

## **BACKGROUND NOTE ON ACTION PLANS**

The SMO Action Plan is intended to provide a summary of:

1. The legal and regulatory environment for the profession;
2. The status of adoption of international standards and best practices in the jurisdiction; and
3. The level of a Member's or Associate's fulfillment of IFAC membership requirements.

IFAC [Statements of Membership Obligations](#) (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. The SMOs are recognized as the international benchmarks for credible and high-quality PAOs that are focused on and have the necessary expertise to serve the public interest and meet the market demands of their respective jurisdictions.

IFAC Members and Associates conduct a self-assessment against the requirements of SMOs and identify areas where, if any, improvements are needed. Members and Associates should develop an Action Plan to (a) demonstrate how they fulfill the requirements of the SMOs (revised in 2012), and (b) where some requirements are not yet addressed, to present plans towards their fulfillment. Action Plans are designed to be **ever-green** documents that take into consideration IFAC recommendations. Depending on the PAO's level of fulfillment (see *IFAC's Summary Assessment – page 2*), an Action Plan may not be necessary for each SMO section and instead the '*Attestation of Ongoing SMO Compliance*' is used to confirm their ongoing commitments. However, PAOs may wish and are welcome to utilize the Action Plan as a tool to demonstrate how they are using 'best endeavors' and going beyond their mandate with innovative approaches to fulfilling the SMOs and strengthening the national profession.

The specific details of each organization's actions will vary even where two PAOs are involved in the same SMO area. Each PAO operates in its own unique regulatory and standard-setting framework and has different operating, technical, and resource capacities. Moreover, in deciding when and how a particular SMO requirement is to be addressed, PAOs might have differing timeframes and objectives to achieve. Notwithstanding these inevitable differences, seeking the advice and assistance of other PAOs who have already faced and dealt with similar challenges can save significant time and resources. IFAC staff will offer assistance as needed.

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 IFAC website.

---

<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 affect 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.

## ACTION PLAN

**IFAC Member:** Colegio de Contadores de Chile (CCCH)  
**Approved by Governing Body:** CCCH's Council  
**Prepared by:** Andrés García – Technical Manager: andres.garcia@contach.cl  
**Original Publish Date:** August 2011  
**Last Updated:** October 2023

**IFAC's Summary Assessment:** PAOs are encouraged to take staff's recommendation into consideration as part of future strategic planning conversations at the PAO.

For more information on [IFAC Member Compliance Program](#) and the legends used to describe the status of adoption of international standards, best practices, and fulfillment of SMO requirements, please refer to the Status of Adoption [methodology](#) and SMO Fulfillment [methodology](#).

	PAO Level of Responsibility for Adoption	Adoption Status as of 2023	Level of SMO Fulfillment as of 2023
QA / SMO 1	No Direct	 Partially Adopted	 Review & Improve
IES / SMO 2	No Direct	 Partially Adopted	 Execute
ISA / SMO 3	Shared	 Partially Adopted	 Review & Improve
IESBA / SMO 4	Shared	 Partially Adopted	 Sustain
IPSAS / SMO 5	No Direct	 Adopted	 Sustain
I&D / SMO 6	Shared	 Partially Adopted	 Consider
IFRS / SMO 7	Shared	 Partially Adopted	 Sustain

### **Attestation of SMO Compliance**

The **Colegio de Contadores de Chile (CCCH)** has developed an Action Plan to demonstrate how it fulfills the requirements of the SMOs (revised in 2012). The abovementioned *Governing Body* has reviewed the information contained within the SMO Action Plan and affirms that the **CCCH** continues to undertake these and other relevant actions to maintain ongoing compliance and fulfillment of the membership obligations where IFAC's assessments are at *Review & Improve* and/or *Sustain*. In areas where IFAC's assessments are at *Execute* the **CCCH** has updated the Action Plan to reflect the specific actions to adopt or support adoption and support implementation that must be taken to achieve the improvement accompanied by a timeline.

On behalf of the **CCCH**, the *Governing Body* endorses the information contained within the SMO Action Plan as of the publication date and its publication 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.

**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 *Colegio de Contadores de Chile, A.G.(CCCH)*. 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 members of the CCCH, are exclusively natural persons, with the exception of companies, but only as sponsors ("sponsors"). In addition, it must be considered that in order to carry out an audit in Chile of an registered entity, it is necessary to be registered in one of the two registers maintained for this purpose by the CMF (Ex SVS since 2019) (REAE or the auditors-account inspectors). This is reinforced when all other legal bodies and other regulatory bodies incorporate the same reference for their own purposes. The CCCH currently has 3.108 associates, which represents approximately 4,0% of the universe of professionals with qualifications from universities and/or non-graduate institutions.

**Regulatory and Standard Setting Framework:**

The CCCH has its origins in the *National Register of Accountants* in 1931 through the Decree with Force of law of the march,20 of 1931. 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 CCCH*, as well as maintaining publications about the profession.

In 1981, Decree Law 3,621 created the Guild Association, CCCH, 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 CCCH 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, correspond to the AICPA Standards.
- e) Have a permanent technical group.

The CCCH 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 INDEP subsidiary was organized in this way, as a anonymous society due to the legal requirements required for the training companies to initiate activities and turn only.

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 16 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 (pro bono work).

The Technical Advisory Commissions of the National Council are composed of outstanding professionals who work for the public good serve on pro - bono work. The respective Commissions cover: External Audit; Accounting Principles and Standards; Higher education; Ethics and Professional Practice; Tax Legislation SME Management and Judicial Accounting Expertise..

