IFRS® compared to US GAAP and Argentine accounting standards:

An Overview

August 2021

KPMG.com.ar

Contents

Facing COVID-19 challenges 3

About this publication 4

1 Background 7
1.1 Introduction 7
1.2 The Conceptual Framework 8

2 General issues 10
2.1 Basis of preparation of financial statements 10
2.2 Form and components of financial statements 12
2.3 Statement of cash flows 14
2.4 Fair value measurement 16
2.5 Consolidation 19
2.6 Business combinations 24
2.7 Foreign currency translation 28
2.8 Accounting policies, errors and estimates 32
2.9 Events after the reporting date 34
2.10 Hyperinflation (Highly inflationary economies) 35

3 Statement of financial position 36
3.1 General 36
3.2 Property, plant and equipment 38
3.3 Intangible assets and goodwill 40
3.4 Investment property 43
3.5 Associates and the equity method (Equity-method investees) 45
3.6 Joint arrangements (Ventures carried on jointly) 49
3.7 [Not used]
3.8 Inventories 51
3.9 Biological assets (Agriculture) 53
3.10 Impairment of non-financial assets 54
3.11 [Not used]
3.12 Provisions, contingent assets and liabilities (Contingencies and other 'provisions') 58
3.13 Income taxes 62

4 Specific items of profit or loss and OCI 66
4.1 General 66
4.2 Revenue from contracts with customers 68
4.3 Government grants 71
4.4 Employee benefits 72
4.5 Share-based payments 77
4.6 Borrowing costs (Capitalised interest) 82

5 Special topics 84
5.1 Leases 84
5.2 Operating segments 89
5.3 Earnings per share 92
5.4 Non-current assets held for sale and discontinued operations (Long-lived assets held for sale and discontinued operations) 95
5.5 Related party disclosures 97
5.6 Investment entity consolidation exception (Investment company consolidation exception) 99
5.7 Non-monetary transactions 101
5.8 Accompanying financial and other information 102
5.9 Interim financial reporting 103
5.10 Disclosure of interests in other entities 104
5.11 Extractive activities 105
5.12 Service concession arrangements 107
5.13 Common control transactions and Newco formations 110

6 Financial instruments 112
6.1 Scope and definitions 112
6.2 Derivatives and embedded derivatives 114
6.3 Equity and financial liabilities 116
6.4 Classification of financial assets 120
6.5 Classification of financial liabilities 122
6.6 Recognition and derecognition 123
6.7 Measurement 125
6.8 Impairment 128
6.9 Hedge accounting (IFRS 9) 130
6.10 Presentation and disclosure 133

7 Insurance contracts 135
7.1 Insurance contracts 135

Appendix – Effective dates: US GAAP 138

Acknowledgements 145

Facing COVID-19 challenges

In 2020, nothing in the world was left untouched by the effects of COVID-19, including the standard-setting agenda. After more than five years of unprecedented accounting change under both IFRS Standards and US GAAP, timelines were extended and targeted guidance offered some accounting relief.

Both the International Accounting Standards Board (IASB Board) and the FASB reconsidered the effective dates of standards not yet (fully) effective. The IASB Board finalised amendments to its new insurance standard and deferred the effective date to 2023; it also deferred the effective dates of other amendments. Similarly, the FASB deferred a number of effective dates, with the insurance standard now not effective until 2023 at the earliest, the leases standard not effective for private companies until 2022, and the revenue standard effective in 2020 for certain private companies (a further one-year deferral).

The IASB Board and the FASB both identified the need to provide relief for accounting for lease modifications triggered by COVID-19 related rent concessions, but approached the issue somewhat differently. The IASB Board issued targeted amendments for lessees with a specific sunset clause on the lease payments in scope. The FASB staff identified a practical expedient for both lessees and lessors that left more room for judgement about the exact concessions in scope.

In addition to standard-setting efforts, legislation in the United States provided further relief. Under the *Coronavirus Aid, Relief, and Economic Security Act*, certain companies could defer the adoption of the credit impairment standard and the accounting requirements for certain loan modifications were suspended; both elections expire by 31 December 2020. The SEC confirmed that financial statements prepared using one or both of these elections would still be considered to be in compliance with US GAAP.

This edition of our comparison of IFRS Standards and US GAAP is based on 2020 calendar year ends, with 2021 and later requirements included as forthcoming requirements. However, as the relief provided in 2020 continues to demonstrate, the effective dates of different requirements play a key role in understanding the GAAP differences at any point in time.

Reinhard Dotzlaw and Irina Ipatova
KPMG International Standards Group

Kimber Bascom and Julie Santoro
Department of Professional Practice
KPMG in the US

About this publication

© 2021 This publication is based on *IFRS compared to US GAAP* ('Original Publication'), published December 2020. The copyright in the Original Publication is vested in KPMG IFRG Limited, a UK company limited by guarantee, and KPMG LLP, a Delaware limited liability partnership. KPMG IFRG Limited and KPMG LLP reserves all rights in relation to the Original Publication and all adaptations thereof.

Purpose

This publication is an extract form *IFRS Standards and US GAAP*, which purpose is to assist you in understanding the significant differences between IFRS Standards and US GAAP. Although it does not discuss every possible difference, this publication provides a summary of those differences that we have encountered most frequently, resulting from either a difference in emphasis, specific application guidance or practice. The focus of this publication is primarily on recognition, measurement and presentation. However, areas that are disclosure-based, such as segment reporting and the assessment of going concern, are also covered.

Scope

This overview highlights what we believe are the main differences of principle, emphasis or application between IFRS Standards and US GAAP.

It does not address the requirements of the *IFRS for SMEs*® Standard or the initiative of the FASB and the Private Company Council in determining accounting alternatives for private companies under US GAAP. It also does not address the requirements of IAS 26 *Accounting and Reporting by Retirement Benefit Plans* or the equivalent US GAAP. Otherwise, this publication addresses the types of businesses and activities that IFRS Standards address. So, for example, the accounting for biological assets is included, but accounting by not-for-profit entities is not. In addition, this publication focuses on consolidated financial statements – separate (i.e. unconsolidated) financial statements are not addressed.

The transition requirements to adopt specific standards are not addressed. Therefore, for example, this publication does not compare the transition requirements of IFRS 16 *Leases* and Topic 842 *Leases*. In addition, the requirements for adopting IFRS Standards as a framework are discussed on the basis that the entity has adopted them already and therefore the following are excluded from this publication: IFRS 1 *First-time Adoption of IFRS* and IFRS 14 *Regulatory Deferral Accounts*. The special transition requirements that apply in the period in which an entity changes its GAAP to IFRS Standards, including the implications for an entity in the scope of IFRS 14, are discussed in our publication Insights into IFRS, KPMG's practical guide to IFRS Standards.

Argentine accounting standards (NCP)

This document also includes a comparison with Argentine accounting standards, known as Professional Accounting Standards or 'NCP' for its initials in Spanish.

Argentine has adopted IFRS for all companies whose securities are publicly traded, except for financial and insurance entities, which applies accounting standards issued by the regulators. Financial entities accounting standards are issued by Argentine Central Bank and are based in IFRS Standards, however, certain differences remain.

Although entities are allowed to be used IFRS Standards and IFRS Standards for SMEs in most of Argentine Provinces, in practice, apart from public companies, entities prepare their financial statements based on NCP.

Organisation of the text

This publication is largely organised consistently with *Insights into IFRS*. It summarises the requirements of IFRS Standards in the left-hand column. In the right-hand column, it compares US GAAP to IFRS Standards, highlighting similarities and differences. At the start of each chapter is an overview of the key requirements of IFRS Standards, contrasted with the parallel requirements of US GAAP and NCP. The overview is not detailed enough to allow a full understanding of the significant differences.

Although we have highlighted what we regard as significant differences, we recognise that the significance of any difference will vary by entity. Some differences that appear major may not be relevant to your business; by contrast, a seemingly minor difference may cause you significant additional work. One way to obtain an appreciation of the differences that may affect your business is to browse through the summary at the start of each chapter.

In certain cases, this publication includes the specific views that we have developed in the absence of explicit guidance under IFRS Standards or US GAAP. Sometimes we note what we would expect in practice or we simply note that practice varies or may vary.

The references at the start of each chapter indicate the main literature related to that topic, based on currently effective requirements.

Effective dates

Generally, the standards and interpretations included in this publication are those that are mandatory for an annual reporting period beginning on 1 January 2020. Standards and interpretations published by 30 November 2020 that are effective for an annual reporting period beginning on a later date are briefly mentioned at the end of the relevant chapter (as forthcoming requirements) to the extent we believe them significant to an understanding of the differences between IFRS Standards and US GAAP. See below for how we have approached leases, financial instruments and insurance.

The IASB Board and the FASB take different approaches to the effective dates of new pronouncements.

- New standards and interpretations issued by the IASB Board have a single effective date. For effective dates under IFRS Standards, see our Newly effective standards web tool.
- For most Accounting Standards Updates (ASUs) under US GAAP, the effective date distinguishes between entities that are public business entities and other entities. In some cases, the FASB may make a further distinction between SEC filers and non-SEC filers, and SEC filers may be further categorised as 'smaller reporting companies' vs other SEC filers. This means that the effective dates of a pronouncement can be spread over a number of years. The appendix provides a table of effective dates under US GAAP to help you navigate the new requirements included in forthcoming requirements that are not yet (fully) effective.

For US GAAP requirements that are not yet (fully) effective, this publication distinguishes the accounting. However, for ease of reference we typically refer to 'public entities' vs 'non-public entities', with more nuanced discussion included in the appendix.

Leases, financial instruments and insurance

IFRS 16 *Leases* became effective for annual periods beginning on or after 1 January 2019. The equivalent new standard under US GAAP, ASU 2016-02 *Leases*, has been implemented by public entities (including public not-for-profit entities), but is not required to be adopted by other entities until 2022. This edition of our comparison focuses on the new requirements under both IFRS Standards and US GAAP.

IFRS 9 *Financial Instruments* became effective for annual periods beginning on or after 1 January 2018. The equivalent new standards under US GAAP have various effective dates; see appendix. The new standard on derivatives and hedging is effective for public entities, but is not required to be adopted by other entities until 2022. The new standard on credit impairment is effective for SEC filers that are not eligible to be smaller reporting companies, but is not required to be adopted by other entities until 2023. This edition compares the new requirements for financial instruments under both IFRS Standards and US GAAP.

In addition, this edition compares the hedging requirements under US GAAP with the requirements in IAS 39 *Financial Instruments: Recognition and Measurement* – this is the subject of chapter 7.9I. This is because many entities applying IFRS Standards will continue to apply the hedge accounting requirements in IAS 39 in full or in part. When an entity reporting under IFRS Standards first applied IFRS 9, it could choose an accounting policy to continue to apply the hedge accounting requirements in the superseded IAS 39 in their entirety instead of those in chapter 6 of IFRS 9 until a new standard resulting from the ongoing project on accounting for dynamic risk management becomes effective. An entity making this election is required to comply with the disclosure requirements for hedge accounting introduced by IFRS 9. Even if an entity did not make this election, it may still apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portfolio of financial assets or financial liabilities.

IFRS 17 *Insurance Contracts* is effective for annual periods beginning on or after 1 January 2023, and ASU 2018-12 (*Targeted Improvements to the Accounting for Long-Duration Contracts*) is effective in 2023 for SEC filers that are not eligible to be smaller reporting companies and in 2024 for other entities. This edition of our comparison focuses on currently effective requirements under both IFRS Standards and US GAAP.

Reporting date and reporting period

Throughout this publication, we refer to the 'reporting period' rather than to the fiscal year.

Occasionally we refer to the 'annual reporting date' to emphasise the annual nature of the underlying requirement; for example, under IFRS Standards we refer to the residual value of intangible assets with finite lives being reviewed at least at each annual reporting date. However, this is not meant to imply that other references should be interpreted as applying to both the annual and the interim reporting date or period. The requirements for interim financial reporting are discussed in chapter 5.9 'Interim financial reporting'.

Abbreviations

The following abbreviations are used often in this publication.

CGU	Cash-generating unit
FACPCE	Argentine Federation of Professional Councils in Economic Sciences
FASB	US Financial Accounting Standards Board
FVOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
GAAP	Generally accepted accounting principles/practices
IASB Board	International Accounting Standards Board
MD&A	Management's discussion and analysis
NCI	Non-controlling interests
OCI	Other comprehensive income
RT	Argentine Technical Resolution
SEC	US Securities and Exchange Commission

1. Background

1.1 Introduction (IFRS)

(IFRS Foundation Constitution, IASB Board and IFRS Interpretations Committee Due Process Handbooks, Preface to IFRS Standards, IAS 1)

- ‘IFRS Standards’ is the term used to indicate the whole body of authoritative literature published by the International Accounting Standards Board (the IASB Board).
- Individual standards and interpretations are developed and maintained by the IASB Board and the IFRS Interpretations Committee.
- IFRS Standards are designed for use by profit-oriented entities.
- Any entity claiming compliance with IFRS Standards complies with all standards and interpretations, including disclosure requirements, and makes an explicit and unreserved statement of compliance with them.

1.1 Introduction (US GAAP)

(Topic 105, Topic 250, SEC Rules and Regulations, AICPA Code of Professional Conduct)

- ‘US GAAP’ is the term used to indicate the body of authoritative literature that comprises accounting and reporting standards in the US. Rules and interpretative releases of the SEC under authority of federal securities laws are also sources of authoritative US GAAP for SEC registrants.
- Authoritative US GAAP is primarily developed and maintained by the FASB, with the assistance of the Emerging Issues Task Force and the Private Company Council.
- Unlike IFRS Standards, US GAAP is designed for use by both profit-oriented and not-for-profit entities, with additional Codification topics that apply specifically to not-for-profit entities.
- Like IFRS Standards, any entity claiming compliance with US GAAP complies with all applicable sections of the Codification, including disclosure requirements. However, unlike IFRS Standards, an explicit and unreserved statement of compliance with US GAAP is not required.

1.1 Introduction (Argentine Accounting Standards)

- ‘Professional Accounting Standards’ (NCP) is the term used to indicate the whole body of Argentine authoritative literature, issued by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) and approved by each of the Professional Councils representing the Provinces and the City of Buenos Aires.
- NCP are developed and maintained by the FACPCE
- Unlike IFRS Standards, NCP are designed for use by both profit-oriented and not-for-profit entities.
- Like IFRS Standards, an entity claiming compliance with NCP complies with all Technical Resolutions (RT), and their interpretations, including disclosure requirements. However, unlike IFRS Standards, an explicit and unreserved statement of compliance with NCP is not required.

IFRS	US GAAP	Argentine Accounting Standards
– **The overriding requirement of IFRS Standards is for the financial statements to give a fair presentation (or a true and fair view).**	– **The objective of financial statements is fair presentation in accordance with US GAAP, which is similar to the overriding requirement of IFRS Standards.**	– **The objective of financial statements is fair presentation in accordance with NCP, which is similar to the overriding requirements of IFRS Standards.**

IFRS

1.2 The Conceptual Framework

(Conceptual Framework for Financial Reporting)

- The Conceptual Framework is used in developing and maintaining standards and interpretations.
- The Conceptual Framework is a point of reference for preparers of financial statements in the absence of specific guidance in IFRS Standards.
- Transactions with shareholders in their capacity as shareholders are recognised directly in equity.

