on the standards other international standard setting bodies issue will be evaluated.
- 4 The specific objectives of GLASS are to:
 - a) Interact with the IASB on technical issues, respecting the national sovereignty of each member country to make technical contributions directly to the IASB. The interaction will be focused on all documents issued by the IASB, including, for example, discussion papers, exposure drafts, public audiences, standards issued as mandatory, as well as the review of existing standards and the presentation of proposed changes and/or improvements that consider the specific situations of the countries of the region, etc.;
 - b) Promote the adoption of and/or convergence with the standards issued by the IASB in the jurisdictions of the region, along with their consistent application;
 - c) Cooperate with national and international governments, regulators and other regional organizations to contribute to the improvement of the quality of financial statements in the region;
 - d) Collaborate with the diffusion of the standards issued by the IASB in the region, particularly in the country to which each standard setter belongs;

- e) Offer proposals on the agenda of the IASB and coordinate the alignment with the agenda of the region;
- f) Actively participate in the technical meetings of the “NSS – National Standard Setters” and the “WSS – World Standard Setters”, as considered appropriate, respecting the national sovereignty of each member country that participates in both groups.
- g) Interact with other organisms in Latin America (UNASUR, MERCOSUR, CAN) on topics related to accounting standards.

Accounting Standard Setters

- 5 For the purpose of the Constitution and future requests to be part of the Group, Accounting Standard Setters are considered to be:
 - a) The accounting standard setting organization of each country that is recognized by the general business community;
 - b) If such an organization does not exist or if the standard setting organization of a country is not interested in being a part of GLASS, a professional organization that is formally part of the accounting standard setter and that is also a member of IFAC, can be part of the Group; or
 - c) If the organizations mentioned in the previous paragraphs do not exist (or do not accept being a part of GLASS), the professional organization of the country can be a part of GLASS, provided it is a member of IFAC.

GLASS Governance

- 6 The governance of GLASS falls on the Assembly of Accounting Standard Setters and the Directory¹.

Assembly of Accounting Standard Setters

- 7 The Assembly is sovereign and is comprised of the accounting standard setting organizations of each country associated with GLASS, represented by the person designated by the standard setting organization.
- 8 It should meet at least once a year.
- 9 It will have the authority to establish policies and directives and elect directors, the president and the vice-president, according to what is established in the specific items of this Constitution.

¹ In some countries, the term “Directory” is replaced by the term “Board of Directors” and the term “Director” is replaced by “Member of the Board”.

- 10 The expenses incurred by the representatives of the accounting standard setting organization of each country member are the responsibility of such organization.
- 11 All members of the Assembly will be required to commit to support the activities of GLASS, and in particular that each member seek a formal relationship with the business, professional, academic and regulatory associations, as well as government authorities of each country to obtaining institutional support of the mission of GLASS.
- 12 The Assembly held every year (Annual Assembly) will be convened by the Directory with advanced notice of at least thirty days.
- 13 Each organization that is a member of GLASS will inform the Directory of the name of its representative and of his or her replacement or substitute, that will take part in the Annual Assembly.
- 14 The President of the Directory will preside over the Assembly, and the secretary, who will be responsible for preparing the minutes of the meeting, will be randomly drawn from the people present at the Assembly.
- 15 To hold the Assembly, the physical presence of more than half of the members of GLASS is required to establish a quorum.

In the event that on the date and at the hour of the convened meeting the required quorum is not present, an hour later a second call to order will be made, with a required quorum of six founding members.

- 16 Each country has one vote. A simple majority of the votes of those in attendance is required for making decisions on matters not related to amending the Constitution, which requires the affirmative vote of seven founding members of GLASS.

Directory

- 17 The Directory will be comprised of a maximum of seven members and a minimum of three members (representatives of the standard setting organisms of each country), to be elected at the Annual Assembly of the GLASS legal entity.

Once the Proprietary Directors are elected, up to four Alternate Directors will be elected from the Directory candidates that were not elected as Proprietary Directors. The Alternate Directors will have a term of one year, or less in special circumstances determined by the Assembly.

Alternate Directors (in the order of their election) will replace the Proprietary Directors in meetings where a Proprietary Director is absent. In such case the Alternate Director will have all the rights and obligations

of the Proprietary Director being replaced. Alternate Directors not replacing a Proprietary Director may attend the meetings of the Directory with voice, but without vote.