The College of Accountants is still in the process of analyzing and modifying the statutes, which is expected to end in the current period of the Executive Committee **2017 Update – National Council:**

The main activities carried out by the National Council and its Technical Commissions have been the continuous meetings with officials of the Internal Revenue Service and the main representatives of the Ministry of Finance in relation to the new and complex tax law already published. This new tax law generated different reactions about its applicability and the understanding of its new circulars that explain said application and its understanding. All professional accountants have spent a great deal of time understanding the scope of the confusing law and in their training. Through INDEP, the CCCH has developed and implemented training courses on this new law for its members and other external professionals with the support of the Internal Revenue Service.

#### **2021 Update - National Council**

The main activities carried out by the National Council and the Technical Commissions have been continuous meetings with control bodies, the Association of External Auditors, Education Entities, Federation of Professional Associations, Business Associations, Legislative Branch and Government Authorities to analyze the changes and new regulations that are generated and inherent to our activity. In addition, the National Council, in its constant concern for its members, has had to monitor the operation of the regional councils in terms of support in current circumstances of the Covid-19 pandemic, a situation that has prevented a normal development of professional activities, for which there was to intercede with the governmental and legislative authorities of our country in order to modify the deadlines for the presentation of some tax obligations. During 2020 and 2021, the College of Accountants focused on the convergence of its services and administrative systems to a completely digital world. The enormous socioeconomic and health crisis caused by Covid-19 affected the normal development of the Institution's activities and the accounting activity, this being not declared essential, since, at different times, the regional headquarters have had to close their offices. doors due to the constant quarantines ordered by the Health Authority. In consideration of the above, the College accelerated the implementation of a digital platform "colegiadoscontach.cl", through which members can renew their memberships and obtain their respective stamps and digital license, this includes the affiliation of new members.

Similarly, the subsidiary Indep had to modify its academic structure to migrate from a face-to-face mode to e-learning, which has meant a growth in both the number of students and academic programs taught, significantly increasing the number of professionals trained at a lower cost throughout the country.

This situation revealed gaps in terms of connectivity between the Institution and its members, as well as between them and their clients.

### **2023 Update - National Council**

The main activities carried out by the National Council and the Technical Commissions have been continuous meetings with control bodies

Such as the Financial Market Commission, Bank Associations, Comptroller, Internal Revenue Service, General Treasury of the Republic, Taxpayer Ombudsman. In addition, with the Association of External Auditors, Educational Entities, Federation of Professional Colleges, Legislative Power and Government authorities, such as the Ministry of Finance and Economy to analyze the changes and propose initiatives related to the Tax Reform that are currently being processed that are inherent to our profession and a contribution for the national good.

In the month of May 2023, a working meeting was held with the IFAC representative Mr. Manuel Arias

The National Council approved and published Naga No. 72, according to the study and proposal of the Audit Commission.

In addition, the National Council, in its constant concern for the proper functioning of the Regional Councils, provides its support through Regional meetings to detect their needs and jointly study the solutions that allow them to provide real support to the associates.

The National Council, with the support of its INDEP Training Institute, supports associates with the delivery of free and low-cost training.

In the administrative area of the College, the Accounting-Remuneration-Platform associated software and web page have been updated.

## **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>CMF</b>	Comisión para el Mercado Financiero (Financial Market Commission) Ex Superintendencia de Valores y Seguros de Chile (Superintendent of Corporations and Insurance Companies, Chilean Government Securities Commission)
<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>SII</b>	Servicio de Impuestos Internos (Internal Taxes Services)
<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>UNCTAD</b>	The United Nations Conference on Trade and Development
<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. The Corporate Governance standards were modified in 2012 through General Characteristic Regulation No. 341, later General Standard No. 385, modified and repealed the previous Standard issued in 2012. This standard established an oversight system for the external audit firms leaving the CMF in charge of monitoring and sanctioning, related to the quality control of the audit firms and their work teams, which considers reviewing their quality control systems, which are aligned with their internal regulations and the mandatory control standards that must be met according to the requirements of international brands, performing field audits, which began to take place in 2016. This is due to the fact that, since 2015, external auditing companies have become entities managed by the CMF.

Financial Market Commission (CMF) has a predominant role as the supervising body of the entities that participate in the securities and insurance market of our country and Banks. The CMF It began its functions on December 14, 2017 after the enactment of Law 21,000, which made it the successor and legal continuation of the Superintendency of Securities and Insurance (SVS), and the Superintendency of Insurance Companies, Public Limited Companies and Stock Exchanges. Likewise, as of June 1, 2019ii, it is the legal continuation of the Superintendency of Banks and Financial Institutions, by virtue of the provisions of Law No. 21,130 that modernizes banking legislation, which ordered its integration into this Commission.

The main objective of the CMF is the stability of the financial system, for which it has 3 fundamental pillars:

#### **Regulation**

- Working in an integrated way of what happens in the market
- Facilitating access to diverse companies and people participating in the financial system, with suitable services and transparency in information

#### **Supervision**

- With a prudential risk approach

- With an integrated view of the supervised markets, protecting investors, depositors, policyholders and economic agents
- Proactive regulation when necessary

#### **Sanction**

- Independence in the investigation and due process of sanction
- Applying the powers granted by law

#### **Main changes with the creation of the CMF**

- Creation of an integrated supervisor (exSBIF + exSVS).
- Reinforcement of autonomy:
  - Council 5 members, 4 approved by Senate 1 proposed by Republic President
  - Removal by appellate court (4) or justified cause (1).
  - Strengthening judicial protection.
  - Accountability: normative reports, annual account.
- Greater powers:
  - Create an independent Investigation Unit with intrusive powers.
  - LGB advances in a legal framework where the law establishes general guidelines and the bulk of regulation is CMF.
- Broader mandate:
  - Systemic mandates: system stability, client protection and depositors, and market development.