US GAAP

1.2 The Conceptual Framework

(CON Statements, Topic 105, SAB Topics 1.M, 1.N, 5.T)

- Like IFRS Standards, the Conceptual Framework establishes the objectives and concepts that the FASB uses in developing guidance.
- Unlike IFRS Standards, the Conceptual Framework is non-authoritative guidance and is not referred to routinely by preparers of financial statements.
- Like IFRS Standards, transactions with shareholders in their capacity as shareholders are recognised directly in equity.

Argentine Accounting Standards

1.2 The Conceptual Framework

(RT 16)

- Like IFRS Standards, the Conceptual Framework establishes the objectives and concepts that the FACPCE uses in developing guidance.
- Unlike IFRS Standards, the Conceptual Framework is non-authoritative guidance and is not referred to routinely by preparers of financial statements.
- Like IFRS Standards, transactions with shareholders in their capacity as shareholders are recognised directly in equity.

2. General issues

IFRS

2.1 Basis of preparation of financial statements

(IAS 1)

- **Financial statements are prepared on a going concern basis, unless management intends or has no realistic alternative other than to liquidate the entity or to stop trading.**
- **If management concludes that the entity is a going concern, but there are nonetheless material uncertainties that cast significant doubt on the entity's ability to continue as a going concern, then the entity discloses those uncertainties.**

US GAAP

2.1 Basis of preparation of financial statements

(Topic 205, Subtopic 855-10)

- **Financial statements are generally prepared on a going concern basis (i.e. the usual requirements of US GAAP apply) unless liquidation is imminent. Although this wording differs from IFRS Standards, we would not generally expect significant differences in practice.**
- **If management concludes that the entity is a going concern, but there is substantial doubt about the entity's ability to continue as a going concern, then disclosures are required, like IFRS Standards. However, the disclosures are more prescriptive than IFRS Standards, which may lead to differences in practice. Additionally, if management's plans mitigate the doubt, then other disclosures are required, which may give rise to differences from IFRS Standards in practice.**

Argentine Accounting Standards

2.1 Basis of preparation of financial statements

(RT 17)

- **Unlike IFRS Standards, financial statements are generally prepared on a going concern basis unless the entity is not expected to continue with its activities in the foreseeable future.**
- **Unlike IFRS Standards, there is no specific guidance under NCP regarding the assessment of going concern or the required disclosures.**

IFRS	US GAAP	Argentine Accounting Standards
– In carrying out its assessment of going concern, management considers all available information about the future for at least, but not limited to, 12 months from the reporting date. This assessment determines the basis of preparation of the financial statements.	– Unlike IFRS Standards, the assessment of going concern is for a period of one year from the financial statements being issued (available for issue). Unlike IFRS Standards, this assessment is for the purpose of determining whether the disclosures in the financial statements are appropriate, and the basis of preparation is not affected unless liquidation is imminent.	– Unlike IFRS Standards, there is no specific guidance on the timeframe to be considered for going concern assessment purposes.
– If the entity is not a going concern and the financial statements are being prepared in accordance with IFRS Standards, then in our view there is no general dispensation from their measurement, recognition and disclosure requirements.	– Unlike IFRS Standards, if liquidation is imminent, then there are specific requirements for the measurement, recognition and disclosures under US GAAP.	– Unlike IFRS Standards, in case the entity is not a going concern, financial statements should contain specific disclosures regarding this fact, and the criteria applied in its preparation.

IFRS

2.2 Form and components of financial statements

(IAS 1, IFRS 10, IFRS Practice Statement 2)

- **An entity with one or more subsidiaries presents consolidated financial statements unless specific criteria are met.**

- **The following are presented as a complete set of financial statements: a statement of financial position; a statement of profit or loss and OCI; a statement of changes in equity; a statement of cash flows; and notes, including accounting policies.**

- **All owner-related changes in equity are presented in the statement of changes in equity, separately from non-owner changes in equity.**

US GAAP

2.2 Form and components of financial statements

(Subtopic 205-10, Subtopic 220-10, Subtopic 250-10, Subtopic 505-10, Subtopic 810-10, Reg S-X)

- **Unlike IFRS Standards, there are no exemptions, other than for investment companies, from preparing consolidated financial statements if an entity has one or more subsidiaries.**

- **Like IFRS Standards, the following are presented as a complete set of financial statements: a statement of financial position; a statement of comprehensive income; a statement of cash flows; and notes, including accounting policies. Changes in equity may be presented either within a separate statement (like IFRS Standards) or in the notes to the financial statements (unlike IFRS Standards).**

- **Like IFRS Standards, all owner-related changes in equity are presented separately from non-owner changes in equity.**

Argentine Accounting Standards

2.2 Form and components of financial statements

(RT 8, RT 9, RT 21)

- **Like IFRS Standards, an entity with one or more subsidiaries presents consolidated financial statements unless:**
  - **The control over the subsidiary is temporary or non-effective, or**
  - **The investment is not recoverable.**
- **Unlike IFRS Standards, consolidated financial statements are considered as information supplementary to the separate financial statements.**

- **Unlike IFRS Standards, a complete set of financial statements include: a statement of financial position, a statement of profit or loss, a statement of changes in equity, a statement of cash flows, notes, exhibits, and consolidated financial statements (if applicable).**

- **Unlike IFRS Standards, all changes in equity are presented separately in the statement of changes in equity. Changes in equity are not classified as owner-related and non-owner changes.**

IFRS	US GAAP	Argentine Accounting Standards
– IFRS Standards specify minimum disclosures for material information; however, they do not prescribe specific formats.	– Like IFRS Standards, although minimum disclosures are required, which may differ from IFRS Standards, specific formats are not prescribed. Unlike IFRS Standards, there are more specific format and line item presentation and disclosure requirements for SEC registrants.	– Like IFRS Standards, although minimum disclosures are required, which may differ from IFRS Standards, specific formats are not prescribed.
– Comparative information is required for the preceding period only, but additional periods and information may be presented.	– Unlike IFRS Standards, US GAAP does not require presentation of comparative information. However, like IFRS Standards, SEC registrants are required to present statements of financial position as at the end of the current and prior reporting periods; unlike IFRS Standards, all other statements are presented for the three most recent reporting periods.	– Like IFRS Standards comparative information is required for the preceding period only.
– In addition, a statement of financial position as at the beginning of the preceding period is presented when an entity restates comparative information following a change in accounting policy, the correction of an error, or the reclassification of items in the statement of financial position.	– Unlike IFRS Standards, a statement of financial position as at the beginning of the earliest comparative period is not required in any circumstances.	– Unlike IFRS Standards, a statement of financial position as at the beginning of the preceding period is not required.

IFRS

2.3 Statement of cash flows

(IAS 7)

- 'Cash and cash equivalents' include certain short-term investments and, in some cases, bank overdrafts.
- The statement of cash flows presents cash flows during the period, classified by operating, investing and financing activities.
- The separate components of a single transaction are classified as operating, investing or financing.
- Cash flows from operating activities may be presented using either the direct method or the indirect method. If the indirect method is used, then an entity presents a reconciliation of profit or loss to net cash flows from operating activities; however, in our experience practice varies regarding the measure of profit or loss used.

US GAAP

2.3 Statement of cash flows

(Topic 230)

- Like IFRS Standards, 'cash and cash equivalents' include certain short-term investments. Unlike IFRS Standards, bank overdrafts are classified as liabilities and included in financing activities.
- Like IFRS Standards, the statement of cash flows presents cash flows during the period, classified by operating, investing and financing activities.
- The separate components of a single cash flow are each classified as operating, investing or financing if such a distinction can reasonably be made based on its identifiable sources and uses, like IFRS Standards. Otherwise, unlike IFRS Standards, classification is based on the activity that is likely to be the predominant source or use of the cash flow.
- Like IFRS Standards, cash flows from operating activities may be presented using either the direct method or the indirect method. Like IFRS Standards, if the indirect method is used, then an entity presents a reconciliation of income to net cash flows from operating activities; unlike IFRS Standards, the starting point of the reconciliation is required to be net income.

Argentine Accounting Standards

2.3 Statement of cash flows

(RT 8, RT 9, RT 17)

- Like IFRS Standards, 'cash and cash equivalents' include certain short-term investments. Unlike IFRS Standards, bank overdrafts are classified as liabilities and included in financing activities.
- Like IFRS Standards, the statement of cash flows presents cash flows during the period, classified by operating, investing and financing activities.
- Unlike IFRS Standards, no guidance exists on cash receipts and payments with attributes of more than one class of cash flows.
- Like IFRS Standards, cash flows from operating activities may be presented using either the direct method or the indirect method. Unlike IFRS Standards, when the indirect method is used, the entity presents a reconciliation of ordinary gain or loss, and extraordinary gain or loss to net cash flows.

IFRS	US GAAP	Argentine Accounting Standards
– An entity chooses its own policy for classifying each of interest and dividends paid as operating or financing activities, and interest and dividends received as operating or investing activities.	– Unlike IFRS Standards, interest received and paid (net of interest capitalised) and dividends received from previously undistributed earnings are required to be classified as operating activities. Also unlike IFRS Standards, dividends paid are required to be classified as financing activities.	– Like IFRS Standards, an entity chooses its accounting policy for classifying each of interest and dividends paid as operating or financing activities, and interest and dividends received as operating or investing activities.
– Income taxes paid are generally classified as operating activities.	– Income taxes are generally required to be classified as operating activities, like IFRS Standards.	– Like IFRS Standards, income taxes paid are classified as operating activities.
– Foreign currency cash flows are translated at the exchange rates at the dates of the cash flows (or using averages when appropriate).	– Like IFRS Standards, foreign currency cash flows are translated at the exchange rates at the dates of the cash flows (or using averages when appropriate).	– Like IFRS Standards, foreign currency cash flows are translated at the exchange rate at the dates of the cash flows.
– Generally, all financing and investing cash flows are reported gross. Cash flows are offset only in limited circumstances.	– Like IFRS Standards, financing and investing cash flows are generally reported gross. Cash flows are offset only in limited circumstances, which are more specific than those under IFRS Standards, although differences in practice would not generally be expected.	– Like IFRS Standards, all cash flows from financing and investing activities are reported gross. Cash flows are offset only in limited circumstances, which may differ from IFRS Standards. Non-monetary transactions are disclosed as a footnote of the statement of cash flows.

IFRS

2.4 Fair value measurement

(IFRS 13)

- The fair value measurement standard applies to most fair value measurements and disclosures (including measurements based on fair value) that are required or permitted by other standards.
- 'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
- What is being measured – e.g. a stand-alone asset or a group of assets and/or liabilities – generally depends on the unit of account, which is established under the relevant standard.

US GAAP

2.4 Fair value measurement

(Topic 820)

- Like IFRS Standards, the fair value measurement Codification Topic applies to most fair value measurements and disclosures (including measurements based on fair value) that are required or permitted by other Codification topics/subtopics. However, the scope exemptions differ in some respects from IFRS Standards because of differences from IFRS Standards in the underlying Codification topics/subtopics with which the fair value measurement Codification Topic interacts.
- Like IFRS Standards, 'fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
- Like IFRS Standards, what is being measured – e.g. a stand-alone asset or a group of assets and/or liabilities – generally depends on the unit of account, which is established under the relevant Codification topics/subtopics. However, these differ in some respects from IFRS Standards.

Argentine Accounting Standards

2.4 Fair value measurement

- Unlike IFRS Standards, the fair value measurement is not required or allowed under NCP.
- Not applicable.
- Not applicable.

IFRS	US GAAP	Argentine Accounting Standards
– Fair value is based on assumptions that market participants would use in pricing the asset or liability. 'Market participants' are independent of each other, they are knowledgeable and have a reasonable understanding of the asset or liability, and they are willing and able to transact.	– Like IFRS Standards, fair value is based on assumptions that market participants would use in pricing the asset or liability. Like IFRS Standards, 'market participants' are independent of each other, they are knowledgeable and have a reasonable understanding of the asset or liability, and they are willing and able to transact.	– Not applicable.
– Fair value measurement assumes that a transaction takes place in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability.	– Like IFRS Standards, fair value measurement assumes that a transaction takes place in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability.	– Not applicable.
– In measuring the fair value of an asset or a liability, an entity selects those valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value. The technique used should maximise the use of relevant observable inputs and minimise the use of unobservable inputs.	– Like IFRS Standards, in measuring the fair value of an asset or a liability, an entity selects those valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value. The technique used should maximise the use of relevant observable inputs and minimise the use of unobservable inputs, like IFRS Standards.	– Not applicable.
– A fair value hierarchy is used to categorise fair value measurements for disclosure purposes. Fair value measurements are categorised in their entirety based on the lowest level input that is significant to the entire measurement.	– Like IFRS Standards, a fair value hierarchy is used to categorise fair value measurements for disclosure purposes. Like IFRS Standards, fair value measurements are categorised in their entirety based on the lowest level input that is significant to the entire measurement.	– Not applicable.
– A day one gain or loss arises when the transaction price for an asset or liability differs from the fair value used to measure it on initial recognition. Such gain or loss is recognised in profit or loss, unless the standard that requires or permits fair value measurement specifies otherwise.	– Like IFRS Standards, a day one gain or loss arises when the transaction price for an asset or liability differs from the fair value used to measure it on initial recognition. Like IFRS Standards, such gain or loss is recognised in profit or loss, unless the Codification topic/subtopic that requires or permits fair value measurement specifies otherwise. However, US GAAP is less restrictive than IFRS Standards on the recognition of such gains or losses.	– Not applicable.

IFRS	US GAAP	Argentine Accounting Standards
– A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant who will use the asset in its highest and best use.	– Like IFRS Standards, a fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant who will use the asset in its highest and best use.	– Not applicable.
– If certain conditions are met, then an entity is permitted to measure the fair value of a group of items with offsetting risk positions on the basis of its net exposure (portfolio measurement exception). Such items may be a group of financial assets, financial liabilities or other contracts that are in the scope of the financial instruments standard.	– Like IFRS Standards, if certain conditions are met, then an entity is permitted to measure the fair value of a group of items with offsetting risk positions on the basis of its net exposure (portfolio measurement exception). Like IFRS Standards, such items may be a group of financial assets, financial liabilities, non-financial items accounted for as derivatives or combinations of these items.	– Not applicable.
– There is no practical expedient that allows entities to measure the fair value of certain investments at net asset value.	– Unlike IFRS Standards, a practical expedient allows entities to measure the fair value of certain investments at net asset value.	– Not applicable.
– The fair value measurement standard contains a comprehensive disclosure framework.	– The fair value measurement Codification Topic contains a comprehensive disclosure framework, which differs in certain respects from IFRS Standards.	– Not applicable.

