



Grupo Latinoamericano
de Emisores de Normas
de Información Financiera

Group of Latin-american
Accounting Standard Setters

DIRECTORY REGULATION OF THE GROUP OF LATIN-AMERICAN ACCOUNTING STANDARD SETTERS – GLENIF

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Regulation

1. GLENIF Constitution

1.1. The Latin-American Group of Accounting Standard Setter was created by bringing together common efforts and objectives of the following Organizations: Federação Argentina de Conselhos Profissionais de Ciências Econômicas (Argentina), the Conselho Federal de Contabilidade (Brazil), the Colégio de Auditores e Contadores Públicos da Bolívia (Bolivia), the Colégio de Contadores do Chile (Chile), the Conselho Técnico da Contabilidade Pública (Colombia), the Superintendência de Companhias (Ecuador), the Conselho Mexicano de Normas Contábeis A. C. (Mexico), the Comissão de Normas de Contabilidade Financeira do Panamá (Panama), the Colégio de Contadores do Paraguai (Paraguay), the Conselho Normativo de Contabilidade (Peru), the Colégio de Contadores, Economistas e Administradores do Uruguai (Uruguay) and the Federação de Colégios de Contadores Públicos da Venezuela (Venezuela). Through an expressed petition by its members, the Group was made official with the Minutes of Incorporation, that came as a result of four previous meetings held by the Latin American Accounting Standard Setters, held on February 04, 2011 in Brasília (Brazil), March 30 in Brasília (Brazil), May 23, 2011 in Buenos Aires (Argentina) and June 28, 2011 in Buenos Aires (Argentina). The Minutes of Incorporation was approved on June 28, in Buenos Aires, Argentina. The main goal of the group is of technical nature, in relation to every subject that had documents issued or that can be issued by the IASB.

1.2. GLENIF will be governed by its Minutes of Incorporation, signed by the respective countries' entity representatives and, additionally, by the present Regulation, approved in the first meeting of the Directory, held on Augusto 21, 2011, in Caracas, Venezuela. If any eventual difference arises in the interpretation of what was set between both documents, what is set in the Minutes of Incorporation takes precedence.

2. Goals and functions of the Directory

2.1. The goal and function of the Directory is the accomplishment of the "Goals" set in GLENIF's Minutes of Incorporation.

2.2. The interaction of GLENIF with IASB on technical aspects will be carried out based on the decisions made in the Directory and will be under the responsibility of the President or, in case of his or her absence, of the Vice President or, in case of his or her absence, of a director assigned by the Directory.



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2.3. The promotion of the adoption and/or convergence towards the standards issued by the IASB will be undertaken by supporting the activities that each Standard Setting Organization requests, whether they are members of GLENIF or not.

2.4. The collaboration in the dissemination of the standards issued by the IASB will happen through active participation in the different dissemination activities that will be held in every country of the region, specially by the Member Organizations of GLENIF.

2.5. Suggestions to the IASB Agenda should be made through the procedure established, according to the technical subjects.

2.6. GLENIF will perform in the technical meetings of the *National Standards Setters* (NSS) and the *World Standards Setters* (WSS) when considered convenient by decision of the Directory.

2.7. The interaction with other Organizations in Latin America that prioritize and decide the Directory.

2.8. The resolution on the technical announcements that the Technical Work Groups (GTT) propose to the Directory should have a technical base.

3. Operation of Directory

3.1. Technical subjects will be included in the Directory, for decisions on its addressing, in some of the following ways:

a) documents developed and submitted to public consultation by the IASB, usually named *Exposure Draft (ED)* or *Discussion Papers (DP)*;

b) technical subjects whose accounting standards still haven't been developed by the IASB and that were presented by a GLENIF member;

c) dissemination initiatives and/or pilot tests in Latin American, proposed by the IASB regarding documents prepared;

d) other work that, by decision of a member of the Directory or the Member Organizations of GLENIF, are aligned with GLENIF goals:

3.2. The meetings of the Directory will be preferably held by videoconference or teleconference. Regarding the on-site meetings, the Directory will hold them in itinerant places, seeking the lowest possible costs for the members that are part of the Directory.

3.3. Three ordinary meetings will be held every year, and the extraordinary will be decided by the Directory. The time and place of each Directory meeting will be defined. One of the meeting should be held previous to the NSS and WSS meetings.



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3.4. In case of on-site meetings, the Standard Setting Organization responsible for organizing them must provide the means so that the members of the Directory that cannot be there can participate through videoconference or teleconference.