#### **I Conceptual pillars of the Supervision Based on the Risk Management (SBR) model**

The SBR approach used by the CMF is based on the following pillars:

- Strategic Objectives.
- Identification, evaluation and risk mitigation.
- Annual Control Plan (continuous process).

#### **II Control Mechanisms**

- Analysis of information provided to the market and the regulator: Consists in the review of the information provided by one or more entities in order to detect possible breaches.
- Standards compliance.

- Evaluation of the Quality of Risk Management

In short, under an SBR approach, the oversight efforts of the CMF will be channeled mainly into those related activities. With on-site audits aiming to evaluate the relevant risk management systems, that each of the entities has identified on a high risk and that, therefore, will be part of the Annual Control Plan. Regarding the remaining subjects supervised by the CMF, the focus will be on verifying compliance in time and form with their obligations to send and disclose information about their legal and financial situation, in the latter case, and when required the regulatory framework, in particular, with regard to compliance with the requirements related to solvency, equity and liquidity conditions.

### III Annual Control and Accountability Plan

The general emphasis and scope of the control plan for the respective year will be promulgated the public during the month of March of each year, at which time, compliance with this plan will be reported for the period preceding. In this way, the CMF will periodically review compliance with in the audit plan, based on indicators and management reports, as well as permanently evaluate the processes and programs for selection and on-site and remote reviews, in terms of design, compliance and effectiveness.

It should be mentioned that such a plan, like any continuous process, may be subject to modifications during the corresponding year, depending on the new information that the CMF gathers every day from complaints, on-site audits or continuous information, analysis. provided by the entities.

The CMF recognize the CCCH Auditing Standards Commission as a reference entity for auditing.

The CMF established the REAE in which there is 82 external audit firms are registered. The multinationals (Big 4) concentrate about 95% of the market and they maintain strict policies of quality control, which come from their head offices.

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.

However, the CCCH, through the Audit Committee, has issued a local standard, which is called Quality Control Standard (NCC) The Quality Control System for the Firms, issued since 2009, the version is currently published of the year 2012, and from the year 2022, worked on updating these standards in accordance with the modifications issued by AICPA. These standards correspond to Integral adoption of those issued by the Auditing Standards Board of the American Institute of Certified Public Accountants (AICPA) for its mandatory application by its members, which are aligned with those issued by IFAC. The CCCH considers that the firms included and recognized by the ORs follow the guidelines of compliance with the

local (NCC). As of the year 2025, Chile plans to implement the ISA, with which the ISQC1 and ISQC 2 standards will be mandatory for audited entities

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.

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	<i>Consejo Nacional of the CCCH</i>	<i>CNA / Consejo Nacional of the CCCH</i>
<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.	Continuous	<i>Consejo Nacional of the CCCH</i>	<i>CNA / Consejo Nacional of the CCCH</i>
<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	<i>Consejo Nacional of the CCCH</i>	<i>CNA / Consejo Nacional of the CCCH</i>
#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.	Continuous	<i>Consejo Nacional of the CCCH</i>	<i>CNA / Consejo Nacional of the CCCH</i>
<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.	Continuous	<i>Consejo Nacional of the CCCH</i>	<i>INDEP/ Regional Offices</i>
#6	Ongoing	Where possible to support those audit firms do not have access to an international head office for improvement their QA.	Continuous	<i>Consejo Nacional of the CCCH</i>	<i>CNA / Consejo Nacional of the CCCH</i>
<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.	Continuous	<i>Consejo Nacional of the CCCH</i>	<i>CNA / Consejo Nacional of the CCCH</i>

### Main Requirements of SMO 1

Requirements	Y	N	Partially	Comments
<b>Scope of the System</b> 1. At a minimum, mandatory QA reviews are required for all audits of financial statements.	x		x	There is no legal requirement to establish a QA system for all financial statement audits in Chile.  External audit companies that have international representation are governed and reviewed in their quality controls by the quality control standards issued by IFAC.
<b>Quality Control Standards and Other Quality Control Guidance</b> 2. Firms are required to implement a system of quality control in accordance with the quality control standards.	x		x	External audit companies that have international representation are governed and reviewed in their quality controls by the quality control standards issued by IFAC.
3. Most up to date versions of ISQC 1 and other relevant ISA are adopted as the quality control standards.	x		x	External audit companies that have international representation are governed and reviewed in their quality controls by the quality control standards issued by IFAC.