IFRS	US GAAP	Argentine Accounting Standards
2.5 Consolidation (IFRS 10)	**2.5 Consolidation** (Topic 810, Subtopic 610-20)	**2.5 Consolidation** (RT 21)
– Subsidiaries are generally consolidated. As an exception, investment entities generally account for investments in subsidiaries at fair value.	– Subsidiaries are generally consolidated, like IFRS Standards. As an exception, investment companies generally account for investments in subsidiaries at fair value, like IFRS Standards. However, unlike IFRS Standards, there are additional exceptions for certain other specialised industries.	– Like IFRS Standards, subsidiaries are generally consolidated. Unlike IFRS Standards, no exception to consolidation exists for investment entities. Unlike IFRS Standards, subsidiaries are not consolidated when the investment is impaired or the control over the subsidiary is temporary or not effective.
– Consolidation is based on what can be referred to as a 'power-to-direct' model. An investor 'controls' an investee if it is exposed to (has rights to) variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee. Although there is a practical distinction between structured and non-structured entities, the same control model applies to both.	– Unlike IFRS Standards, consolidation is based on a controlling financial interest model, which differs in certain respects from IFRS Standards. - For non-variable interest entities, 'control' is the power to govern the financial and operating policies of an entity. - For variable interest entities (VIEs), 'control' is the power to direct the activities that most significantly impact the VIE's economic performance and either the obligation to absorb losses of the VIE, or the right to receive benefits from the VIE, that could potentially be significant to the VIE.	– Unlike IFRS Standards, consolidation is based on a controlling voting rights model, which differs significantly from IFRS Standards.
– For a structured entity, voting rights are not the dominant factor in assessing whether the investor has power over the investee.	– A VIE is an entity for which the amount of equity investment at risk is insufficient for the entity to finance its own operations without additional subordinated financial support, or the equity investment at risk lacks one of a number of specified characteristics of a controlling financial interest. A VIE may or may not be a structured entity under IFRS Standards.	- Unlike IFRS Standards, there is no guidance on structured entities. In practice, structured entities are rarely consolidated.

IFRS	US GAAP	Argentine Accounting Standards
– **Control is assessed on a continuous basis.**	– **Like IFRS Standards, control is assessed on a continuous basis.**	– **Unlike IFRS Standards, control is assessed when financial statements are prepared.**
– **Control is usually assessed over a legal entity, but can also be assessed over only specified assets and liabilities of an entity (a 'silo') if certain conditions are met.**	– **Like IFRS Standards, control is usually assessed over a legal entity and, in the case of VIEs, can also be assessed over only specified assets and liabilities of an entity (a 'silo') if certain conditions are met. Unlike IFRS Standards, control is assessed over only legal entities in the voting interest model (non-VIE model).**	– **Unlike IFRS Standards, control is assessed over a legal entity as a whole.**
– **In assessing control, an investor considers both substantive rights that it holds and substantive rights held by others. To be 'substantive', rights need to be exercisable when decisions about the relevant activities are required to be made, and the holder needs to have a practical ability to exercise those rights.**	– **In assessing control, an investor considers 'substantive' kick-out rights and participating rights held by others, which is narrower than the guidance under IFRS Standards. For non-VIEs, these rights can be substantive if they are exercisable by a simple majority of the investors, like IFRS Standards. For VIEs, unlike IFRS Standards, rights that are not exercisable by a single investor or related party group (unilateral rights) are not considered substantive.**	– **Unlike IFRS Standards, investors consider only their own voting rights, including those derived from instruments that are currently exercisable, or convertible into voting instruments.**
– **Power is assessed with reference to the investee's relevant activities, which are the activities that most significantly affect the returns of the investee. As part of its analysis, the investor considers the purpose and design of the investee, how decisions about the activities of the investee are made, and who has the current ability to direct those activities.**	– **Power is assessed with reference to the activities of the VIE that most significantly affect its financial performance, like IFRS Standards. As part of its analysis, the investor considers the purpose and design of the VIE, and the nature of the VIE's activities and operations, broadly like IFRS Standards. However, unlike IFRS Standards, for non-VIEs, control is derived through either voting or contractual control of the financial and operating policies of the investee.**	– **Unlike IFRS Standards, power is defined as the power to define and manage the operational and financial policies of a business.**

IFRS	US GAAP	Argentine Accounting Standards
– The assessment of power over an investee includes considering the following factors: - determining the purpose and design of the investee; - identifying the population of relevant activities; - considering evidence that the investor has the practical ability to direct the relevant activities, special relationships, and the size of the investor's exposure to the variability of returns of the investee.	– In assessing power over a VIE, the explicit factors to consider are more extensive than those noted under IFRS Standards. Such factors are not relevant for non-VIEs, unlike IFRS Standards.	– Unlike IFRS Standards, the characteristics of the investee (purpose and design, relevant activities, special relationships, etc.) are not considered to determine whether an investor has power over the investee.
– In assessing whether the investor is exposed to the variability of returns of the investee, 'returns' are broadly defined and include: - distributions of economic benefits; - changes in the value of the investment; and - fees, remunerations, tax benefits, economies of scale, cost savings and other synergies.	– Unlike IFRS Standards, US GAAP does not define returns for the purpose of determining whether an investor has control over a VIE. Nevertheless, the primary beneficiary in a VIE must have the obligation to absorb losses of the VIE, or rights to receive benefits from the VIE, that could potentially be significant to the VIE.	– Unlike IFRS Standards, NCP do not define returns for the purpose of determining whether an investor has control over an investee.
– An investor that has decision-making power over an investee and exposure to variability in returns determines whether it acts as a principal or as an agent to determine whether there is a link between power and returns. If the decision maker is an agent, then the link between power and returns is absent and the decision maker's delegated power is treated as if it were held by its principal(s).	– Unlike IFRS Standards, the VIE consolidation model does not have a separate test to assess the link between power and obligations/benefits when a decision maker has a variable interest in a VIE. For non-VIEs, the investor with a controlling financial interest consolidates its investee without a principal/agent evaluation.	– Unlike IFRS Standards, no principal-agent analysis is required.
– A parent and its subsidiaries generally use the same reporting date when preparing consolidated financial statements. If this is impracticable, then the difference between the reporting date of a parent and its subsidiary cannot be more than three months. Adjustments are made for the effects of significant transactions and events between the two dates.	– Like IFRS Standards, the difference between the reporting date of a parent and its subsidiary cannot be more than about three months. However, unlike IFRS Standards, use of the same reporting date need not be impracticable; adjustments may be made for the effects of significant transactions and events between these dates, or disclosures regarding those effects are provided.	– Unlike IFRS Standards, the reporting date of a subsidiary can be earlier (up to three months) than the reporting date of a parent, but not otherwise. Like IFRS Standards, adjustments are made for the effects of significant transactions and events between the two dates.

IFRS	US GAAP	Argentine Accounting Standards
– Uniform accounting policies are used throughout the group.	– In our view, uniform accounting policies should be used throughout the group unless dissimilar operations provide a basis for different accounting policies, or the subsidiary is applying industry-specific guidance.	– Like IFRS Standards, uniform accounting policies are required to be used throughout the group.
– The acquirer in a business combination can elect, on a transaction-by-transaction basis, to measure 'ordinary' NCI at fair value, or at their proportionate interest in the net assets of the acquiree, at the date of acquisition. 'Ordinary NCI' are present ownership interests that entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. Other NCI are generally measured at fair value.	– Unlike IFRS Standards, NCI are generally measured initially at fair value.	– Unlike IFRS Standards, NCI are initially measured at the proportionate interest in the net assets of the acquiree.
– An entity recognises a liability for the present value of the exercise price of put options or forward price of forwards held by NCI, but there is less detailed guidance on the accounting for such derivatives.	– Unlike IFRS Standards, there is specific guidance on the accounting for put options held by NCI, which results in a liability recognised at fair value or redemption amount, or the presentation of NCI as 'temporary equity', depending on the terms of the arrangement and whether the entity is an SEC registrant.	– Unlike IFRS Standards, NCP does not provide any guidance on put options held by NCI.
– Losses in a subsidiary may create a deficit balance in NCI.	– Like IFRS Standards, losses in a subsidiary may create a deficit balance in NCI.	– Unlike IFRS Standards, losses in a subsidiary may not create a deficit balance in NCI.
– NCI in the statement of financial position are classified as equity but are presented separately from the parent shareholders' equity.	– Like IFRS Standards, non-redeemable NCI in the statement of financial position are classified as equity but are presented separately from the parent shareholders' equity.	– Unlike IFRS Standards, NCI are presented in the statement of financial position as a separate line between Equity and Liabilities.
– Profit or loss and comprehensive income for the period are allocated between shareholders of the parent and NCI.	– Like IFRS Standards, profit or loss and comprehensive income for the period are allocated between shareholders of the parent and NCI.	– Unlike IFRS Standards, NCI share of profit or loss reduces the consolidated profit or loss.

IFRS	US GAAP	Argentine Accounting Standards
– Intra-group transactions are eliminated in full.	– Intra-group transactions are generally eliminated in full, like IFRS Standards. However, for a consolidated VIE, the effect of eliminating fees or other income or expense on the net income or expense of the VIE is attributed entirely to the primary beneficiary, unlike IFRS Standards.	– Like IFRS Standards, intra-group transactions are eliminated in full.
– On the loss of control of a subsidiary, the assets and liabilities of the subsidiary and the carrying amount of the NCI are derecognised. The consideration received and any retained interest (measured at fair value) are recognised. Amounts recognised in OCI are reclassified as required by other IFRS standards. Any resulting gain or loss is recognised in profit or loss.	– On the loss of control of a subsidiary that is a business (which is more restrictive than IFRS Standards) or a subsidiary in which substantially all of the fair value is concentrated in non-financial assets, the assets and liabilities of the subsidiary and the carrying amount of the NCI are derecognised. Like IFRS Standards, the consideration received and any retained interest (measured at fair value) are recognised. Amounts recognised in accumulated OCI are reclassified, like IFRS Standards, with all amounts being reclassified to profit or loss, unlike IFRS Standards. Any resulting gain or loss is recognised in profit or loss, like IFRS Standards.	– Like IFRS Standards, on the loss of control of a subsidiary, the assets and liabilities of the subsidiary and NCI are derecognised. Unlike IFRS Standards, there is no requirement to measure any retained interest at fair value. In practice, it is measured at the share of the net assets of the investee.
– Pro rata spin-offs (demergers) are generally accounted for on the basis of fair values, and a gain or loss is recognised in profit or loss. In our view, non-pro rata spin-offs may be accounted for on the basis of fair values (gain or loss recognised in profit or loss) or book values (no gain or loss recognised).	– Unlike IFRS Standards, pro rata spin-offs are accounted for on the basis of book values, and no gain or loss is recognised. Unlike IFRS Standards, non-pro rata spin-offs are accounted for on the basis of fair values (gain or loss recognised in profit or loss).	– Unlike IFRS Standards, spin-offs (demerges) are accounted for on the basis of book values.
– Changes in the parent's ownership interest in a subsidiary without a loss of control are accounted for as equity transactions and no gain or loss is recognised.	– Changes in the parent's ownership interest in a subsidiary without a loss of control are accounted for as equity transactions and generally no gain or loss is recognised, like IFRS Standards.	– Unlike IFRS Standards, since NCI are not a part of equity, changes in the parent's ownership interest in a subsidiary without a loss of control are not accounted for as equity transactions but as a purchase or sale, and a gain or a loss is recognised in profit or loss.

IFRS

2.6 Business combinations

(IFRS 3)

- Business combinations are accounted for under the acquisition method, with limited exceptions.
- A 'business combination' is a transaction or other event in which an acquirer obtains control of one or more businesses.
- The acquirer in a business combination is the combining entity that obtains control of the other combining business or businesses.
- In some cases, the legal acquiree is identified as the acquirer for accounting purposes (reverse acquisition).
- The 'date of acquisition' is the date on which the acquirer obtains control of the acquiree.

US GAAP

2.6 Business combinations

(Topic 805)

- Like IFRS Standards, business combinations are accounted for under the acquisition method, with limited exceptions.
- Like IFRS Standards, a 'business combination' is a transaction or other event in which an acquirer obtains control of one or more businesses. However, the US GAAP guidance on control differs from IFRS Standards.
- Like IFRS Standards, the acquirer in a business combination is the combining entity that obtains control of the other combining business or businesses.
- Like IFRS Standards, in some cases the legal acquiree is identified as the acquirer for accounting purposes (reverse acquisition).
- Like IFRS Standards, the 'date of acquisition' is the date on which the acquirer obtains control of the acquiree.

Argentine Accounting Standards

2.6 Business combinations

(RT 18; RT 21)

- Like IFRS Standards, business combinations are accounted for under the acquisition method. However, the pooling of interest method applies to certain type of mergers, unlike IFRS Standards.
- Unlike IFRS Standards, a 'business combination' is a merger or a transaction where an entity obtains control over the net assets and activities of another entity.
- Like IFRS Standards, the acquirer in a business combination is the entity that obtains control over the net assets and activities of other entity (the acquiree).
- By applying NCP, the legal acquiree may be the acquirer for accounting purposes under certain circumstances. However, unlike IFRS Standards, this situation is not specifically contemplated in NCP.
- Like IFRS Standards, the 'date of acquisition' is the date on which the acquirer obtains control of the acquiree.

IFRS	US GAAP	Argentine Accounting Standards
– Consideration transferred by the acquirer, which is generally measured at fair value at the date of acquisition, may include assets transferred, liabilities incurred by the acquirer to the previous owners of the acquiree and equity interests issued by the acquirer.	– Like IFRS Standards, consideration transferred by the acquirer, which is generally measured at fair value at the date of acquisition, may include assets transferred, liabilities incurred by the acquirer to the previous owners of the acquiree and equity interests issued by the acquirer.	– Like IFRS Standards, consideration transferred by the acquirer may include assets transferred, liabilities incurred by the acquirer to the previous owners of the acquiree and equity interests issued by the acquirer. However, unlike IFRS Standards, consideration transferred is generally measured at 'current value' at the date of acquisition,
– Contingent consideration transferred is initially recognised at fair value. Contingent consideration classified as a liability or an asset is remeasured to fair value each period until settlement, with changes recognised in profit or loss. Contingent consideration classified as equity is not remeasured.	– Like IFRS Standards, contingent consideration transferred is initially recognised at fair value. Like IFRS Standards, contingent consideration classified as a liability or an asset is remeasured to fair value each period until settlement, with changes recognised in profit or loss. Contingent consideration classified as equity is not remeasured, like IFRS Standards. However, the guidance on debt vs equity classification differs from IFRS Standards.	– Unlike IFRS Standards, contingent consideration is included in the acquisition cost, only if it is probable and measurable.
– Any items that are not part of the business combination transaction are accounted for outside the acquisition accounting.	– Like IFRS Standards, any items that are not part of the business combination transaction are accounted for outside the acquisition accounting.	– Unlike IFRS Standards, transaction costs are considered part of the acquisition cost and there is no guidance on items that should not be considered part of the business combinations transaction.
– The identifiable assets acquired and liabilities assumed are recognised separately from goodwill at the date of acquisition if they meet the definition of assets and liabilities and are exchanged as part of the business combination.	– Like IFRS Standards, the identifiable assets acquired and liabilities assumed are recognised separately from goodwill at the date of acquisition if they meet the definition of assets and liabilities and are exchanged as part of the business combination.	– Like IFRS Standards, the identifiable assets acquired and liabilities assumed are recognised separately from goodwill at the date of acquisition if they meet the definition of assets and liabilities and are exchanged as part of the business combination. Unlike IFRS Standards, acquiree's liabilities include restructuring costs defined by the acquirer (provided that certain criteria are met).
– The identifiable assets acquired and liabilities assumed as part of a business combination are generally measured at the date of acquisition at their fair values.	– Like IFRS Standards, the identifiable assets acquired and liabilities assumed as part of a business combination are generally measured at the date of acquisition at their fair values.	– Unlike IFRS Standards, the identifiable assets acquired and liabilities assumed as part of a business combination are generally measured at 'current values' for assets and 'settlement value' for liabilities, which are similar, but not equal, to fair values.