3.5. The quorum for the meetings is four members, present or connected by telecommunication.

3.6. In case the necessary quorum is not reached, the Directory President will call a new meeting, to be held in a maximum of thirty (30) days.

3.7. Each member of the Directory has the right to a vote and cannot do it by delegation, but by being present or by telecommunication. The decision are made by simple majority of the people on-site (physically present or by other means). The minutes of the meeting will keep record of the Directors that did not agree and their reasons.

3.8. Each Standard Setting Organization that is part of the Directory will assign the name of the person that is going to represent them. If, due to any circumstance, the person assigned by the Standard Setting Organization cannot continue to perform his or her duties, the Standard Setting Organization should expressly communicate the situation to the Directory, assigning a new representative.

3.9. If a member of the Directory does not take part in any of the meetings, the situation must be communicated to the Standard Setting Organization.

3.10. In each Directory meeting, the priorities on the courses of action will be defined so that the goals indicated in the second paragraph can be met.

3.11. The material to be addressed in the Directory should be with the members fifteen (15) days prior to the day of the meeting.

3.12. There will be minutes for each meeting, which should be signed in a maximum of ten (10) days. Preferably, it should be signed by the end of the meeting.

4. Addressing of Organizational requests to be a part of GLENIF

4.1. When a Accounting Standard Setting Organization requests to be a part of GLENIF, it should be done through a note addressed to the President of the Directory, in which they will indicate the basis that justify their desire to be a part of the Group, according to what is set in the minutes of incorporation.

4.2. The President will include the request as a point of the Order of the Day in the first Directory meeting held after receiving the note.



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4.3. The Directory will analyze the presentation and decide whether the organization should be accepted as a Observing Member of the Group or not.

4.4. From that moment on, the new member will acquire the rights and obligations as a observing member, set in the Minutes of Incorporation.

4.5. The Directory will present in the closest Assembly the admission proposal of the candidate as a member of GLENIF with full rights and responsibilities.

5. Funding of the Directory

5.1. The activities of the Directory must have as much of a low cost as possible, in order to make the participation of its members and GLENIF members easier.

5.2. The Standard Setting Organization that governs GLENIF must be held responsible for the infrastructure costs of the Directory's operation (except for the spendings in transportation and lodging of its members). Each member of the Directory will be responsible for their own spendings regarding their participation on the Directory.

5.3. The Directory will seek funding for their operation and other GLENIF spendings through intake by Organizations interested in the quality of financial information and its transparency.

5.4. The travelling and representation spendings of the member of the Directory (President, Vice President or another members of the Directory assigned by it) that represents GLENIF in meetings of any kind are responsibility of the Standard Setting Organization to which he or she belongs.

6. Calls for GLENIF Assemblies

6.1. GLENIF assemblies will be called by the Directory with minimum thirty days in advance.

6.2. One Assembly will be held every year, between the 360 and 380 days following the last Assembly, except in cases of force majeure.

6.3. The Directory will provide the means to communicate effectively the members of GLENIF and will request that they communicate the name of their Representatives and eventual substitutes that will take part in the Assembly.

6.4. In case the Assembly cannot take place due to lack of quorum, a new Assembly will be called within thirty days.



6.5. The Directory will decide where the Assembly will take place.

7. Obligations of the Organization that occupies the Directory presidency.

7.1. The Standard Setting Organization that governs the Directory will be held responsible for all physical, operational and administrative structure for the operation of GLENIF.

8. Contact with the Latin American Accounting Standard Setters and their participation

8.1. The Directory should develop a procedure to facilitate the participation of all country members of GLENIF in subjects submitted to their consultation (especially the ones related to the IASB Agenda). Once the answer proposal is analyzed by the Directory or it was sent to the IASB, the document proposed must be sent to the Member Organization of GLENIF, so that they can give their opinion in up to twenty (20) days or less, if the circumstances demand. In case of receiving different opinions or observations, they will be analyzed by the Directory and by the Standard Setting Organization that sent them, in order to reach an agreement. If an agreement is not reached, it will be requested to the Organization to develop their position in dissent so that it follows, in this respect, the final opinion of GLENIF.

8.2. The members of GLENIF can make technical contributions directly to IASB when they decide to.

9. Directory Reports. Structure and deadlines.

9.1. The Presidency of the Directory will be held responsible for the preparation on yearly reports about technical and other relevant activities to be addressed and submitted to the approval on the next Directory meeting. At the end of each semester, a partial presentation will of the activities corresponding to the period will be held. (New text approved by the Directory, according to item 3 of the Minutes of the Fourth Ordinary Meeting of the Group of Latin-american Accounting Standard Setters – GLASS).