Requirements	Y	N	Partially	Comments
4. Member Body assists firms in understanding the objectives of quality control and in implementing and maintaining appropriate systems of quality control.	x			Training will be implemented
<b>Review Cycle</b>		x		
5. A cycle-based, risk-based, or a mixed approach for selecting firms for QA review is used.				
6. For cycle-based approach, quality control reviews are required to take place at least every six years (and every three years for audits of public interest entities).	x			
<b>QA Review Team</b>				
7. Independence of the QA Team is assessed and documented.	x			
8. QA Team possesses appropriate levels of expertise.	x			
<b>Reporting</b>				
9. Documentation of evidence supporting the quality control review report is required.	x			
10. A written report is issued upon conclusion of the QA review and provided to the firm/partner reviewed.	x			
<b>Corrective and Disciplinary Actions</b>				
11. Reviewed firms/partners are required to make timely adjustments to meet recommendations from the review report.	x			

Requirements	Y	N	Partially	Comments
12. QA review system is linked to the Investigation and Discipline system.	x			
<b>Consideration of Public Oversight</b> 13. The body responsible for QA reviews cooperates with its oversight body and shares information on the functioning of the QA review system, as needed.		x		
<b>Regular Review of Implementation and Effectiveness</b> 14. Regular reviews of implementation and effectiveness of the system are performed.	x			

**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:**

**Global Information on Accounting Education in Chile, carried out by the CCCH's CES.**

Higher education is regulated in Chile by the Ministry of Education. The last modification to the educational system was carried out with Law 20.370, of the year 2009. This law defines all the characteristics of higher education institutions. Today in Chile there are 38 universities that teach the degree of public accountant or similar; 15 professional institutes and 13 technical training centers (according to the website <https://mifuturo.cl>).

In 2007, the National Accreditation Commission (CNA) was created, according to Law 20.219, to apply a quality assurance system for Universities, Professional Institutes and Technical Training Centers. At this time, the CNA is modifying the accreditation processes, so these processes are stopped until the year 2025. The CES wishes to collaborate in the modifications that are being carried out.

The National Accreditation Commission (CNA) control compliance with the parameters issued by Law 20,370 regarding respect for the characteristics of the curricular plan of the different careers, including that of public accountant and indirectly compliance with the International Standards of Education (IES).

Accounting education in Chile is summarized as follow, where higher education institutions have relationship with the CCCH through talks and the participation of academics in all the commissions of CCCH

**The ETUC defines the following:**

1. In Chile there is a law that regulates the initial requirements of professional development (IPD) through Law 20,370.
2. Given the voluntary conditions in the registration to the association, the continuous professional development (CPD) for accountants in Chile is also voluntary according to the needs of the markets.
3. Compliance with IFAC requirements for IPR and CPD is safeguarded by the educational system in Chile.
4. The IES 1 defines the entry requirements for Accounting Professional Education Programs, where each higher education institution reports on educational access, specifies the education income requirements, explains the reason for the principles to be used when establish entry requirements and make public the relevant information.
5. There are no minimum legal requirements to practice the accounting profession in Chile. However, to practice the profession, a professional degree is essential, delivered by a university, professional institute or technical training center.
6. The CCCH requires that its members hold an Accounting degree to be considered as members, granted by some higher education institution in Chile that is under the protection of Law 20,360 and 21.091, this is universities, professional institutes or technical training centers.

**SMO 2 - 2023 Update:**

**The Higher Education Committee (CES) defines the following:**

1. In Chile, universities have played a fundamental role in the creation of study programs to train accountants. In addition, they offer continuing education programs for professionals. The CCCH also offers continuing education programs through INDEP.



2. The CES considers that there is progress in the application of IES in universities. Some state that they have used them to modify their study programs.
3. CES generated a document, with the help of universities, to guide the creation or modification of study programs in accounting.
4. The CES also generated a proposal for professional certification that includes the CPD

**According to what was requested by IFAC, we comment on the following**

1. Almost all higher education institutions define their study programs, based on laws 20,370 and 20,129; and the NIEs. However, they do not explicitly state that the IESs apply.
2. The accounting study programs in Chile have a duration of 8 to 10 semesters, according to Law 20,370 and Law 21,129.
3. The CES has carried out activities with university directors and academics to present and analyze IES.
4. The CES is supporting the implementation of a professional certification program, to accredit the knowledge and skills of professionals and requires the CPD.

#	Start Date	Actions	Completion Date	Responsibility	Resources
<i>Initial Activities of Communication Implementation of SMO No. 2</i>					
#8	Ongoing	The CES will verify that IFRS have been incorporated into accounting courses at universities, professional institutes and technical training centers.	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 will continue to disseminate the IES, with the aim that they are incorporated into the CNA accreditation processes and	Ongoing	Consejo Nacional of the CCCH	CES

		formally included in accounting education programs in universities, professional institutes and technical training centers.			
<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
<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	Consejo Nacional of the CCCH	INDEP / Regional Offices /CDP
<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	Consejo Nacional of the CCCH	CES

**Action Plan Objective:** CCCH is the organization in Chile which issues and updates audit standards

**SMO 3 – Background:**

In accordance with Law No. 13,011 of 1958, CCCH is responsible for establishing audit standards for all companies in the country. The CCCH Audit Committee generates the Generally Accepted Auditing Standards of Chile (NAGA), which correspond to a comprehensive and updated 100% adoption of the standards without technical modifications issued by the Audit Standards Board of the American Institute of Certified Public Accountants, which are in convergence with the ISA, through the Clarity project, leaving only some differences between these norms. The SVS

and the SBIF require the application of the standards issued by the CCCH. It should be considered that the laws, 18,045 Stock Market and 18,046 Anonymous Societies.

The Audit Committee is made up of 10 members representing the Big Four, medium-sized companies and universities, in addition to a technical manager.