IFRS	US GAAP	Argentine Accounting Standards
– There are limited exceptions to the recognition and/or measurement principles for contingent liabilities, deferred tax assets and liabilities, indemnification assets, employee benefits, reacquired rights, share-based payment awards and non-current assets held for sale.	– Like IFRS Standards, there are limited exceptions to the recognition and measurement principles for contingent liabilities, deferred tax assets and liabilities, indemnification assets, employee benefits, reacquired rights, share-based payment awards and long-lived assets held for sale, although the accounting for some of these items differs from IFRS Standards. However, unlike IFRS Standards, there is also specific guidance on the recognition and measurement of contingent assets and uncertain tax positions.	– Unlike IFRS Standards, there is no exception to the recognition principles. However, the amount of the initial recognition of intangible assets should not generate or increase negative goodwill. Unlike IFRS Standards, there is no additional guidance on contingent liabilities, deferred tax assets and liabilities, indemnification assets, employee benefits, reacquired rights, share-based payment awards and assets held for sale.
– Goodwill is measured as a residual and is recognised as an asset. If the residual is a deficit (bargain purchase gain), then it is recognised in profit or loss after reassessing the values used in the acquisition accounting.	– Like IFRS Standards, goodwill is measured as a residual and is recognised as an asset. Like IFRS Standards, if the residual is a deficit (bargain purchase gain), then it is recognised in profit or loss after reassessing the values used in the acquisition accounting.	– Like IFRS Standards, goodwill is measured as a residual, and, when positive, is recognised as an asset. Unlike IFRS Standards, if the residual is a deficit, it is recognised as a 'negative goodwill', which is amortised: - over the period where the acquiree is expected to generate losses; or if no losses were forecasted, - over the average useful life of depreciable assets, up to the value of acquiree' s non-monetary assets. Any excess is recognised in profit or loss.
– Adjustments to the acquisition accounting during the 'measurement period' reflect additional information about facts and circumstances that existed at the date of acquisition. Such adjustments are made by retrospective application to the period in which the acquisition occurred and any subsequent periods.	– Like IFRS Standards, adjustments to the acquisition accounting during the 'measurement period' reflect additional information about facts and circumstances that existed at the date of acquisition. Unlike IFRS Standards, such adjustments are made in the current period.	– Like IFRS Standards, adjustments to the acquisition accounting during the 'measurement period' reflect additional information about facts and circumstances that existed at the date of acquisition.
– 'Ordinary' NCI are measured at fair value, or at their proportionate interest in the net assets of the acquiree, at the date of acquisition. 'Other' NCI are generally measured at fair value.	– Unlike IFRS Standards, the acquirer in a business combination generally measures NCI at fair value at the date of acquisition.	– Unlike IFRS Standards, the acquirer in a business combination measures NCI at their proportionate interest in the net assets of the acquiree.

IFRS	US GAAP	Argentine Accounting Standards
– If a business combination is achieved in stages (step acquisition), then the acquirer's previously held non-controlling equity interest in the acquiree is remeasured to fair value at the date of acquisition, with any resulting gain or loss recognised in profit or loss.	– Like IFRS Standards, if a business combination is achieved in stages (step acquisition), then the acquirer's previously held non-controlling equity interest in the acquiree is remeasured to fair value at the date of acquisition, with any resulting gain or loss recognised in profit or loss.	– Unlike IFRS Standards, if a business combination is achieved in stages, for each significant acquisition, investee's assets are measured at 'current values', and investee's liabilities are measured 'settlement value', recognising goodwill (or negative goodwill) as a residual, each time.
– In general, items recognised in the acquisition accounting are measured and accounted for in accordance with the relevant IFRS standard subsequent to the business combination. However, as an exception, there is specific guidance for certain items – e.g. contingent liabilities and indemnification assets.	– Like IFRS Standards, in general, items recognised in the acquisition accounting are measured and accounted for in accordance with the relevant US GAAP subsequent to the business combination. However, like IFRS Standards, there is specific guidance for certain items, although the guidance differs in some respects from IFRS Standards.	– Like IFRS Standards, in general, items recognised in the acquisition accounting are subsequently measured and accounting for in accordance with the relevant NCP. Special guidance exists on the recognition of the tax effects of the business combination.
– 'Push-down' accounting, whereby fair value adjustments are recognised in the financial statements of the acquiree, is not permitted under IFRS Standards.	– Unlike IFRS Standards, 'push-down' accounting, whereby fair value adjustments are recognised in the financial statements of the acquiree, is permitted.	– Like IFRS Standards, 'push-down' accounting is not permitted under NCP.
– The acquisition of a collection of assets that does not constitute a business is not a business combination. In such cases, the entity allocates the cost of acquisition to the assets acquired and liabilities assumed based on their relative fair values at the date of acquisition. No goodwill (or bargain purchase gain) is recognised.	– Like IFRS Standards, the acquisition of a collection of assets that does not constitute a business is not a business combination. Like IFRS Standards, the entity allocates the cost of acquisition to the assets acquired and liabilities assumed based on their relative fair values at the date of acquisition, and no goodwill (or bargain purchase gain) is recognised.	– Like IFRS Standards, the acquisition of a collection of assets without transferring the activities of the investee does not constitute a business combination. Unlike IFRS Standards, there is no requirement to allocate the cost of acquisition to the assets acquired and liabilities assumed based on the relative fair values. Like IFRS Standards, no goodwill (positive or negative) is recognised.

IFRS

2.7 Foreign currency translation

(IAS 21, IAS 29, IFRIC 22)

- An entity measures its assets, liabilities, income and expenses in its functional currency, which is the currency of the primary economic environment in which it operates.
- Transactions that are not denominated in an entity's functional currency are foreign currency transactions, and exchange differences arising on translation are generally recognised in profit or loss.

US GAAP

2.7 Foreign currency translation

(Topic 830, SEC Reg S-X 3-20)

- Like IFRS Standards, an entity measures its assets, liabilities, income and expenses in its functional currency, which is the currency of the primary economic environment in which it operates. However, the indicators used to determine the functional currency differ in some respects from IFRS Standards.
- Like IFRS Standards, transactions that are not denominated in an entity's functional currency are foreign currency transactions, and exchange differences arising on remeasurement are generally recognised in profit or loss.

Argentine Accounting Standards

2.7 Foreign currency translation

(RT 18)

- Unlike IFRS Standards, the 'functional currency' concept is not included in NCP. Argentine entities measure their assets, liabilities, income and expenses in Argentine pesos.
- Unlike IFRS Standards, transactions that are not denominated in Argentine pesos are foreign currency transactions, and exchange differences arising on translation are generally recognised in profit or loss.

IFRS	US GAAP	Argentine Accounting Standards
– The financial statements of foreign operations are translated for consolidation purposes as follows: assets and liabilities are translated at the closing rate; income and expenses are translated at the actual rates or appropriate averages; in our view, equity components (excluding current-year movements, which are translated at the actual rates) should not be retranslated.	– Like IFRS Standards, the financial statements of foreign operations are translated for consolidation purposes as follows: assets and liabilities are translated at the current exchange rate; income and expenses are translated at actual rates or appropriate averages; equity components (excluding current-year movements, which are translated at the actual rates) are not retranslated.	– Unlike IFRS Standards, the financial statements of foreign subsidiaries or associates are translated for consolidation purposes considering whether the activities of the foreign entity are integrated or not with the investors' activities. - The financial statements of foreign entities with integrated activities are translated as follows: assets and liabilities, income and expenses and equity components are translated at the historical exchange rate. - The financial statements of foreign entities with no integrated activities are translated at the investor's option, by applying the same methodology as for integrated entities, or as follows: assets and liabilities are translated at the closing rate, and income and expenses are translated at the actual rates.
– Exchange differences arising on the translation of the financial statements of a foreign operation are recognised in OCI and accumulated in a separate component of equity. The amount attributable to any NCI is allocated to and recognised as part of NCI.	– Like IFRS Standards, exchange differences arising on the translation of the financial statements of a foreign operation are recognised in OCI and accumulated in a separate component of equity (accumulated OCI). The amount attributable to any NCI is allocated to and recognised as part of NCI, like IFRS Standards.	– Unlike IFRS Standards, exchange differences are recognised depending on whether the investee's activities are integrated or not to the investor's activities. - Foreign entities with integrated activities: exchange differences are recognised in profit or loss. - Foreign entities with no integrated activities: if the investor choses to apply the same methodology as for integrated activities, then exchange differences are recognised in profit or loss. If the investor choses to translate assets and liabilities at the closing rate, then exchange differences are recognised as a separate component of equity (similar to OCI)

IFRS	US GAAP	Argentine Accounting Standards
– If the functional currency of a foreign operation is the currency of a hyperinflationary economy, then current purchasing power adjustments are made to its financial statements before translation into a different presentation currency; the adjustments are based on the spot exchange rate at the end of the current period. However, if the presentation currency is not the currency of a hyperinflationary economy, then comparative amounts are not restated.	– Unlike IFRS Standards, the financial statements of a foreign operation in a highly inflationary economy are remeasured as if the parent's reporting currency were its functional currency.	– Unlike IFRS Standards, if the economy in the country of the foreign entity is hyperinflationary, then current purchasing power adjustments are made to its financial statements before translation into Argentine pesos.
– An entity may present its financial statements in a currency other than its functional currency (presentation currency). An entity that translates its financial statements into a presentation currency other than its functional currency uses the same method as for translating the financial statements of a foreign operation.	– Like IFRS Standards, an entity may present its financial statements in a currency other than its functional currency (reporting currency). Like IFRS Standards, an entity that translates its financial statements into a reporting currency other than its functional currency uses the same method as for translating the financial statements of a foreign operation.	– Unlike IFRS Standards, there is no guidance on the translation of financial statements into a presentation currency different from the Argentine peso.
– If an entity loses control of a subsidiary that is a foreign operation, then the cumulative exchange differences recognised in OCI are reclassified in their entirety to profit or loss. If control is not lost, then a proportionate amount of the cumulative exchange differences recognised in OCI is reclassified to NCI.	– Like IFRS Standards, if an entity loses control of a subsidiary that is a foreign entity, then the exchange differences recognised in accumulated OCI are reclassified in their entirety to profit or loss. Like IFRS Standards, if control is not lost, then a proportionate amount of the exchange differences is reclassified to NCI. However, unlike IFRS Standards, if an entity loses control of a subsidiary *within* a foreign entity, then the exchange differences are reclassified in their entirety to profit or loss only if the foreign entity has been sold or substantially liquidated; otherwise, none of the exchange differences is reclassified to profit or loss.	– Unlike IFRS Standards, when the investor sells a portion of its ownership interest in a foreign subsidiary, then a proportionate amount of the exchange difference recognised in equity is reclassified to profit or loss.

IFRS	US GAAP	Argentine Accounting Standards
– **If an entity retains neither significant influence nor joint control over a foreign operation that was an associate or joint arrangement, then the cumulative exchange differences recognised in OCI are reclassified in their entirety to profit or loss. If either significant influence or joint control is retained, then a proportionate amount of the cumulative exchange differences recognised in OCI is reclassified to profit or loss.**	– **If an equity-method investee that is a foreign entity is disposed of in its entirety, then the exchange differences recognised in accumulated OCI are reclassified in their entirety to profit or loss, like IFRS Standards. Unlike IFRS Standards, if the equity-method investee is a foreign entity and is not disposed of in its entirety, then a proportionate amount is reclassified to profit or loss, and the remaining amount is generally transferred to the carrying amount of the investee.**	– **Unlike IFRS Standards, when the investor sells a portion of its ownership interest in a foreign subsidiary, then a proportionate amount of the exchange difference recognised in equity is reclassified to profit or loss.**
– **An entity may present supplementary financial information in a currency other than its presentation currency if certain disclosures are made.**	– **Like IFRS Standards, an SEC registrant may present supplementary financial information in a currency other than its reporting currency; however, the SEC regulations are more prescriptive than IFRS Standards.**	– **Unlike IFRS Standards, no guidance is provided on the presentation of supplementary financial information in a currency different from the Argentine peso.**

IFRS

2.8 Accounting policies, errors and estimates

(IAS 1, IAS 8)

- ‘Accounting policies’ are the specific principles, bases, conventions, rules and practices that an entity applies in preparing and presenting financial statements.
- If IFRS Standards do not cover a particular issue, then management uses its judgement based on a hierarchy of accounting literature.
- Unless a standard specifically permits otherwise (see chapter 8.1), the accounting policies adopted by an entity are applied consistently to all similar items, and accounting policies within a group are consistent for consolidation purposes.
- An accounting policy is changed in response to a new or revised standard, or on a voluntary basis if the new policy is more appropriate.

US GAAP

2.8 Accounting policies, errors and estimates

(Topic 205, Subtopic 250-10)

- Like IFRS Standards, ‘accounting principles’ (policies) are the specific principles, bases, conventions, rules and practices that an entity applies in preparing and presenting financial statements.
- If the Codification does not address an issue directly, then an entity considers other parts of the Codification that might apply by analogy and non-authoritative guidance from other sources; these sources are broader than under IFRS Standards.
- Like IFRS Standards, the accounting principles adopted by an entity are applied consistently to all similar items. In our view, accounting policies within a group for consolidation purposes should generally be consistent, like IFRS Standards. However, unlike IFRS Standards, different accounting policies may be used by equity-method investees.
- Like IFRS Standards, an accounting principle is changed in response to an Accounting Standards Update, or on a voluntary basis if the new principle is ‘preferable’.

Argentine Accounting Standards

2.8 Accounting policies, errors and estimates

(RT 8, RT 17)

- ‘Accounting criteria’ Is not defined; however, in practice, it is understood as a synonym of ‘accounting policies’.
- If NCP do not cover a particular issue, then management uses its judgement based on a hierarchy of accounting literature, which is broader than under IFRS Standards.
- Like IFRS Standards, unless a standard specifically permits otherwise, the accounting policies adopted by an entity are applied consistently to all similar items and accounting policies within a group are consistent for consolidation purposes.
- Like IFRS Standards, an accounting policy is changed in response to a new or revised standard, or on a voluntary basis if the new policy is more appropriate.

IFRS	US GAAP	Argentine Accounting Standards
– Generally, accounting policy changes and corrections of prior-period errors are made by adjusting opening equity and restating comparatives unless this is impracticable.	– Like IFRS Standards, accounting principle changes are generally made by adjusting opening equity and comparatives unless this is impracticable. Errors are corrected by restating opening equity and comparatives, like IFRS Standards; however, unlike IFRS Standards, there is no impracticability exemption.	– Like IFRS Standards, generally, accounting policy changes and corrections of prior-period errors are made by adjusting opening equity and restating comparatives unless this is impracticable.
– Changes in accounting estimates are accounted for prospectively.	– Like IFRS Standards, changes in accounting estimates are accounted for prospectively.	– Like IFRS Standards, changes in accounting estimates are accounted for prospectively.
– If it is difficult to determine whether a change is a change in accounting policy or a change in estimate, then it is treated as a change in estimate.	– Like IFRS Standards, if it is difficult to determine whether a change is a change in accounting principle or a change in estimate, then it is treated as a change in estimate. However, unlike IFRS Standards, 'preferability' is required for such changes.	– Unlike IFRS Standards, no guidance is provided to determine whether the change is derived from a change in an accounting estimate or not.
– If the classification or presentation of items in the financial statements is changed, then comparatives are restated unless this is impracticable.	– Like IFRS Standards, if the classification or presentation of items in the financial statements is changed, then comparatives are adjusted.	– Like IFRS Standards, the classification or presentation of items in the financial statements is changed, then comparatives are restated unless this is impracticable.
– A statement of financial position as at the beginning of the preceding period is presented when an entity restates comparative information following a change in accounting policy, the correction of an error, or the reclassification of items in the statement of financial position.	– Unlike IFRS Standards, a statement of financial position as at the beginning of the earliest comparative period is not required in any circumstances.	– Unlike IFRS Standards, a statement of financial position as at the beginning of the preceding period is not required in any circumstances.