- 18 The election of directors will be made from the members of GLASS that present their candidacy to assume the role of director, and the election of Vice President will be made from the members of the Directory of GLASS that presented their candidacy to assume that role. All director roles are to be elected by all members of GLASS.

The successive elections of directors, President and Vice President will take place in the following manner:

- a) First Election: President, Vice President and two directors, all with a two-year term, and two directors with a one-year term. The term of one or two years will be assigned through a random drawing of the names of the nominated directors.
- b) Second Election: designation of two directors with a two-year term, to replace those with a one-year term.
- c) Third Election: designation of three directors. Once the full Directory has been elected, the Assembly will elect a Vice President from the Directory.
- d) Fourth Election: designation of two directors.
- e) Beginning with the fifth election, the Third and Fourth elections will take place consecutively.
- f) Directors representing non-founding members will be elected for a term of two years.

- 19 The members of the Directory will all be from different countries, each assigned by the corresponding accounting standard setting organization of the country (as defined in article 5) that has been elected by the Directory.

- 20 Each country will participate in GLASS through its accounting standard setting organization (as defined in article 5) such that the role on the Directory corresponds to the organization of the member country. However, once elected the representative of the institution on the Directory must fulfill his or her full term, as part of the ethical commitment of the institution, except in the case of personal situations outside the control of the elected individual. In this case, the organization will propose a replacement.

- 21 The President and Vice President may not be immediately reelected for the same position, but they may be reelected as directors. The remaining directors may be reelected immediately, without any limitations. At the end of their terms, Directors may be elected as Vice President.

- 22 At the end of his or her term, the Vice President will be nominated as President. If he or she declines the nomination (to be President after serving as Vice President), there will be an extraordinary election to replace him or her in the same Annual Assembly.

- 23 The presiding member of GLASS will be responsible for the physical, operational and administrative structure of its operation (including the editing of material in the languages established by this Constitution).
- 24 The President has the institutional and international representation of GLASS and must take measures towards reaching its goals.
- 25 The Vice President must support the President and replace him or her in when absent.
- 26 It will be the responsibility of the other directors to assist the presidency and to execute their activities-goals.
- 27 In the first meeting of the Directory, specific tasks for each one of its members should be assigned; particularly, but not limited to, the delegation of responsibilities for technical subjects.
- 28 The meetings of the Directory will be held mainly by videoconference or teleconference and, when considered relevant, face-to-face meetings will be held in a place to be determined (and rotating between the countries that comprise the Directory).
- 29 It is expected that the Directory stay in contact with all Latin American accounting standard setters, with other standard setters and with other official organizations involved with the issuing of accounting standards to achieve the general and specific goals of this Constitution.
- 30 The quorum for meetings of the Directory is a simple majority of its members (in person or connected by telecommunication). Each member of the Directory has the right to one vote. Vote may not be delegated, nor may members designate substitutes to attend meetings. All decisions are made by simple majority. In case of a tie, a second vote will be taken, and if there is still a tie, lots will be drawn. The President's vote will be counted as two.
- 31 The functions of the Directory are to:
- a) represent GLASS through its President or the person designated to substitute for him or her;
 - b) develop its own bylaws;
 - c) address technical matters related to the main and specific goals established in this Constitution;
 - d) convene meetings of GLASS;
 - e) constitute Technical Working Groups and their coordination;
 - f) prepare and send reports of technical and other relevant activities to the members of the Assembly every six months;
 - g) define priorities of courses of action that allow achieving the goals defined in this Constitution.
- 32 Each Director has the following obligations:

- a) attendance at meetings (virtual and face-to face), and
- b) compliance with the functions assigned by the Directory.

Bylaws for the operation of the Directory

- 33 The Directory will approve its Bylaws in its first meeting that should be held within thirty days following the date of approval of this Constitution.
- 34 At a minimum, the Bylaws should establish:
- a) the frequency of meetings and how they should be convened. The frequency should be sufficient to achieve the objectives of GLASS. It should be a priority to have a meeting prior to IASB meetings that deal with the objectives of GLASS (for example, NSS or WSS);
 - b) the manner of obtaining the participation of all members countries of GLASS, particularly regarding the suggestion of technical topics for the agenda of the Directory;
 - c) the manner of creating Technical Working Groups (TWG) and the assigning of technical issues to the Groups created;
 - d) the process for discussing and approving documents generated by GLASS to be presented externally (primarily to the IASB). This process should define how each topic is assigned to the TWG, establish deadlines, as well as how to make decisions in the TWG;
 - e) the members of GLASS may make technical contributions directly to the IASB, when they decide to do so.