9.2. Once these reports are approved, they will be sent to all country members of GLENIF within ten (10) days following its approval.



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10. Technical Work Groups

10.1. It will be the Directory's responsibility to define the technical subjects that will occupy the activities of GLENIF.

10.2. The Technical Work Groups (GTT) will be organized by theme, composed of members and a Coordinator and assisted by qualified specialists, that can be from the same country or not, proposed by the respective Standard Setting Organization. Each country may designate a representative with voting rights and also other members who may participate with voice but without voting rights. (New text approved by the Directory, according to item 8 of the Minutes of the Sixth Ordinary Meeting of the Group of Latin-american Accounting Standard Setters – GLASS).

The Directory will name the Coordinator of the GTT and will define its members.

The GTT meetings are held preferably through electronic or telecommunication means, and each country member should pay for the expenses coming from the participation on the members it proposed.

10.3. For each technical subjects assigned to a GTT, the Directory will review and approve the Work Plan created by the GTT, that should contain the following:

- a) Description;
- b) Justification;
- c) Goals;
- d) Objectives;
- e) Chronogram;
- f) Action control; and
- g) Documents to be created (Minutes/Reports).

10.4. The reach and deadline of the Work Plan should be coherent with:

- a) the agenda of the IASB and its deadlines;
- b) the necessary time for the members of GLENIF to assess and send their opinions and contributions on the documents and reports prepared by the GTT;
- c) the subject's complexity; and
- d) the necessary time to prepare the document in English.



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10.5. In the work developed by the GTT, people interested in the financial status of general high quality purposes from the country members of GLENIF can participate and get involved.

10.6. When developing the activities defined in the Work Plan, the GTT will be responsible for:

a) doing research;

b) the preparation of drafts of the documents that will be presented to the Directory for analysis and eventual presentation to the IASB;

c) in case the Directory finds it necessary, the draft must be submitted to public consultation, seeking participation of all the people interested on the financial status of high quality general use;

d) receive and assess observations resulting from the public consultation, in case it is done;

e) prepare a report that contains:

(I) a summary of the activities performed;

(II) a summary of the main GTT recommendations; and

(III) in case of public consultation, a summary of the main suggestions received and the recommended addressing.

f) other activities related to dissemination initiatives and/or pilot testing, defined by the Directory.

10.7. It will be the Technical Work Group Coordinator's responsibility to:

a) be the contact person between the GTT and the Directory;

b) define the task division between the GTT members;

c) establish the frequency and form of meetings;

d) follow-up the tasks developed by the members; and

e) request the Directory to exclude participants that are not collaborating properly with the GTT tasks.

10.8. The approval of the GTT subjects will be carried out by simple majority of the present members; each representative member will have the right to one vote, regardless of their country of origin or the organization they represent.

In case of a tie, the Coordinator will decide it, in which case the alternative refused by the Coordinator's decisive vote will be presented to the Directory under the form an appendix of the document prepared by the GTT.



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10.9. In case of a public consultation, it should be carried out through the publication of the document on the Internet or through any other means so that the people interested can give their opinion and send their comments, seeking the highest number of interested people possible in country members of GLENIF.

11. Other Directory responsibilities

11.1. Besides the duties defined in the Minutes of Incorporation and the remaining articles of this Regulation, it will also be the Directory's responsibility:

- a) to monitor the GTTs activities;
- b) to not remain with the GTT if their activities are no longer necessary and/or do not interest GLENIF anymore.
- c) to modify the members of the GTT, preferably based on suggestions of its Coordinator;
- d) to replace the GTT Coordinator if he or she no longer performs his or her duties according to the GLENIF interests;
- e) to provide a proper infrastructure so that the GTT may perform its activities, including an Internet portal and tools for making public consultation, if applicable;
- f) to reach to the representatives of the country members of GLENIF, the several organizations in these countries and other associations, groups and individuals that represent a wide group of users of general use financial status, so that they collaborate with the performance of the GTT's activities; for example, the participation:
 - (I) of specialists, to act as GTT members;
 - (II) on the public consultation to be carried out;
 - (III) in dissemination activities;
 - (IV) in pilot testings.
- g) to define, in due time, the minimum procedures for performing the dissemination and the pilot testings.

12. Effective date

This Regulation will be effective starting on August 21, 2011, date of its approval by the Directory.