The CCCH, through the Audit Committee, carries out the following activities:

- Average of 35 annually meetings per year (every Friday from 9:00 - 11:00 AM)
- Translation, revision, issue and approval of new Professional Standards issued by AICPA.
- Coordination with Regulatory Organizations regarding specific requirements.
- Issue of Audit Circulars and Internal Work Documents to the extent that these pronouncements are necessary in the circumstances.
- Permanent monitoring of:
  - New proposals of standards and / or modifications of standards already in force, in relation to Audit and assurance standards. This implies analysis of the publication process of various "Draft Paper" and "Exposure Draft", issued by AICPA.
  - Pronouncements of Regulatory and / or Governmental Organizations with impact on professional practice.
- Dissemination and promotion of professional standards aimed mainly at:
  - Regulatory Organizations;
  - Institutions of higher education, and;
  - Market in general. The CCCH decided to continues 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) it is a high quality and internationally recognized standard that has been applied for many years and is deeply embedded in professionals, higher education institutions, auditing bodies and companies in Chile

(d) The CCCH in Chile has issued local NAGAs, based on the AICPA standards for a long time (since 1972), and because it provides better tools to attestation phase.

This decision was discussed & communicated to IFAC and accepted task force that visited Chile in 2009. Also this decision was approved and accepted by the Evaluation Commission, so that Chile could enter the OECD

**SMO 3 - 2017 Update:**

The CNA has continued with translations and updates of NAGAs for its members and stakeholders, issuing the compendium of 2017 standards, which is fully updated with the standard in English until the SAS N°132. 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.

**SMO 3 – Update 2021**

As a continuous process, the CNA maintains the translation of the NAGAs updates, for their issuance by the National Council, in this context, hard work has been done on the translation of SAS N ° 134 to N ° 142, with the aim of have a complete compendium aligned with the standards issued by AICPA, by the end of 2021 with an effective date of 2022.

In Chile, both external auditors and Regulatory Bodies are applying NAGA.

The general public can purchase the standards issued by CCCH and members have direct access through the electronic standards website.

The Auditing Standards Committee has maintained a close relationship with the ROs, through permanent communications. The main debates and exchanges of ideas are related with interpretations and application of the amendments or new or applied standards.

**SMO 3 – Update 2023**

In September 2022, the CCCH council approved NAGA 72, effective as of January 1, 2023, which is an update of all the modifications issued by the AICPA until the end of 2022, thereby the application standard in Chile is 95% aligned with the ISA Standards.

Additionally, we must mention that the Audit Commission recommended to the CCCH to make the change to ISA from the year 2025.

#	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	<i>Consejo Nacional of the CCCH</i>	<i>CNA / Consejo Nacional of the CCCH</i>
#16	2009		Completed	<i>Consejo Nacional of the CCCH</i>	<i>CNA / Consejo Nacional of the CCCH</i>

<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.	Continuous	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.	Continuous	Consejo Nacional of the CCCH	INDEP / Regional Offices /CDP
#19	Ongoing	Focus communication and promotion efforts on those audit firms that do not have access to a central office or an international brand to improve their processes.	Continuous	Consejo Nacional of the CCCH	CNA / Consejo Nacional of the CCCH
#20	Ongoing	The CCCH, including the INDEP, is in the process of completely redesigning the website, in order to make it more user-friendly with members and the general public, in addition to promoting the development of the profession in terms of news and regulations to the regional councils.	Continuous	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 (CMF) with the objective of understanding the degree of compliance with audit standards. The CNA will document observations made by the regulatory bodies.	Continuous	Consejo Nacional of the CCCH	CNA / Consejo Nacional of the CCCH
<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.	Continuous	CNA / Consejo Nacional of the CCCH	CNA / Consejo Nacional of the CCCH

**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:

The Commission for the Financial Market (CMF), in general, has the authority to determine the ethical requirements for auditors of entities under its supervision; however, there is no specific regulation that details what is considered ethical or not. The foregoing is without prejudice to what is established in Law No. 18,045 and its subsequent amendments, which establishes a special regulation for external audit companies that are registered in the Registry of External Auditors (REAE) of the CMF, regarding services to issuers of securities and open and special corporations.

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 because it does not have the powers to do so, 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 issued the Code of Ethics dated June 21, 2005, which is current as of the date and in Article 1 of Title I "Introduction", the aforementioned Code expressly mentions that this It will be complemented with the IFAC Code of Ethics and its annexes.

It is important to note that the bylaws of the Chilean Accounting Institute establish that the administration is the responsibility of the National Council and one of its duties is to dictate ethical standards and ensure compliance. Although there is no express declaration in the bylaws stating that the College and its members will abide by the ethical norms of IFAC, the National Council was particularly concerned, by regulating the School's Code of Ethics, to expressly mention the fact that the IFAC Code of Ethics is a complement to it.

For the Chilean Accounting Institute Ethics Committee, it is vital that the profession recognizes that the Code of Ethics of the profession in Chile is complemented by the Code of Ethics of IFAC and its annexes, and both define the ethical actions that our professionals must have. This definition for the Ethics Committee and the National Council constitutes an acknowledgment in all its extension to the Code of Ethics of IFAC to which all professional colleges must adhere. This definition does not contemplate that there are matters in which the Code of Ethics of the School must prevail over matters that are dealt with in the IFAC Code of Ethics.

To understand how both regulatory bodies complement each other, we can point out that Chile's Code of Ethics is a good reference framework for knowledge of ethics in the face of professional accountant actions. In practice, it is much more didactic and easy to understand. The Code of Ethics of IFAC is a document that helps to clarify responsibilities in specific cases and from that point of view constitutes an extraordinary contribution both for the analysis of specific situations, which should be considered by the Ethics Committee in its review work. cases, their conclusions and suggestions for the disciplinary bodies. The School Ethics Committee considers as part of its mandate the dissemination of both regulatory bodies. The professionals registered in the School are obliged to know the norms of both codes and their ignorance does not constitute any argument against possible professional responsibilities which must be subject.