IFRS

2.9 Events after the reporting date

(IAS 1, IAS 10)

- The financial statements are adjusted to reflect events that occur after the reporting date, but before the financial statements are authorised for issue, if those events provide evidence of conditions that existed at the reporting date.

- Financial statements are not adjusted for events that are a result of conditions that arose after the reporting date, except when the going concern assumption is no longer appropriate.

- The classification of liabilities as current or non-current is based on circumstances at the reporting date.

US GAAP

2.9 Events after the reporting date

(Subtopic 855-10)

- Like IFRS Standards, the financial statements are adjusted to reflect events that occur after the reporting date if those events provide evidence of conditions that existed at the reporting date. However, unlike IFRS Standards, the period to consider goes to the date on which the financial statements are issued for public entities and to the date on which the financial statements are available to be issued for certain non-public entities.

- Like IFRS Standards, financial statements are generally not adjusted for events that are a result of conditions that arose after the reporting date. However, unlike IFRS Standards, there is no exception for when the going concern assumption is no longer appropriate, although disclosures are required. Also unlike IFRS Standards, SEC registrants adjust the statement of financial position for a share dividend, share split or reverse share split occurring after the reporting date.

- The classification of liabilities as current or non-current generally reflects circumstances at the reporting date, like IFRS Standards. However, unlike IFRS Standards, in some circumstances liabilities are classified as non-current based on events after the reporting date.

Argentine Accounting Standards

2.9 Events after the reporting date

(RT 17)

- Like IFRS Standards, the financial statements are adjusted to reflect events that occur after the reporting date if those events provide evidence of conditions that existed at the reporting date. Unlike IFRS Standards, the period to consider goes to the date on which the financial statements are issued.

- Like IFRS Standards, financial statements are generally not adjusted for events that are a result of conditions that arose after the reporting date. Unlike IFRS Standards, NCP do not provide specific guidance on whether an entity is a going concern.

- Unlike IFRS Standards, NCP do not state whether the current or non-current classification should be based on circumstances at the reporting date or events after the reporting date should be considered.

IFRS

2.10 Hyperinflation

(IAS 21, IAS 29, IFRIC 7)

- **When an entity's functional currency is hyperinflationary, its financial statements are adjusted to state all items in the measuring unit that is current at the reporting date.**
- **When an entity's functional currency becomes hyperinflationary, it makes price-level adjustments retrospectively as if the economy had always been hyperinflationary.**
- **When an economy ceases to be hyperinflationary, an entity stops making price-level adjustments for annual periods *ending* on or after the date on which the economy ceases to be hyperinflationary.**

US GAAP

2.10 Highly inflationary economies

(Subtopic 255-10, Topic 830)

- **When a non-US entity that prepares US GAAP financial statements operates in an environment that is highly inflationary, it remeasures its financial statements into a non-highly inflationary currency, unlike IFRS Standards, or reports price-level adjusted local currency financial statements in certain circumstances, like IFRS Standards.**
- **Unlike IFRS Standards, when an economy becomes highly inflationary, an entity remeasures its financial statements prospectively in the reporting period following the three-year period in which the cumulative inflation rate exceeds 100 percent.**
- **Unlike IFRS Standards, when an economy ceases to be highly inflationary an entity changes its functional currency from the non-highly inflationary reporting currency to the local currency and restates the functional currency accounting bases of non-monetary assets and liabilities in the annual period *following* the three-year period in which the cumulative inflation rate is no longer in excess of 100 percent.**

Argentine Accounting Standards

2.10 Hyperinflation

(RT 6, RT 17, RT 39)

- **Unlike IFRS Standards, NCP do not include the concept of 'functional currency'. If the economy of a country is hyperinflationary, its financial statements are adjusted to state all items in the measuring unit that is current at the reporting date.**
- **Like IFRS Standards, when the economy becomes hyperinflationary, an entity makes price-level adjustment retrospectively as if the economy had always been hyperinflationary.**
- **Like IFRS Standards, when the economy ceases to be hyperinflationary, an entity stops making price-level adjustments. However, unlike IFRS Standards there is no specific guidance on the cease of the price-level adjustment.**

3. Statement of financial position

IFRS

3.1 General

(IAS 1)

- Generally, an entity presents its statement of financial position classified between current and non-current assets and liabilities. An unclassified statement of financial position based on the order of liquidity is acceptable only if it provides reliable and more relevant information.
- Although IFRS Standards require certain line items to be presented in the statement of financial position, there is no prescribed format.
- A liability that is payable on demand because certain conditions are breached is classified as current even if the lender has agreed, after the reporting date but before the financial statements are authorised for issue, not to demand repayment.

US GAAP

3.1 General

(Topic 210, Subtopic 470-10)

- Unlike IFRS Standards, US GAAP does not contain a requirement to present a classified statement of financial position. Unlike IFRS Standards, there is no restriction on when an unclassified statement of financial position based on the order of liquidity can be presented.
- Unlike IFRS Standards, SEC regulations prescribe the format and certain minimum line item presentation for SEC registrants. For non-SEC registrants, there is limited guidance on the presentation of the statement of financial position, like IFRS Standards.
- Generally, obligations that are payable on demand are classified as current, like IFRS Standards. However, unlike IFRS Standards, a liability is not classified as current when it is refinanced subsequent to the reporting date but before the financial statements are issued (available to be issued for certain non-public entities), or when the lender has waived after the reporting date its right to demand repayment for more than 12 months from the reporting date.

Argentine Accounting Standards

3.1 General

(RT 8)

- Unlike IFRS Standards, an entity presents its statement of financial position classified between current and non-current assets and liabilities, based on the order of liquidity.
- Unlike IFRS Standards, NCP provide models of financial statements for profit-oriented entities and for not-for profit organisations.
- Unlike IFRS Standards, NCP do not provide guidance on the classification of payables on demand.

IFRS	US GAAP	Argentine Accounting Standards
– **There is no specific guidance when an otherwise long-term debt agreement includes a subjective acceleration clause. Classification is based on whether the entity has an unconditional right to defer settlement of the liability at the reporting date.**	– **Unlike IFRS Standards, there is specific guidance when an otherwise long-term debt agreement includes a subjective acceleration clause. Classification is based on the likelihood that the creditor will choose to accelerate repayment of the liability, which may result in differences from IFRS Standards.**	– **Like IFRS Standards, there is no specific guidance when an otherwise long-term debt agreement includes a subjective acceleration clause.**

IFRS

3.2 Property, plant and equipment

(IAS 16, IFRIC 1)

- **Property, plant and equipment is recognised initially at cost.**
- **'Cost' includes all expenditure that is directly attributable to bringing the asset to the location and working condition for its intended use.**
- **'Cost' includes the estimated cost of dismantling and removing the asset and restoring the site.**
- **Changes to an existing decommissioning or restoration obligation are generally adjusted against the cost of the related asset.**
- **Property, plant and equipment is depreciated over its expected useful life.**

US GAAP

3.2 Property, plant and equipment

(Subtopic 360-10, Subtopic 410-20, Subtopic 610-20, Subtopic 908-720)

- **Like IFRS Standards, property, plant and equipment is recognised initially at cost.**
- **Like IFRS Standards, 'cost' includes all expenditure that is directly attributable to bringing the asset to the location and working condition for its intended use.**
- **Like IFRS Standards, 'cost' includes the estimated cost of dismantling and removing the asset and certain costs of restoring the site. However, unlike IFRS Standards, to the extent that such costs relate to environmental remediation, generally they are not capitalised.**
- **Like IFRS Standards, changes to an existing decommissioning or restoration obligation are generally adjusted against the cost of the related asset.**
- **Like IFRS Standards, property, plant and equipment is depreciated over its expected useful life.**

Argentine Accounting Standards

3.2 Property, plant and equipment

(RT 17, RT 31)

- **Like IFRS Standards, property, plant and equipment is recognised initially at cost.**
- **Like IFRS Standards, 'cost' includes all expenditure that is directly attributable to bringing the asset to the location and working condition for its intended use.**
- **Unlike IFRS Standards, 'cost' does not include the estimated cost of dismantling and removing the asset and restoring the site.**
- **Not applicable.**
- **Like IFRS Standard, property, plant and equipment is depreciated over its expected useful life.**

IFRS	US GAAP	Argentine Accounting Standards
– Estimates of useful life and residual value, and the method of depreciation, are reviewed as a minimum at each annual reporting date. Any changes are accounted for prospectively as a change in estimate.	– Estimates of useful life and residual value, and the method of depreciation, are reviewed only when events or changes in circumstances indicate that the current estimates or depreciation method are no longer appropriate. However, in general we would not generally expect significant differences in practice. Like IFRS Standards, any changes are accounted for prospectively as a change in estimate.	– Unlike IFRS Standards, there is no requirement to review the estimated useful life, the residual value and the depreciation method. Like IFRS Standards, any changes are accounted for prospectively as a change in estimate.
– If an item of property, plant and equipment comprises individual components for which different depreciation methods or rates are appropriate, then each component is depreciated separately.	– Unlike IFRS Standards, component accounting is permitted but not required. When component accounting is used, its application may differ from IFRS Standards.	– Unlike IFRS Standards, component accounting is permitted but not required.
– Property, plant and equipment may be revalued to fair value if fair value can be measured reliably. All items in the same class are revalued at the same time and the revaluations are kept up to date.	– Unlike IFRS Standards, the revaluation of property, plant and equipment is not permitted.	– Like IFRS Standards, property, plant and equipment may be revalued to market value (similar to fair value). All terms in the same class are revalued at the same time and the revaluations are kept up to date.
– When property, plant and equipment is disposed of or permanently withdrawn from use, a gain or loss is recognised. If the asset is disposed of as part of a sale-and-leaseback transaction, then the requirements in the leases standard apply (see chapter 5.1).	– Like IFRS Standards, when property, plant and equipment is disposed of or permanently withdrawn from use, a gain or loss is recognised. Like IFRS Standards, if the asset is disposed of as part of a sale-leaseback transaction, then the requirements in the leases Codification Topic apply (see chapter 5.1).	– Like IFRS Standards, when property, plant and equipment is disposed of or permanently withdrawn from use, a gain or loss is recognised. If the asset is disposed of as part of a sale-and-leaseback transaction, then the requirements in the leases standard apply (see chapter 5.1).
– Compensation for the loss or impairment of property, plant and equipment is recognised in profit or loss when it is receivable.	– Unlike IFRS Standards, compensation for the loss or impairment of property, plant and equipment, to the extent of losses and expenses recognised, is recognised in profit or loss when receipt is likely to occur. Compensation in excess of that amount is recognised only when it is receivable, like IFRS Standards.	– Unlike IFRS Standards, there is no guidance on the recognition of any compensation for the loss or impairment of property, plant and equipment.

IFRS

3.3 Intangible assets and goodwill

(IAS 38, SIC-32)

- An 'intangible asset' is an identifiable non-monetary asset without physical substance.
- An intangible asset is 'identifiable' if it is separable or arises from contractual or other legal rights.
- In general, intangible assets are recognised initially at cost.
- The initial measurement of an intangible asset depends on whether it has been acquired separately or as part of a business combination, or was internally generated.
- Goodwill is recognised only in a business combination and is measured as a residual.

US GAAP

3.3 Intangible assets and goodwill

(Topic 350, Subtopic 610-20, Subtopic 720-15, Subtopic 720-35, Topic 730, Subtopic 985-20)

- Like IFRS Standards, an 'intangible asset' is an asset, not including a financial asset, without physical substance.
- Like IFRS Standards, an intangible asset is 'identifiable' if it is separable or arises from contractual or other legal rights.
- Intangible assets are recognised at cost, which is established under the relevant Codification topic/subtopic and may differ from IFRS Standards.
- Like IFRS Standards, the initial measurement of an intangible asset depends on whether it has been acquired separately or as part of a business combination, or was internally generated. However, there are differences from IFRS Standards in the detailed requirements.
- Like IFRS Standards, goodwill is recognised only in a business combination and is measured as a residual.

Argentine Accounting Standards

3.3 Intangible assets and goodwill

(RT 17, RT 18)

- Unlike IFRS Standards, NCP do not provide any definition of 'intangible assets', but some examples.
- Not applicable.
- Like IFRS Standards, in general, intangible assets are recognised initially at cost.
- Like IFRS Standards, the initial measurement of an intangible asset depends on whether it has been acquired separately or as a part of a business combination, or was internally generated.
- Like IFRS Standards, goodwill is recognised only in a business combination and is measured as a residual.

IFRS	US GAAP	Argentine Accounting Standards
– Acquired goodwill and other intangible assets with indefinite useful lives are not amortised, but instead are subject to impairment testing at least annually.	– Like IFRS Standards, acquired goodwill and other intangible assets with indefinite useful lives are not amortised, but instead are subject to impairment testing at least annually. However, the impairment test differs from IFRS Standards.	– Unlike IFRS Standards, positive goodwill is amortised over its estimated useful life, and negative goodwill is amortised: - over the period where the acquiree is expected to generate losses; or if no losses where forecasted, - over the average useful life of depreciable assets, up to the value of acquiree's non-monetary assets. Any excess is recognised in profit or loss. Like IFRS Standards, intangible assets (other than goodwill) may have an indefinite useful life, and, consequently, they are not amortised. However, unlike IFRS Standards, an annual impairment test is required for intangible assets not used in production or sale activities, and intangible assets not available for use.
– Intangible assets with finite useful lives are amortised over their expected useful lives.	– Like IFRS Standards, intangible assets with finite useful lives are amortised over their expected useful lives.	– Like IFRS Standards, intangible assets with finite useful lives are amortised over their expected useful lives.
– Subsequent expenditure on an intangible asset is capitalised only if the definition of an intangible asset and the recognition criteria are met.	– Subsequent expenditure on an intangible asset is not capitalised unless it can be demonstrated that the expenditure increases the utility of the asset, which is broadly like IFRS Standards.	– Unlike IFRS Standards, subsequent expenditure on an intangible asset is capitalised only if specific criteria are met.
– Intangible assets may be revalued to fair value only if there is an active market.	– Unlike IFRS Standards, the revaluation of intangible assets is not permitted.	– Unlike IFRS Standards, intangible assets may not be revalued.
– Internal research expenditure is expensed as it is incurred. Internal development expenditure is capitalised if specific criteria are met. These capitalisation criteria are applied to all internally developed intangible assets.	– Unlike IFRS Standards, both internal research and development (R&D) expenditure is expensed as it is incurred. Special capitalisation criteria apply to software developed for internal use, software developed for sale to third parties and motion picture film costs, which differ from the general criteria under IFRS Standards.	– Like IFRS Standards, internal research expenditure is expensed as it is incurred. Internal development expenditure is capitalised if specific criteria are met. These capitalisation criteria are applied to all internally developed intangible assets.