Language

- 35 Documents that are generated internally will be expressed in the language of the country in charge of its preparation (Spanish or Portuguese), and external documents will be expressed in the language of the receiver.
- 36 Technical documents will be analyzed in the language in which they were presented (usually English) and answered in the same way.

Technical contributions to the IASB will be prepared in English.

Technical Working Groups (TWG)

- 37 The TWG will be created by the Directory, based on the proposals made by the accounting standard setting organizations of each member country.
- 38 Technical activities will be carried out by topic.
- 39 The staff will be highly qualified, designated by the respective accounting standard setting organizations to participate in the activities of the TWG.
- 40 Each TWG will be managed by a leader designated by the Directory.
- 41 The meetings will be held primarily by videoconference, teleconference and, when the group considers relevant, there will be face-to-face meetings in a place to be determined (and rotating), with costs being the responsibility of the members countries of the Group.

- 42 The Directory will determine, according to its criteria, the best way to address each technical project, except for those topics proposed by a country with a particular interest. In this case, the proposing country will be responsible for developing the topic, with the voluntary support of another member country.

Funding

- 43 The country that presides over the Directory of GLASS must cover the infrastructure costs (translations necessary according to what is indicated in "Language", interpreters, local expenses for the meetings of the Directory if held in its country, communication, etc.).
- 44 Each member of the Directory will be responsible for his or her own expenses incurred by participation in the Directory.
- 45 In this regard, the Directory will seek the funding of organizations interested in the quality of financial information and in its transparency.
- 46 The member of the Directory that represents GLASS in meetings of any kind (President, Vice President or any other designated member of the directory) must have his or her costs of representation covered by the Accounting standard setting organization he or she represents.

Membership

- 47 Countries (and their organizations) that approved this Constitution are founding members of GLASS, by having met the conditions defined for Accounting Standard Setters in article 5.
- 48 Future members will be accepted pursuant to the following procedure:
- a) the organization that requests acceptance in GLASS will present the reasons why it should be a part of the Group, according to this Constitution;
 - b) the Directory will review the presentation and decide whether acceptance as a Observing Member of the Group is warranted;
 - c) the Observing Member may participate in technical activities and will receive information issued by GLASS;
 - d) the Assembly will address the acceptance of the Observing Member as a Member of GLASS;
 - e) if approved, it becomes a non-founding Member of GLASS from that moment and participates in the matters that follow in the agenda of the Assembly.

Advisory Council

- 49 The Directory will have an Advisory Council that will be comprised, at a minimum, of the past presidents of GLASS and other members selected by the Directory that have accepted such designation. Their designation will have a term of two years with the possibility of reelection. The

Directory will present to the Advisory Council all issues it deems appropriate.

APPROVAL OF THE CONSTITUTION BY:

Country	Organization that accepts to be a part of the Regional Group	Name of representative signing the Constitution	Signatures
Argentina	Federación Argentina de Consejos Profesionales de Ciencias Económicas (FACPCE)	Jorge Paganetti and Guillermo H. Fernández	
Brazil	Conselho Federal de Contabilidade (CFC)	Juarez Domingues Carneiro	
Bolivia	Colegio de Auditores o Contadores Públicos de Bolivia (CAUB)	Gustavo Gil Gil	
Chile	Colegio de Contadores de Chile	Florindo Nuñez Ramos	
Colombia	Consejo Técnico de la Contaduría Pública (CTCP)	Luis Alonso Colmenares Rodríguez	
Ecuador	Superintendencia de Compañías	Rafael Balda Santistevan	
Mexico	Consejo Mexicano de Normas de Información Financiera A.C.(CINIF)	Felipe Pérez Cervantes	

Panama	Comisión de Normas de Contabilidad Financiera de Panamá (NOCOFIN)	Elizabeth Guardia de López	
Paraguay	Colegio de Contadores del Paraguay (CCPy)	Francisco Sánchez Rodas	
Peru	Consejo Normativo de Contabilidad (CNC)	Juan Carlos Dextre	
Uruguay	Colegio de Contadores, Economistas y Administradores del Uruguay (CCEAU)	Jorge Bergalli	
Venezuela	Federación de Colegios de Contadores Públicos de Venezuela (FCCPV)	Rafael Rodríguez Ramos	