It is a remarkable fact that Art. 1 of our Code of Ethics leaves an open space for the Code to be applied to every professional accountant whether or not it is registered in the records of the School. This is very important, because if it is the case, it is in our opinion, a reference for the application of these standards at a general level in the country, constituting in our opinion, a necessary reference before the Courts of Justice, when a professional Accountant not registered transgresses the rules of our School and those of IFAC.

It should be added that within the work plan of the Ethics Committee for this year, the dissemination of the new Code of Ethics promulgated by IFAC at the end of 2018 and in force since June of this year, carrying out a comparative work between the Code that was being used in 2009 and the one promulgated in 2018, recommending to the National Council to apply the update of the Code in this new version effective June 2019. SMO 4 - 2018 Update:

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

SMO 4 – 2021 Update

The ethics committee has carried out an analysis between the code of ethics issued by IESBA 2009 with the one issued in Spanish 2018, additionally carried out a review of the 2020 version in English, in order to analyze the most relevant impacts on the profession.

SMO4 – 2023 Update

On June 29, 2022, the modification of the CCCH Code of Ethics was approved, assuming as a complement the 2018 version and subsequent ones that originated from the IFAC Code of Ethics.

<p>In the specific case of the professional accountant who audits Financial Statements in accordance with generally accepted auditing standards, Attestation work or other assurance standards, it will be applicable and must comply</p> <p>With the IFAC International Code of Ethics.</p> <p>Permanent dissemination activities are carried out for associates, universities and professional institutes.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resources
<i>Initial Activities of the Implementation Communication of SMO N° 4</i>					
#23		The CCCH is already working on a comparative GAP analysis between Local Code versus IESBA´s.	Completed Ongoing	Consejo Nacional of the CCCH	CEEP
<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	2018	Regulatory bodies establish specific rules on the work of the profession through laws and regulations. There is no formal implementation process, but in general the profession and regulators recognize the code of ethics issued by the CCCH, however, audit firms that have international representation use the IASBA Ethics Code.	Ongoing	Consejo Nacional of the CCCH	CEEP
<i>Updating and Distribution of the Ethics Code</i>					



<p>#26</p>	<p>2013 - 2014</p>	<p>The <i>National Council</i> 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.</p> <p><i>The Chilean Accounting Institute published in 2012, for all its members the Spanish version of the IFAC Code of Ethics promulgated in July 2009. The version in Spanish published is the version that was originally translated by the Institute of Chartered Accountants of Spain, and reviewed by the Mexican Institute of Public Accountants and the Argentine Federation of Professional Councils of Economic Sciences, whose process was conducted in accordance with the translation and reproduction policies issued by IFAC. This Spanish version was approved by IFAC.</i></p>	<p>Completed</p>	<p><i>Consejo Nacional of the CCCH</i></p>	<p><i>National Council Members and Associates</i></p>
<p>#27</p>	<p>2015 - 2021</p>	<p>The CCCH will coordinate with IFAC to define the policy of reproduction agreements of IESBA Code of Ethics, in its latest version in Spanish in order to spread the latter to the profession</p>	<p>Ongoing</p>	<p><i>Consejo Nacional of the CCCH</i></p>	<p><i>CEEP</i></p>
<p><i>Development and Training on the New Ethics and Practice Code</i></p>					
<p>#28</p>	<p>Ongoing</p>	<p>Upload the Code onto the CCCH, including <i>INDEP, Regional Offices and CEEP's</i> website for active members.</p> <p>The Public in general can buy these rules in the Institution.</p>	<p>Ongoing</p>	<p><i>Consejo Nacional of the CCCH</i></p>	<p><i>INDEP / Regional Offices / CEEP</i></p>
<p><i>Continuous Contact with Institutional Bodies</i></p>					
<p>#29</p>	<p>Ongoing</p>	<p>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.</p>	<p>Ongoing</p>	<p><i>Consejo Nacional of the CCCH</i></p>	<p><i>CEEP / Consejo Nacional of the CCCH</i></p>

<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 State Financial Management Report issued in April 2020, details the following:

<b>1-PUBLIC SECTOR SERVICES AND INSTITUTIONS</b>	<b>252</b>
<b>2-MUNICIPAL SECTOR</b>	<b>345</b>
State companies and technological institutes	32
- Public companies	20
- State companies	8
- Corfo Technological Institutes	4
<b>3-STATE HIGHER EDUCATION ENTITIES</b>	<b>28</b>
- State universities	18
- State technical training centers	10
<b>4-AUTONOMOUS MONETARY ISSUANCE BODIES</b>	<b>1</b>
- Central Bank of Chile	1
<b>Total</b>	<b>658</b>

**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 2° 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.

**SMO 5 – 2021 Update:**

Convergence is currently completed by state agencies, applying 100% of the standards issued by the CGR, based on IPSAS.

The *CCCH* has held meetings periodically to coordinate and support the application of the standards; additionally, efforts have been maintained to achieve the incorporation of these standards in the educational institutions that teach accounting professions.

(\*) Permission to reproduce and distribute this text in Chile, in Spanish and for non-commercial use is subject to the approval of the "Convention reproduction and limited transfer of copyright application for the purposes of the formal adoption of international standards by a governmental entity in Chile" that the parties are currently managing. All other rights are reserved by IFAC.