IFRS	US GAAP	Argentine Accounting Standards
– In-process research and development (R&D) acquired in a business combination is accounted for under specific guidance.	– In-process R&D acquired in a business combination is accounted for under specific guidance, like IFRS Standards. However, that guidance differs in some respects.	– Unlike IFRS Standards, NCP do not provide guidance on in-process research and development acquired in a business combination.
– Advertising and promotional expenditure is expensed as it is incurred.	– Advertising and promotional expenditure is generally expensed as it is incurred, like IFRS Standards, or deferred until the advertisement is shown, unlike IFRS Standards.	– Like IFRS Standards, advertising and promotional expenditure is expensed as it is incurred.
– Expenditure related to the following is expensed as it is incurred: internally generated goodwill, customer lists, start-up costs, training costs, and relocation or reorganisation.	– Like IFRS Standards, expenditure related to the following is expensed as it is incurred: internally generated goodwill, customer lists, start-up costs, training costs, and relocation or reorganisation.	– Like IFRS Standards, expenditure related to the following is expensed as it is incurred: internally generated goodwill, customer lists, training costs and relocation or reorganisation. However, unlike IFRS Standards, start-up costs are capitalised and amortised over a 5-year period.

IFRS

3.4 Investment property

(IAS 40)

- 'Investment property' is property (land or building) held by the owner or lessee to earn rentals or for capital appreciation, or both.
- A portion of a dual-use property is classified as investment property only if the portion could be sold or leased out under a finance lease. Otherwise, the entire property is classified as investment property only if the portion of the property held for own use is insignificant.
- If a lessor provides ancillary services, and such services are a relatively insignificant component of the arrangement as a whole, then the property is classified as investment property.
- Investment property is initially measured at cost.
- Subsequent to initial recognition, all investment property is measured under either the fair value model (subject to limited exceptions) or the cost model. If the fair value model is chosen, then changes in fair value are recognised in profit or loss.

US GAAP

3.4 Investment property

(Topic 360)

- Unlike IFRS Standards, there is no specific definition of 'investment property'; such property is accounted for as property, plant and equipment unless it meets the criteria to be classified as held-for-sale.
- Unlike IFRS Standards, there is no guidance on how to classify dual-use property. Instead, the entire property is accounted for as property, plant and equipment.
- Unlike IFRS Standards, ancillary services provided by a lessor do not affect the treatment of a property as property, plant and equipment.
- Like IFRS Standards, investment property is initially measured at cost as property, plant and equipment.
- Unlike IFRS Standards, subsequent to initial recognition all investment property is measured using the cost model as property, plant and equipment.

Argentine Accounting Standards

3.4 Investment property

(RT 31, RT 40)

- Like IFRS Standards, 'investment property' is property (land or building) held to earn rentals or for capital appreciation, or both.
- Unlike IFRS Standards, there is no guidance on how to classify dual-use property.
- Unlike IFRS Standards, there is no guidance on ancillary services provided by a lessor.
- Like IFRS Standards, investment property is recognised initially at cost.
- Unlike IFRS Standards, subsequent to initial recognition, all investment property is measured at cost less depreciation or at net realisable value if certain criteria are met.

IFRS	US GAAP	Argentine Accounting Standards
– Disclosure of the fair value of all investment property is required, regardless of the measurement model used.	– Unlike IFRS Standards, there is no requirement to disclose the fair value of investment property.	– Unlike IFRS Standards, there is no requirement to disclose the fair value of investment property.
– Subsequent expenditure is capitalised only if it is probable that it will give rise to future economic benefits.	– Similar to IFRS Standards, subsequent expenditure is generally capitalised if it is probable that it will give rise to future economic benefits.	– Unlike IFRS Standards, there is no guidance on subsequent expenditure on investment property
– Transfers to or from investment property can be made only when there has been a change in the use of the property.	– Unlike IFRS Standards, investment property is accounted for as property, plant and equipment, and there are no transfers to or from an 'investment property' category.	– Unlike IFRS Standards, there is no guidance on transfers to or from investment property.

IFRS

3.5 Associates and the equity method

(IAS 28)

- **The definition of an associate is based on 'significant influence', which is the power to participate in the financial and operating policies of an entity, but is not control or joint control of those policies.**
- **There is a rebuttable presumption of significant influence if an entity holds 20 percent or more of the voting rights of another entity in which it does not have control.**
- **In determining applicability of the equity method, there are no special requirements for partnerships and similar entities.**
- **Potential voting rights that are currently exercisable are considered in assessing significant influence.**

US GAAP

3.5 Equity-method investees

(Subtopic 272-10, Topic 323, Subtopic 610-20, Subtopic 808-10, Topic 970)

- **Like IFRS Standards, 'significant influence' is the ability to significantly influence the operating and financial policies of an investee, but is not control over the investee. The term 'equity-method investee' is used to describe what would be an associate under IFRS Standards.**
- **Like IFRS Standards, there is a rebuttable presumption of significant influence if an entity holds 20 percent or more of the voting rights of another corporate entity in which it does not have a controlling financial interest.**
- **Unlike IFRS Standards, for partnerships and similar entities the equity method is applicable unless the investor has virtually no influence over the investee's operating and financial policies.**
- **Unlike IFRS Standards, potential voting rights are not considered in assessing significant influence.**

Argentine Accounting Standards

3.5 Associates and the equity method

(RT 21)

- **Like IFRS Standards, 'significant influence' is the ability to significantly influence the operating and financial policies of an entity, but is not control or joint control of those policies.**
- **Like IFRS Standards, there is a rebuttable presumption of significant influence if an entity holds 20 percent or more of the voting rights of another entity in which it does not have a controlling financial interest.**
- **Like IFRS Standards, in determining applicability of the equity method, there are no special requirements for partnerships and similar entities.**
- **Like IFRS Standards, potential voting rights that are currently exercisable are considered in assessing significant influence.**

IFRS	US GAAP	Argentine Accounting Standards
– Venture capital organisations, mutual funds, unit trusts and similar entities may elect to account for investments in associates and joint ventures at fair value, on an investment-by-investment basis. In addition, investment entities measure their investments in associates and joint ventures at fair value.	– Unlike IFRS Standards, an entity may elect to account for equity-method investees at fair value regardless of whether it is a venture capital or similar organisation. Additionally, investment companies generally account for investments at fair value, like IFRS Standards, and as a result generally do not apply equity-method accounting (see chapter 5.6).	– Unlike IFRS Standards, there is no special guidance on venture capital organisations, mutual funds, unit trusts, and similar entities.
– Other associates and joint ventures are accounted for using the equity method (equity-accounted investees).	– Like IFRS Standards, other equity-method investees are accounted for using the equity method. However, certain aspects of the application of the equity method differ from IFRS Standards.	– Like IFRS Standards, other associates are accounted for using the equity method. Unlike IFRS Standards, proportionate consolidation applies for interests in entities under joint control.
– Equity accounting is not applied to investees that are classified as held-for-sale.	– Unlike IFRS Standards, equity accounting continues to be applied to equity-method investees that meet the criteria to be classified as held-for-sale.	– Like IFRS Standards, equity accounting is not applied to investees that are classified as held-for-sale.
– In applying the equity method, an investee's accounting policies should be consistent with those of the investor.	– Unlike IFRS Standards, in applying the equity method, an investee's accounting policies need not be consistent with those of the investor.	– Unlike IFRS Standards, in applying the equity method, an investee's accounting policies need not be consistent with those of the investor.
– The annual reporting date of an equity-accounted investee may not differ from the investor's by more than three months, and should be consistent from period to period. Adjustments are made for the effects of significant events and transactions between the two dates.	– Like IFRS Standards, the annual reporting date of an equity-method investee may not differ from the investor's by more than three months. However, unlike IFRS Standards, adjustments are not made for the effects of significant events and transactions between the two dates; instead, disclosure is provided.	– Unlike IFRS Standards, the reporting date of an equity-accounted investee can be earlier (up to three months) than the reporting date of the investor, but not otherwise. Like IFRS Standards, adjustments are made for the effects of significant transactions and events between the two dates.

IFRS	US GAAP	Argentine Accounting Standards
– When an equity-accounted investee incurs losses, the carrying amount of the investor's interest is reduced but not to below zero. Further losses are recognised by the investor only to the extent that the investor has an obligation to fund losses or has made payments on behalf of the investee.	– Like IFRS Standards, when an equity-method investee incurs losses, the carrying amount of the investor's interest is reduced but not to below zero. Like IFRS Standards, further losses are generally recognised by the investor only to the extent that the investor has an obligation to fund losses. However, unlike IFRS Standards, further losses are also recognised if the investee is expected to return to profitability imminently, or if a subsequent further investment in the investee is in substance the funding of such losses.	– Like IFRS Standards, when an equity-accounted investee incurs losses, the carrying amount of the investor's interest is reduced but not below zero. Further losses are recognised by the investor only to the extent that the investor has an obligation to fund losses or has made payments on behalf of the investee.
– An investor applies the financial instruments standard to long-term interests in an associate or joint venture that are not accounted for under the equity method. The investor does so before applying the loss absorption and impairment requirements of the standard on investments in associates and joint ventures.	– Like IFRS Standards, an investor applies the financial instruments Codification Topics to long-term interests in an associate or joint venture that are not accounted for under the equity method. Unlike IFRS Standards, the investor does so after applying the loss absorption and impairment requirements for equity-method investees.	– Unlike IFRS Standards, interests in an associate or joint venture may only be accounted for under the equity method.
– Unrealised profits or losses on transactions with equity-accounted investees are eliminated to the extent of the investor's interest in the investee.	– Unrealised profits or losses on transactions with equity-method investees are generally eliminated to the extent of the investor's interest in the investee, like IFRS Standards. However, unlike IFRS Standards, the full gain or loss is recognised if the transaction is the transfer of a business or certain non-financial or in-substance non-financial assets.	– Like IFRS Standards, unrealised profit or losses on transactions with equity-accounted investees are eliminated to the extent of the investor's interest in the investee.
– In our view, if an entity sells or contributes a controlling interest in a subsidiary in exchange for an interest in an equity-accounted investee, then the entity may choose either to recognise the gain or loss in full or to eliminate the gain or loss to the extent of the investor's retained interest in the former subsidiary.	– Unlike IFRS Standards, if an entity contributes non-financial and in-substance non-financial assets in exchange for an interest in an equity-method investee, then the entity generally recognises any gain or loss in full.	– Unlike IFRS Standards, if an entity sells or contributes a controlling interest in a subsidiary in exchange for an interest in an equity-method investee, then the entity is required to recognise any gain or loss in full.

IFRS	US GAAP	Argentine Accounting Standards
– The carrying amount of an equity-accounted investee is written down if it is impaired.	– Unlike IFRS Standards, the carrying amount of an equity-method investee is written down only if there is an impairment of the carrying amount that is considered to be 'other than temporary'.	– Like IFRS Standards, the carrying amount of an equity-accounted investee is written down if it is impaired.
– On the loss of significant influence or joint control, the fair value of any retained investment is taken into account to calculate the gain or loss on the transaction, as if the investment were fully disposed of; this gain or loss is recognised in profit or loss. Amounts recognised in OCI are reclassified to profit or loss or remain within equity as required by other standards.	– Unlike IFRS Standards, if an equity-method investee becomes an investment, then any retained investment is measured based on the investor's carrying amount of the investment (see forthcoming requirements).	– Unlike IFRS Standards, on the loss of significant influence or joint control, any retained investment is measured based on the investor's carrying amount of the investment at the date of the loss of significant influence or joint control.
– When an investment becomes an equity-accounted investee, in our view the investor may either remeasure the previously held interest to FVTPL, or add the newly incurred additional cost to the cost of the previously held investment.	– Unlike IFRS Standards, when an investment becomes an equity-accounted investee, the investor is required to add the newly incurred additional cost to the carrying amount of the previously held investment (see forthcoming requirements).	– Unlike IFRS Standards, if an investment becomes an equity accounted investee, for each previous acquisitions, investee's assets are measured at 'current values', and investee's liabilities are measured 'settlement value', recognising goodwill (or negative goodwill) as a residual, each time.
– In our view, an increase in holding should be accounted for using an 'allocation' approach, whereby only the incremental investment is measured at fair value.	– An increase in holding is accounted for using the 'step-by-step' method, whereby the existing equity-method interest remains at its existing carrying amount, like IFRS Standards.	– Unlike IFRS Standards, there is specific guidance on an increase in holding.
– In our view, a decrease in holding (while continuing to apply equity accounting) results in the recognition of a gain or loss in profit or loss.	– A decrease in holding (while continuing to apply equity accounting) results in the recognition of a gain or loss in profit or loss, like IFRS Standards.	– Like IFRS Standards, NCP lack specific guidance on partial disposals.

IFRS	US GAAP	Argentine Accounting Standards
3.6 Joint arrangements (IFRS 11)	**3.6 Ventures carried on jointly** (Topic 323, Topic 808, Topic 970)	**3.6 Joint arrangements** (RT 21)
– A 'joint arrangement' is an arrangement over which two or more parties have joint control. There are two types of joint arrangements: a joint operation and a joint venture.	– Unlike IFRS Standards, there is no definition of a 'joint arrangement', and the accounting depends on the type of venture being carried on jointly.	– Unlike IFRS Standards, there is no definition of a 'joint arrangement', and the accounting distinction depends on whether joint control exists over an entity. Entities under joint control are proportionally consolidated.
– In a 'joint operation', the parties to the arrangement have rights to the assets and obligations for the liabilities related to the arrangement. A joint arrangement not structured through a separate vehicle is a joint operation.	– Unlike IFRS Standards, there is no concept of a 'joint operation', and the accounting depends on the type of venture being carried on.	– Unlike IFRS Standards, there is no definition of a 'joint operation'.
– In a 'joint venture', the parties to the arrangement have rights to the net assets of the arrangement.	– Unlike IFRS Standards, a 'joint venture' is a joint activity carried on through a separate entity (e.g. a corporation or partnership), and there is some diversity in practice when interpreting the definition.	– Unlike IFRS Standards, there is no definition of a 'joint venture.
– A joint arrangement structured through a separate vehicle may be either a joint operation or a joint venture. Classification depends on the legal form of the vehicle, contractual terms and other facts and circumstances.	– Unlike IFRS Standards, a jointly controlled activity conducted with the use of a legal entity might be a joint venture or simply an equity-method investee (see chapter 3.5).	– Unlike IFRS Standards, the classification does not depend on the legal form of the vehicle but on whether joint control exists.

IFRS	US GAAP	Argentine Accounting Standards
– Generally, a joint venturer accounts for its interest in a joint venture under the equity method.	**– Like IFRS Standards, investors in a corporate joint venture generally account for the investment under the equity method.**	**– Unlike IFRS Standards, investors account for their interest depending on the level of control over the investee:** **- Control: the investee is consolidated;** **- Joint control: proportionally consolidation is applied;** **- Significant influence: equity method is applied.**
– In relation to its involvement in a joint operation, a joint operator recognises its assets, liabilities and transactions, including its share in those arising jointly. The joint operator accounts for each item in accordance with the relevant IFRS standard.	**– Unlike IFRS Standards, for operations conducted without a legal entity, the accounting depends on the type of venture being carried on.**	**– Unlike IFRS Standards, investors account for their interest depending on the level of control over the investee:** **- Control: the investee is consolidated;** **- Joint control: proportionally consolidation is applied;** **- Significant influence: equity method is applied.**

IFRS

3.8 Inventories

(IAS 2)

- Inventories are generally measured at the lower of cost and net realisable value.
- 'Cost' includes all direct expenditure to get inventory ready for sale, including attributable overheads.
- Decommissioning and restoration costs incurred through the production of inventory are included in the cost of that inventory.
- The cost of inventory is generally determined using the first-in, first-out (FIFO) or weighted-average cost method. The use of the last-in, first-out (LIFO) method is prohibited.
- Other cost formulas, such as the standard cost or retail methods, may be used if the results approximate actual cost.
- The same cost formula is applied to all inventories having a similar nature and use to the entity.

