

A large, abstract graphic of a network or sphere made of interconnected blue nodes and lines, positioned in the upper right background of the page.

Peru

Accounting

FUNDS AND FUND MANAGEMENT 2009

Note: A distinction has been made between investment funds (IFs) and mutual funds for investment in securities (MFIs), [hereinafter the Funds], which are regulated by Comisión Nacional Supervisora de Empresas y Valores – CONASEV (Peruvian Securities and Exchange Commission). In this document, the accounting treatment for both funds will be the same, unless otherwise mentioned. Funds are managed by fund management companies (FMCs).

1.1 Requirement to produce financial statements

Requirement to maintain the books and records in the local jurisdiction

All accounting records of Peruvian regulated funds must be kept and updated in the country. Monthly and annual financial statements shall be prepared, and all detailed reconciliations (investments, cash, units, etc.) shall be performed.

Production of financial statements for funds

Peruvian regulated funds are required to produce monthly and annual financial statements under CONASEV regulations. Both funds have their own chart of accounts established by CONASEV resolutions:

- Investment funds – accounting standards applicable to Investment Funds, Resolution 627-97-EF/94.10, dated 25 October 1997; and
- Mutual funds for investment in securities - Resolution 628-97-EF/94.10, dated 25 October 1997.

Choice of period/year-end for investment funds

Peruvian regulated funds cannot choose their own year-end. The year end close is 31 December for tax and accounting purposes. For both funds, the annual report must be produced for one-year period.

Requirement for comparatives

Comparatives are required for all financial statements.

Restrictions on the currency under which financial statements must be prepared

The reporting currency is the Peruvian Nuevo Sol (PEN).

Accounting publications specific to the funds industry (as issued by accounting bodies or regulators)

Funds-specific Peruvian legislation sets out certain registry, presentation, and disclosure requirements for financial statements.

The chart of accounts of the funds includes the corresponding accounting procedures to be followed for each account.

The chart of accounts may be adapted according to the nature and needs of each fund and shall indicate the appropriate recording regulations and accounting procedures.

Use of short form accounts

There are no provisions in legislation for short form accounts.

Umbrella schemes

For Peruvian regulated corporate entities, financial statements must be prepared for the company as a whole. Information on each fund should not be included within the company's financial statements. There is requirement to produce separate financial statements for each fund administered.

Classes of shares

There are no provisions in legislation for classes of shares.

1.2 Requirement to audit financial statements

The annual financial statements of funds regulated by CONASEV require annual audits. IFs may not be audited for a period longer than two consecutive years, (five years for MFIs), by the same audit team but by the same audit firm.

The annual financial statements of funds must be audited in accordance with auditing standards generally accepted in Peru (which are similar to International Standards on Auditing).

1.3 Publication of financial statements

FMCs shall publish in a nation-wide circulation newspaper, on the same date they are sent to CONASEV, the following information related to each IF:

- The audited annual balance sheet and income statement.
- The un-audited intermediate balance sheet and income statement, as well as the accounting value per unit which shall be shown comparatively with the value of previous quarter.

Audited annual financial statements, intermediate financial statements, management report, and other information shall comply with the filing requirements of information established by CONASEV.

All funds must submit their financial statements to CONASEV before 15 April of the following fiscal year.

1.4 Accounting standards

Peruvian regulated funds must apply accounting practices and standards established by CONASEV in the chart of accounts and accounting procedures, which differ in some aspects from Peruvian GAAP. Peruvian GAAP is similar to International Financial Reporting Standards (IFRS).

1.5 Accounting books and records of funds and FMC

FMC shall keep updated the accounting of the Funds they manage having at least the following accounting books and records:

Books/Registries	Required by law (*)	Required to IF	Required to MFI
Journal	Yes	Yes	Yes
General ledger	Yes	Yes	Yes
Inventory book	Yes	Yes	No
Registry of participants	No	Yes	Yes
Registry of investments	No	Yes	Yes
Registry of promoters	No	No	Yes
General assembly minutes book	No	Yes	No
Investment committee minutes book	No	Yes	No
Oversight committee minutes book per each fund	No	Yes	No

The opening of books and records shall be carried out as from the day following the registration of the Fund in the Registry of CONASEV and shall be authenticated according to law. The updating of the aforementioned books and

records shall not be delayed more than five days, depending on the event or operation that such recording may involve.

* Companies Act

Appendix

Reference material

The list below contains relevant laws and regulations for investment funds, mutual funds for investments in securities and fund management companies.

Regulator

CONASEV: <http://www.conasev.gob.pe>

For investment funds:

- Law on Investment Funds and their Fund Management Companies. Legislative Decree 862 (22 October 1996)
- Regulation on Investment Funds and their Fund Management Companies. 042-2003-EF/94.10 CONASEV Resolution (30 June 2003).
- Accounting Standards applicable to Investment Funds. 627-97-EF/94.10 CONASEV Resolution (25 October 1997).

For Mutual Funds for Investments in Securities:

- Accounting Standards applicable to Mutual Funds for Investment in Securities. 628-97-EF/94.10 CONASEV Resolution (25 October 1997).

General

- Companies Act.
- Regulations of Lima Stock Exchange: <http://www.bvl.com.pe>

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.