<b>SMO 5 – 2023 Update:</b>					
The CCCH maintains a permanent effort to ensure that the Comptroller General of the Republic constantly updates the application of the Public Sector Standards, as well as developing a joint plan to soon provide training and updating courses through INDEP					
#	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 CCCH.	Completed	Consejo Nacional of the CCCH	CPNC
<i>Enactment and Updating of the Standards/ Continuous Monitoring</i>					
#32	Ongoing	The web Site of CCCH will develop A link to IFAC for further information.	Completed	Consejo Nacional of the CCCH	CPNC
<i>Assist the CGRCH in Its Process of Convergence with IPSAS</i>					
#33	Ongoing	Assisted the CGRCH in its process of convergence with IPSAS, through meetings, and advisory. The CCCH has made its best efforts in contacting and assisting the CGRCH during the convergence phase.	Ongoing	Consejo Nacional of the CCCH	CPNC
<i>Periodic Contact with Educational Institutions</i>					
#34	Ongoing	The CCCH has designated its CES to be the coordinator of meetings with educational bodies, to incorporate IPSAS into the academic framework.	Ongoing	Consejo Nacional of the CCCH	CES
<i>Review of CCCH's Compliance Information</i>					
#35	Ongoing	Perform review of revised SMOs and CCCH's SMO Action Plan and update relevant sections as necessary.	Continuous	Consejo Nacional of the CCCH	Consejo Nacional of the CCCH

**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.

In its organic structure, the *CCCH* has a Court of Honor at the national level and in each regional council a disciplinary commission

The commissions can see and resolve the cases corresponding to their respective jurisdiction

If the case affects the *CCCH* at the national level or cannot be resolved by the commission, it is sent to the Court of Honor, which is the body with the powers to issue a verdict and recommend measures to be taken to the National Council, who is the one who ultimately approves. or not the verdict of the Court of Honor.

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

The audit firms registered in the REAE, which pertains to the state's regulatory bodies (CMF) 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 - 2018 Update:**

the CCCH has established procedures to establish disciplinary tribunals in the regional councils so that they can analyze the cases that arise in each region

**SMO 6 - 2021 Update:**

The CCH continues to implement disciplinary and ethical tribunals at the regional level, promoting ethics and good practices in the profession through seminars and talks on an ongoing basis.

At present, the Court of Honor is made up of the following members of Chartered Accountants and is fully operational

- Lina Onate
- Orlando Jorge
- Maclovio Moenne
- Gustavo Hidalgo Campos

**SMO 6 - 2023 Update:**

The CCH continues to implement disciplinary and ethical tribunals at the regional level, promoting ethics and good practices in the profession through seminars and talks on an ongoing basis.

At present, the Court of Honor is made up of the following members of Chartered Accountants and is fully operational

- Maclovio Moenne-Loccoz
- Ivonne González
- Pablo Alvarez

#	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
<i>Review of CCCH's Compliance Information</i>					



#41	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>	X			

Requirements	Y	N	Partially	Comments
7. A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.				
8. Members of the committee/entity include professional accountants as well as non-accountants.		X		
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			

Requirements	Y	N	Partially	Comments
<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			
16. A process for the independent review of complaints on which there was no follow-up is established.		X		
17. The results of the investigative and disciplinary proceedings are made available to the public.		X		
<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.	X			
<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.			X	

**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:**

Law 13.011 of 1958 authorizes the CCCH to establish accounting standards for companies in Chile. In 2009, the adoption process of the International Financial Reporting Standards (IFRS) and in 2012 of the International Financial Reporting Standards (IFRS for SMEs) began.

In first stage the process of adoption in a first stage, from 2009 to 2012, implied the issuance of these standards by the Commission as NIFCH and NIFCH - SMES. As of 2013, through the issuance of technical bulletins N ° 85 and N ° 2 of IFRS for SMES, approved on December 19, 2013, this first stage as completed, and the mandatory application was established directly on these international standards issued by the IASB, in compliance with the agreements previously established by the Chilean Accountants Association with the IASB.

The CCCH, through the Accounting Principles and Standards Commission, participates in the following activities:

**A- Participation in the development process of the Rules through:**

- 1) The update, through the permanent sending to the members of the Commission of the technical regulations issued by the IASB and the local regulators.
- 2) Presentations by the members of the Commission to the Commission of the technical regulations issued by the IASB and local regulators.
- 3) Participate in the technical working groups related to the Technical Working Group (GTT), that the GLENIF requests, incorporating representatives of the industries and sectors that would be affected by changes in the standards.
- 4) Issue comments related to the drafts to be discussed through the GLENIF.
- 5) Carry out technical discussions related to the Drafts issued by IASB (IFRS Full, SMEs y ISSB) in order to issue technical comments to be sent by the issuing body by the CCCH.
- 6) Review the translations made by the IASB in order to detect translation errors or words that may cause confusion to the user of the Standards and eventually send the detected situations to the IASB.
- 7) Participate remotely in the drafting discussions that the IASB carries out in its technical meetings.

**B- Diffusion of the International Financial Reporting Standards through:**

- 1) Through presentations on different technical topics of IASB members in Chile.
- 2) Support the interpretation of the new pronouncements issued by the IASB, through summaries on the content of the standards.

- 3) Ensure the diffusion among collegiate members and the general public about the modules or training spaces offered by the IASB on its Web page.
- 4) Carry out specific coordination with local regulatory bodies in order to analyze and participate in technical discussions regarding issues or rules that affect the application of the regulations.
- 5) Coordinate a cooperation and joint support between universities and the Commission, oriented to academic subjects and technical positions on standards.
- 6) Develop discussion and presentation in the Commission on Standards issues of interest to the different areas represented in the Commission, in order to issue supporting documents to small and medium-sized entities (SMES) through question and answer format, this with the main purpose of diffusion.
- 7) Fundamental work of technical diffusion, through the following tools:
  - Web page.
  - Quarterly Bulletin of the College of Accountants.
  - Technical Publications.
  - Examples and exercises of IFRS for SMEs.