US GAAP

3.8 Inventories

(Topic 330)

- Unlike IFRS Standards, inventories whose cost is based on the last-in, first-out (LIFO) or retail inventory methods are measured at the lower of cost and market. Other inventories are measured at the lower of cost and net realisable value, like IFRS Standards.
- Like IFRS Standards, 'cost' includes all direct expenditure to get inventory ready for sale, including attributable overheads.
- Unlike IFRS Standards, asset retirement obligations (decommissioning costs) incurred through the production of inventory are added to the carrying amount of the related item of property, plant and equipment.
- Unlike IFRS Standards, the cost of inventory may be determined using the LIFO method in addition to the first-in, first-out (FIFO) or weighted-average cost method.
- Like IFRS Standards, the standard cost method may be used if the results approximate actual cost. The retail inventory method may be used as an approximation of cost, but there are differences from IFRS Standards in the detailed application.
- Unlike IFRS Standards, the same cost formula need not be applied to all inventories having a similar nature and use to the entity.

Argentine Accounting Standards

3.8 Inventories

(RT 17)

- Unlike IFRS Standards, inventories are generally measured at the lower of replacement cost and net realisable value.
- Like IFRS Standards, 'cost' includes all direct expenditure to get inventory ready for sale, including attributable overheads.
- Unlike IFRS Standards, there is no guidance on decommissioning and restoration costs.
- Unlike IFRS Standards, inventories are generally measured at replacement cost, and, consequently, no cost formulae (FIFO, weighted-average cost, LIFO) is applied.
- Not applicable.
- Not applicable.

IFRS	US GAAP	Argentine Accounting Standards
– The cost of inventory is generally recognised as an expense when the inventory is sold.	– Like IFRS Standards, the cost of inventory is generally recognised as an expense when the inventory is sold.	– Like IFRS Standards, the cost of inventory is recognised as an expense when the inventory is sold.
– Inventories are written down to net realisable value when net realisable value is less than cost.	– Unlike IFRS Standards, inventories whose cost is based on the LIFO or retail inventory methods are written down to market value when market value is less than cost. Other inventories are written down to net realisable value when net realisable value is less than cost, like IFRS Standards.	– Like IFRS Standards, inventory is written down to net realisable value when net realisable value is less than replacement cost.
– 'Net realisable value' is the estimated selling price less the estimated costs of completion and sale.	– Like IFRS Standards, 'net realisable value' is the estimated selling price less the estimated costs of completion and sale. Unlike IFRS Standards, 'market value' is current replacement cost limited by net realisable value (ceiling) and net realisable value less a normal profit margin (floor).	– Unlike IFRS Standards, 'net realisable value' is the estimated cash selling price, plus any additional non-financial income less the estimated costs of sale.
– If the net realisable value of an item that has been written down subsequently increases, then the write-down is reversed.	– Unlike IFRS Standards, a write-down of inventory to net realisable value (or market) is not reversed for subsequent recoveries in value unless it relates to changes in exchange rates.	– Like IFRS Standards, if the net realisable value of an item that has been written down subsequently increases, then the write-down is reversed.

IFRS

3.9 Biological assets

(IAS 41)

- Biological assets are measured at fair value less costs to sell unless it is not possible to measure fair value reliably, in which case they are measured at cost. Gains and losses from changes in fair value less costs to sell are recognised in profit or loss.

- Agricultural produce harvested from a biological asset is measured at fair value less costs to sell at the point of harvest. After harvest, the inventories standard generally applies.

US GAAP

3.9 Agriculture

(Topic 905, AICPA Agricultural Producers and Agricultural Cooperatives Guide)

- Unlike IFRS Standards, growing crops and animals being developed for sale are classified as inventory and are measured on a cost basis. Also unlike IFRS Standards, other livestock such as production animals (dairy cattle, sheep and breeding stock) are accounted for as property, plant and equipment and are measured on a cost basis.

- Unlike IFRS Standards, no reclassification or remeasurement occurs at the point of harvest. Unlike IFRS Standards, harvested crops and animals held for sale are measured at net realisable value if certain criteria are met, or continue to be measured on a cost basis.

Argentine Accounting Standards

3.9 Biological assets

(RT 22)

- Unlike IFRS Standards:
  - Biological assets except Bearer plants are measured at net realisable value, replacement cost, cost or present value of future cash flows, depending on the existence of an active market for the asset and its stage of development. Breeding animals are measured at cost less depreciation, when there is no active market for any stage of development. Gains or losses from changes in measurements are recognised in profit or loss.
  - Bearer plants are measured at cost less depreciation.

- Unlike IFRS Standards, agricultural produce harvested from a biological asset is generally measured at net realisable value, or replacement cost (when no active market exists). Like IFRS Standards, after harvest, the inventories standard generally applies.

IFRS

3.10 Impairment of non-financial assets

(IAS 36, IFRS 13, IFRIC 10)

- **The impairment standard covers the impairment of a variety of non-financial assets, including: property, plant and equipment, right-of-use assets, intangible assets and goodwill, investment property and biological assets measured at cost less accumulated depreciation, and investments in subsidiaries and equity-accounted investees.**
- **Impairment testing is required when there is an indication of impairment.**
- **Annual impairment testing is required for goodwill and intangible assets that either are not yet available for use or have an indefinite useful life. This impairment test may be performed at any time during the year provided that it is performed at the same time each year.**

US GAAP

3.10 Impairment of non-financial assets

(Topic 350, Topic 360)

- **Like IFRS Standards, the impairment Codification Topics deal with the impairment of a variety of non-financial long-lived assets, including: property, plant and equipment, intangible assets and goodwill. However, unlike IFRS Standards, different topics/subtopics address the impairment of biological assets and investments in equity-method investees.**
- **Like IFRS Standards, impairment testing is required when there is an indicator of impairment.**
- **Like IFRS Standards, annual impairment testing is required for goodwill and intangible assets that have an indefinite useful life. Like IFRS Standards, the goodwill impairment test may be performed at any time during the year provided that it is performed at the same time each year. Unlike IFRS Standards, the annual impairment test for indefinite-lived intangible assets is not required to be performed at the same time each year.**

Argentine Accounting Standards

3.10 Impairment of non-financial assets

(RT 17)

- **Unlike IFRS Standards, NCP deals with property, plant and equipment, intangible assets (used in production or selling activities, and those that do not generate independent cash flows) and goodwill and equity accounted investees.**
- **Like IFRS Standards, impairment testing is required when there is an indicator of impairment.**
- **Unlike IFRS Standards, impairment testing is required for goodwill and intangible assets that have an indefinite useful life, every time financial statements are prepared.**

IFRS	US GAAP	Argentine Accounting Standards
– Depending on the specific asset and circumstances, assets are tested for impairment as an individual asset, as part of a CGU or as part of a group of CGUs. A CGU is the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets.	– Unlike IFRS Standards, depending on the specific asset and circumstances, assets are tested for impairment as an individual asset, as part of an asset group or at the reporting unit (RU) level. - An asset group is the lowest level for which there are identifiable cash flows (i.e. both cash inflows and cash outflows) that are largely independent of the net cash flows of other groups of assets, which may differ from a CGU under IFRS Standards. - An RU is an operating segment or one level below an operating segment if certain conditions are met, unlike IFRS Standards.	– Unlike IFRS Standards, depending on the specific assets and circumstances, assets are tested for impairment as an individual asset, as part of a cash-generating activity (AGE). An AGE is an identifiable activity or line of business.
– Whenever possible, an impairment test is performed for an individual asset. Otherwise, assets are tested for impairment in CGUs.	– Impairment tests for long-lived assets subject to depreciation or amortisation are applied to individual assets if possible, like IFRS Standards. If this is not possible, then these assets are tested for impairment at the asset group level; an asset group may or may not be a CGU under IFRS Standards. Unlike IFRS Standards, certain long-lived depreciable or amortisable assets have a separate impairment test (e.g. capitalised software intended for sale). Unlike IFRS Standards, an indefinite-lived intangible asset is generally tested as an individual asset.	– Like IFRS Standards, whenever possible, an impairment test is performed for an individual asset. Otherwise, assets are tested for impairment in AGEs.
– Goodwill is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the business combination from which it arose. The allocation is based on the level at which goodwill is monitored internally, restricted by the size of the entity's operating segments.	– Unlike IFRS Standards, goodwill is allocated to RUs that are expected to benefit from the synergies of the business combination from which it arose.	– Unlike IFRS Standards, there is no guidance on allocation of goodwill to AGEs.
– The carrying amount of goodwill is grossed up for impairment testing if it arose in a transaction in which NCI were measured initially based on their proportionate share of identifiable net assets.	– Unlike IFRS Standards, the carrying amount of goodwill is not grossed up for impairment testing because NCI are measured at fair value in the acquisition accounting.	– Unlike IFRS Standards, the carrying amount of goodwill is not grossed up for impairment testing since NCI are not measured at fair value in the acquisition accounting.

IFRS	US GAAP	Argentine Accounting Standards
– An impairment loss is recognised if an asset's or CGU's carrying amount exceeds its recoverable amount. 'Recoverable amount' is the higher of fair value less costs of disposal and value in use (which is always based on the net present value of future cash flows). The impairment loss is measured as the difference between the carrying amount of the asset, or CGU, and its recoverable amount.	– Unlike IFRS Standards, an impairment loss is triggered for long-lived assets only if the asset's, or asset group's, carrying amount exceeds its recoverable amount (i.e. the carrying amount is greater than the undiscounted cash flows of the asset or asset group). If the carrying amount is not recoverable, then the impairment loss is the difference between the carrying amount of the asset (asset group) and the fair value of the asset (asset group), unlike IFRS Standards. – Unlike IFRS Standards, goodwill is impaired if the RU's fair value is less than its carrying amount. Unlike IFRS Standards, the amount of the impairment is measured as the difference between the RU's fair value and its carrying amount (SEC filers), or the difference between the goodwill's implied fair value and its carrying amount (non-SEC filers). – Unlike IFRS Standards, an indefinite-lived identifiable intangible asset is impaired if its fair value is less than its carrying amount.	– Like IFRS Standards, an impairment loss is recognised if an asset's or AGE's carrying amount exceeds its recoverable amount. Unlike IFRS Standards, 'recoverable amount' is the higher of the net realisable value and value in use (which is always based on the net present value of future cash flows, including both the use of the asset and its disposal). Like IFRS Standards, the impairment loss is measured as the difference between the carrying amount of the asset, or AGE, and its recoverable amount.
– Estimates of future cash flows used in the value in use calculation are specific to the entity, and need not be the same as those of market participants. Conversely, estimates of future cash flows used to estimate fair value less costs of disposal are consistent with those of a market participant. All cash flows used to estimate the recoverable amount are discounted to a present value. The discount rate used in the value in use calculation reflects the market's assessment of the risks specific to the asset or CGU.	– Like IFRS Standards, estimates of future cash flows used to assess the recoverability of long-lived assets (asset groups) are specific to the entity. However, unlike IFRS Standards, the cash flows used to determine recoverability (before calculating an impairment loss) are not discounted. Unlike IFRS Standards, if a long-lived asset (asset group) is impaired, then the amount of the impairment loss is always measured with reference to assumptions that a market participant would make.	– Like IFRS Standards, estimates of future cash flows used in the value in use calculation are specific to the entity, and need not be the same as those of market participants. Conversely, like IFRS Standards, estimates of future cash flows used to estimate fair value less costs of disposal are consistent with those of a market participant. Like IFRS Standards, all cash flows used to estimate the recoverable amount are discounted to a present value. The discount rate used in the value in use calculation reflects the market's assessment of the risks specific to the asset or CGU.

IFRS	US GAAP	Argentine Accounting Standards
– An impairment loss for a CGU is allocated first to any goodwill and then pro rata to other assets in the CGU that are in the scope of the impairment standard.	– Unlike IFRS Standards, an impairment loss for an asset group is allocated pro rata to the long-lived assets in the asset group. Goodwill and indefinite-lived intangible assets are tested after the asset group has been tested for impairment and separately as a reporting unit, unlike IFRS Standards.	– Unlike IFRS Standards, an impairment loss for an AGE is allocated first to any goodwill, second to any other intangible asset, and any remaining amount, pro rata to other assets in the AGE.
– An impairment loss is generally recognised in profit or loss. An exception relates to assets revalued through OCI.	– Unlike IFRS Standards, impairment losses are always recognised directly in profit or loss and the revaluation of property, plant and equipment and intangible assets is not permitted.	– Like IFRS Standards, impairment losses are generally recognised under 'Financial gains or losses' in the statement of profit or loss. An exception relates to assets applying the revaluation model.
– Reversals of impairment are recognised, other than for impairments of goodwill. A reversal of an impairment loss is generally recognised in profit or loss. An exception relates to assets revalued through OCI.	– Unlike IFRS Standards, reversals of impairments are prohibited.	– Like IFRS Standards, reversals of impairment are recognised, other than for impairments of goodwill. A reversal of an impairment loss is generally recognised in profit or loss. An exception relates to assets applying the revaluation model.