### **C- Training**

- 1) Carry out three training sessions for Collegiate and General Public on technical issues related to: a) International Financial Reporting Standards (Full), b) for Small and Medium-sized Entities (SMEs)
- 2) Participating in the organization and dissemination of technical conferences conducted by the International Accounting Standards Board (IASB), once a year, related to technical topics of International Financial Reporting Standards (Full), for Small and Medium-sized Entities (SMEs) and IFRS-S Sustainability Standards.
- 3) The preparation of support modules for training the standard for SMEs of its 35 modules whose process has already ended and has been of great help to the members for the implementation of this standard, mainly in the regions of the country, since this information is upload to the CCCH website.

### **D- Facilitate Application Tools for the International Financial Reporting Standards (Full),for International Financial Information Standards for Small and Medium-sized Entities (SMEs) and IFRS-S Sustainability Standards.**

- 1) Keep three documents on the website of the CCCH regarding:

- IFRS FULL - New regulations that come into force in the year
- IFRS FULL - New regulations that come into effect in later years
- IFRS SMEs - Training Support Material

2) Making technical contributions to the quarterly CCCH magazine.

3) Prepare on the basis of the IASB material for International Financial Information Standards Small and Medium-sized Entities (SMEs):

- Model of Financial Statements and Notes
- Examples and exercises in different subjects of interest to the public.

4) Use support material from the IASB website to provide the public with training tools on technical issues related to International Financial Reporting Standards.

5) The activity plan is assigned to the members of the Commission by means of a Gantt letter per activity in order to comply with each assigned activity, which will be reviewed and evaluated by the Commission on a regular basis including IFRS-S Sustainability Standards.

The CMF has adopted IFRS since 2009 and, as of 2016, all entities regulated by the CMF must apply IFRS.

Banks and other financial institutions are regulated by the SBIF (now CMF), which adopted the IFRS in 2009. When adopting the IFRS, the SBIF made some significant changes. According to the IFRS Foundation, the financial statements of banks and other financial institutions are described as compliant with the standards issued by the SBIF, not IFRS.

**SMO 7 – 2021 UPDATE:**

Currently, the Commission has been participating in the analysis of drafts issued by the IASB, in order to issue comments on them, additionally, presentations of each standard or modification are prepared by the members of the commission, which after discussion, are uploaded. to the CCCH website, for the support of the members regarding the technical update. Additionally, the permanent process detailed in points A, b and C above.

**SMO 7 – 2021 UPDATE:**

The Accounting Principles and Standards Commission maintains the effort to disseminate in the country the International Financial Reporting Standards (IFRS) and the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS SMEs), International Sustainability Standards Board (ISSB) and International Public Sector Accounting Standards (IPSAS) and on specific related topics for professionals in the country.

The publication of IFRS FULL technical updates is maintained, quarterly on the CCCH website.

Analysis and presentations of all the modifications that are issued by the IASB continue to be made, permanently, which are subsequently published on the CCCH website.					
#	Start Date	Actions	Completion Date	Responsibility	Resources
<i>Initial Activities of Communication Implementation of IFRS</i>					
#42	Ongoing	The convergence towards the professional standards issued by IASB is a strategic and priority objective of the CCCH.	Continuous	Consejo Nacional of the CCCH	CPNC / Consejo Nacional of the CCCH
#43	Ongoing	The CCCH has adopted the IFRS issued by the IASB.	Completed	Consejo Nacional of the CCCH	Consejo Nacional of the CCCH
#44	2013	In August 2009 to 2012 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>					
#45	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
#46	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.	Continuous	Consejo Nacional of the CCCH	CPNC
<i>Updating and Issue of IFRS</i>					

#47	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 <i>CCCH</i> .	Continuous	<i>CPNC</i>	<i>Consejo Nacional of the CCCH</i>
<i>Development and Training on New Standards and Their Applicability</i>					
#48	Ongoing	Promote continuous training programs on the website.	Completed	<i>INDEP / Consejo Nacional of the CCCH</i>	<i>INDEP / Regional Offices / CDP</i>
#49	Ongoing	<i>INDEP and some Regional Offices</i> have delivered numerous training courses on IFRS and Tax Law during recent years.	Ongoing	<i>INDEP / Consejo Nacional of the CCCH</i>	<i>INDEP / Regional Offices / CDP</i>
<i>Continuous Contact with the State's Regulatory Bodies</i>					
#50	Ongoing	Meetings with the regulatory bodies (CMF,SES) with the objective of understanding their needs regarding to the standards.	Continuous	<i>Consejo Nacional of the CCCH</i>	<i>Consejo Nacional of the CCCH / CPNC</i>
<i>Periodic Contact with Educational Institutions</i>					
#51	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.	Continuous	<i>Consejo Nacional of the CCCH</i>	<i>CES / Consejo Nacional of the CCCH</i>
<i>Review of CCCH's Compliance Information</i>					
#52	Ongoing	Perform review of revised SMOs and CCCH's SMO Action Plan and update relevant sections as necessary.	Continuous	<i>Consejo Nacional of the CCCH</i>	<i>Consejo Nacional of the CCCH</i>