IFRS

3.12 Provisions, contingent assets and liabilities

(IAS 37, IFRIC 1, IFRIC 5, IFRIC 6, IFRIC 21)

- **A provision is recognised for a legal or constructive obligation arising from a past event, if there is a probable outflow of resources and the amount can be estimated reliably. 'Probable' in this context means more likely than not.**
- **A 'constructive obligation' arises when an entity's actions create valid expectations of third parties that it will accept and discharge certain responsibilities.**
- **A provision is measured at the 'best estimate' of the expenditure to be incurred.**

US GAAP

3.12 Contingencies and other 'provisions'

(Topic 450, Topic 410, Topic 420, Topic 460, Topic 710, Topic 712, Topic 720, SAB Topic 5Y)

- **A contingency (provision) is recognised if it is probable that a liability has been incurred and the amount is reasonably estimable. 'Probable' in this context means likely to occur, which is a higher recognition threshold than IFRS Standards.**
- **Under the legal doctrine of promissory estoppel, a constructive obligation may arise when an entity's actions create reasonable expectations of third parties that it will accept and discharge certain responsibilities, which is narrower than the concept under IFRS Standards. In addition, unlike IFRS Standards, constructive obligations are recognised only if this is required by a specific Codification topic/subtopic.**
- **A provision is measured using a 'reasonable estimate', which differs in some respects from IFRS Standards. In addition, some obligations that would be deemed a provision under IFRS Standards are measured at fair value, unlike IFRS Standards.**

Argentine Accounting Standards

3.12 Contingencies

(RT 17)

- **Unlike IFRS Standards, a provision is recognised for a legal obligation arising from a past event, if the outflow of resources is highly probable, and the amount can be estimated reliably.**
- **Unlike IFRS Standards, there is no requirement to recognise a provision for constructive obligations.**
- **Unlike IFRS Standards, there is no guidance on the method to be applied in the measurement of provisions.**

IFRS	US GAAP	Argentine Accounting Standards
– If there is a large population of items, then the obligation is generally measured at its expected value.	– Like IFRS Standards, if there is a large population of items, then the obligation is generally measured at its expected value.	– Not applicable.
– If there is a continuous range of equally possible outcomes for a single event, then the obligation is measured at the mid-point in the range.	– Unlike IFRS Standards, if no amount within a range is a better estimate than any other, then the obligation is measured at the low end of the range.	– Not applicable.
– If the possible outcomes of a single obligation are mostly higher (lower) than the single most likely outcome, then the obligation is measured at an amount higher (lower) than the single most likely outcome.	– Unlike IFRS Standards, an obligation is measured at the single most likely outcome even if the possible outcomes are mostly higher or lower than that amount.	– Not applicable.
– Provisions are discounted if the effect of discounting is material.	– Provisions are not discounted except in limited cases, in which case the specific requirements may differ from IFRS Standards.	– Unlike IFRS Standards, there is no specific guidance on discounting provisions when material.
– A reimbursement right is recognised as a separate asset when recovery is virtually certain, capped at the amount of the related provision.	– Unlike IFRS Standards, a reimbursement right is recognised when recovery is likely to occur (which is a lower threshold than 'virtually certain' under IFRS Standards) to the extent of any provision recognised; an excess gain contingency is recognised only when it is realised, like IFRS Standards. Like IFRS Standards, the reimbursement is recognised as a separate asset.	– Unlike IFRS Standards, there is no specific guidance on reimbursement rights.
– A provision is not recognised for future operating losses.	– Like IFRS Standards, a provision is not recognised for future operating losses.	– Unlike IFRS Standards, there is no specific guidance on future operating losses.
– A provision for restructuring costs is not recognised until there is a formal plan and details of the restructuring have been communicated to those affected by the plan.	– A provision for restructuring costs is not generally recognised until there is a formal plan and details of the restructuring have been communicated to those affected by the plan, although certain benefits are subject to specific recognition requirements that differ from IFRS Standards.	– Like IFRS Standards, a provision for restructuring costs is not recognised until there is a formal plan and details of the restructuring have been communicated to those affected by the plan.

IFRS	US GAAP	Argentine Accounting Standards
– IFRS Standards do not specifically address provisions for contract termination costs.	– Unlike IFRS Standards, a liability for contract termination costs is recognised only when the contract has been terminated pursuant to its terms or the entity has permanently ceased using the rights granted under the contract.	– Like IFRS Standards, there is no specific guidance on recognition of provisions for contract termination costs.
– Provisions are not recognised for repairs or maintenance of own assets or for self-insurance before an obligation is incurred.	– Like IFRS Standards, provisions are not recognised for repairs or maintenance of own assets or for self-insurance before an obligation is incurred.	– Unlike IFRS Standards, there is no specific guidance on recognition of provision for repairs or maintenance of own assets or for self-insurance before an obligation is incurred.
– A provision is recognised for a contract that is onerous.	– Unlike IFRS Standards, there is no general requirement to recognise a loss for onerous contracts.	– Like IFRS Standards, a provision is recognised for a contract that is onerous.
– 'Contingent liabilities' are present obligations with uncertainties about either the probability of outflows of resources or the amount of the outflows, and possible obligations whose existence is uncertain.	– Unlike IFRS Standards, 'loss contingencies' are uncertain obligations, both recognised and unrecognised.	– Unlike IFRS Standards, there is no definition of 'contingent liabilities'. 'Unfavourable contingencies' are uncertain obligations, both recognised and unrecognised.
– Contingent liabilities are not recognised except for those that represent present obligations in a business combination.	– Unlike IFRS Standards, contingent liabilities may be either recognised (referred to as 'provisions' in this chapter) or unrecognised. Unlike IFRS Standards, contingent liabilities are recognised in a business combination only when the acquisition date fair value is determinable within the measurement period, or if the contingency is likely to occur and the amount is reasonably estimable.	– Unlike IFRS Standards, unfavourable contingencies may be either recognised or unrecognised. Unlike IFRS Standards, there is no specific guidance on contingent liabilities in a business combination.
– Details of contingent liabilities are disclosed in the notes to the financial statements unless the probability of an outflow is remote.	– Like IFRS Standards, information on contingencies is generally disclosed in the notes to the financial statements unless the probability of an outflow is remote; however, IFRS Standards requires more detailed disclosures about contingencies than US GAAP. Unlike IFRS Standards, certain loss contingencies are disclosed even if the likelihood of an outflow is remote.	– Like IFRS Standards, information on contingencies is generally disclosed in the notes to the financial statements, unless the probability of an outflow is remote.

IFRS	US GAAP	Argentine Accounting Standards
– ‘Contingent assets’ are possible assets whose existence is uncertain.	– A ‘gain contingency’ is an item whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events, like IFRS Standards.	– Unlike IFRS Standards, there is no definition of ‘contingent assets’.
– Contingent assets are not recognised in the statement of financial position. If an inflow of economic benefits is probable (more likely than not), then details are disclosed in the notes. When the realisation of a contingent asset is virtually certain, it is no longer considered contingent and is recognised as an asset.	– Unrealised gain contingencies are not generally recognised until they are realised, like IFRS Standards. However, unlike IFRS Standards, a recovery is recognised when it is likely to occur (which is a lower threshold than ‘virtually certain’ under IFRS Standards) to the extent that it reimburses a provision.	– Unlike IFRS Standards, contingent assets are not recognised in the statement of financial position, except for deferred tax assets. Like IFRS Standards, when the realisation of a contingent asset is virtually certain, it is no longer considered contingent and is recognised as an asset.

IFRS

3.13 Income taxes

(IAS 12, IFRIC 23, SIC-25)

- 'Income taxes' are taxes based on taxable profits, and taxes that are payable by a subsidiary, associate or joint arrangement on distribution to the reporting entity (e.g. withholding taxes).
- The total income tax expense (income) recognised in a period is the sum of current tax plus the change in deferred tax assets and liabilities during the period, excluding tax recognised outside profit or loss – i.e. in OCI or directly in equity, or arising from a business combination.
- 'Current tax' is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for a period.
- 'Deferred tax' is recognised for the estimated future tax effects of temporary differences, unused tax losses carried forward and unused tax credits carried forward.

US GAAP

3.13 Income taxes

(Topic 740, Subtopic 830-740)

- 'Income taxes' are all domestic federal, state and local (including franchise) taxes based on income, including foreign income taxes from an entity's operations that are consolidated, combined or accounted for under the equity method, both foreign and domestic. Although the wording differs from IFRS Standards, we would not generally expect significant differences from IFRS Standards in practice.
- Like IFRS Standards, the total income tax expense (income) recognised in a period is the sum of current tax plus the change in deferred tax assets and liabilities during the period, excluding tax recognised outside profit or loss – i.e. in OCI or directly in equity, or arising from a business combination.
- Like IFRS Standards, 'current tax' is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for a period.
- Like IFRS Standards, 'deferred tax' is recognised for the estimated future tax effects of temporary differences, unused tax losses carried forward and unused tax credits carried forward.

Argentine Accounting Standards

3.13 Income taxes

(RT 17)

- Unlike IFRS Standards, 'income taxes' are taxes payable on taxable profit.
- Like IFRS Standards, the total income tax expense (income) recognised in a period is the sum of current tax plus the change in deferred tax assets and liabilities during the period, excluding tax recognised outside profit or loss.
- Like IFRS Standards, 'current tax' is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for a period. However, unlike IFRS Standards, when the recoverability of tax assets depends on a condition, then it is considered that a 'favourable contingent' exists.
- Like IFRS Standards, 'deferred tax' is recognised for the estimated future tax effects of temporary differences, and unused tax losses carried forward.

IFRS	US GAAP	Argentine Accounting Standards
– A deferred tax liability is not recognised if it arises from the initial recognition of goodwill.	– Like IFRS Standards, a deferred tax liability is not recognised if it arises from the initial recognition of goodwill.	– Unlike IFRS Standards, a deferred tax asset or liability is not recognised if it arises from the initial recognition of goodwill (positive or negative).
– A deferred tax asset or liability is not recognised if it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, it affects neither accounting profit nor taxable profit.	– Unlike IFRS Standards, there is no exemption from recognising a deferred tax asset or liability for the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting profit nor taxable profit.	– Like IFRS Standards, a deferred tax asset or liability is not recognised if it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, it affects neither accounting profit nor taxable profit.
– A deferred tax liability (asset) is recognised for the step-up in tax bases as a result of an intra-group transfer of assets between jurisdictions.	– Like IFRS Standards, a deferred tax liability (asset) is recognised for the step-up in tax bases as a result of an intra-group transfer of assets other than inventory between jurisdictions. Unlike IFRS Standards, when the asset transferred is inventory, the tax effects for the seller are deferred and a deferred tax asset is not recognised for the step-up in tax bases for the buyer.	– Unlike IFRS Standards, there is no specific guidance on deferred taxes related to the step-up in tax bases as a result of intra-group transfer of assets between jurisdictions.
– A deferred tax liability (asset) is recognised for exchange gains and losses related to foreign non-monetary assets and liabilities that are remeasured into the functional currency using historical exchange rates or indexing for tax purposes.	– Unlike IFRS Standards, if the reporting currency is the functional currency, then a deferred tax liability (asset) is not recognised for exchange gains and losses related to foreign non-monetary assets and liabilities that are remeasured into the reporting currency using historical exchange rates or indexing for tax purposes.	– Unlike IFRS Standards, there is no specific guidance on deferred taxes related to exchange gains and losses on foreign non-monetary assets and liabilities that are remeasured into the functional currency using historical exchange rates or indexing for tax purposes.
– Deferred tax is not recognised in respect of investments in subsidiaries, associates and joint arrangements (both foreign and domestic) if certain criteria are met.	– Like IFRS Standards, deferred tax is not recognised in respect of investments in foreign or domestic subsidiaries, foreign corporate joint ventures and equity-method investees if certain criteria are met; however, these criteria differ from IFRS Standards, which may give rise to differences from IFRS Standards.	– Like IFRS Standards, deferred tax is not recognised in respect of investments in subsidiaries, associates and entities under joint control, if certain criteria are met.

IFRS	US GAAP	Argentine Accounting Standards
– A deferred tax asset is recognised to the extent that it is probable that it will be realised – i.e. a net approach.	– Unlike IFRS Standards, all deferred tax assets are recognised and a valuation allowance is recognised to the extent that it is more likely than not that the deferred tax assets will not be realised – i.e. a gross approach.	– Like IFRS Standards, a deferred tax asset is recognised to the extent that it is probable that it will be realised.
– Current and deferred tax are measured based on rates and tax laws that are enacted or substantively enacted at the reporting date.	– Unlike IFRS Standards, current and deferred tax are only measured based on rates and tax laws that are enacted at the reporting date.	– Unlike IFRS Standards, current and deferred tax are only measured based on rates and tax laws that are enacted at the reporting date.
– Deferred tax is measured based on the expected manner of settlement (liability) or recovery (asset).	– Like IFRS Standards, deferred tax is measured based on the expected manner of recovery.	– Unlike IFRS Standards, NCP do not include any assumption on how the underlying asset (liability) will be recovered (settled).
– Deferred tax is measured on an undiscounted basis.	– Like IFRS Standards, deferred tax is measured on an undiscounted basis.	– Unlike IFRS Standards, the entity has the option to measure deferred tax on a discounted or undiscounted basis.
– Deferred tax assets and liabilities are classified as non-current in a classified statement of financial position.	– Like IFRS Standards, deferred tax assets and liabilities are classified as non-current in a classified statement of financial position.	– Like IFRS Standards, deferred tax assets and liabilities are classified as non-current in the statement of financial position.
– Income tax relating to items recognised outside profit or loss, in the current or a previous period, is itself recognised outside profit or loss.	– Like IFRS Standards, income tax relating to items recognised outside profit or loss during the current reporting period is itself recognised outside profit or loss. However, unlike IFRS Standards, subsequent changes are generally recognised in profit or loss.	– Like IFRS Standards, income tax relating to items recognised outside profit or loss, in the current or a previous period, is itself recognised outside profit or loss.
– Deferred tax assets recognised in relation to share-based payment arrangements are adjusted each period to reflect the amount of tax deduction that the entity would receive if the award were tax-deductible in the current period based on the current market price of the shares.	– Unlike IFRS Standards, temporary differences related to share-based payment arrangements are based on the amount of compensation cost that is recognised in profit or loss without any adjustment for the entity's current share price until the tax benefit is realised.	– Unlike IFRS Standards, there is no guidance on deferred tax related to share-based payment arrangements.

IFRS	US GAAP	Argentine Accounting Standards
– Current tax assets and liabilities are offset only if there is a legally enforceable right to set off and the entity intends to offset or to settle simultaneously.	– Like IFRS Standards, current tax assets and liabilities are offset only if there is a legally enforceable right to set off and the entity intends to set off.	– Like IFRS Standards, current tax assets and liabilities are offset only if there is a legally enforceable right to set off, and the entity intends to offset.
– Deferred tax liabilities and assets are offset if the entity has a legally enforceable right to set off current tax liabilities and assets, and the deferred tax liabilities and assets relate to income taxes levied by the same tax authority on either the same taxable entity or different taxable entities that intend to settle current taxes on a net basis or their tax assets and liabilities will be realised simultaneously.	– For a particular tax-paying component of an entity and within a particular tax jurisdiction, entities offset and present as a single amount all deferred tax liabilities and assets (including any related valuation allowance), like IFRS Standards. Deferred tax liabilities and assets attributable to different tax-paying components of the entity or to different tax jurisdictions may not be offset, which differs from IFRS Standards in certain aspects.	– Like IFRS Standards, deferred tax liabilities and assets are offset only if there is a legally enforceable right to set off, and the entity intends to offset.
– In the case of uncertainty about an income tax treatment, an entity considers whether it is probable that a tax authority will accept the treatment used in its tax filing. If the tax authority is unlikely to accept the entity's tax treatment, then the effect of the tax uncertainty is reflected in measuring current or deferred tax by using either the most likely amount or the expected value method.	– Like IFRS Standards, the benefits of uncertainty in income taxes are recognised only if it is more likely than not that the tax positions are sustainable based on their technical merits. Unlike IFRS Standards, neither the most likely amount nor the expected value method are accepted. For tax positions that are more likely than not to be sustained, the largest amount of tax benefit that is greater than 50 percent likely of being realised on settlement is recognised.	– Unlike IFRS Standards, NCP does not provide specific guidance on income tax exposures.

4. Specific items of profit or loss and OCI

IFRS	US GAAP	Argentine Accounting Standards
4.1 General (IAS 1)	**4.1 General** (Topic 205, Topic 220, Reg G, Reg S-X)	**4.1 General** (RT 8, RT 9)
– A statement of profit or loss and OCI is presented either as a single statement, or as a statement of profit or loss followed immediately by a statement of comprehensive income (beginning with profit or loss and displaying components of OCI).	– Like IFRS Standards, an entity may present a statement of comprehensive income either as a single statement, or as an income statement followed immediately by a separate statement of comprehensive income (beginning with profit or loss and displaying components of OCI).	– Unlike IFRS Standards, only a statement of profit or loss is presented.
– Although IFRS Standards require certain items to be presented in the statement of profit or loss and OCI, there is no prescribed format.	– Unlike IFRS Standards, SEC regulations prescribe the format and minimum line item presentation for SEC registrants. For non-SEC registrants, there is limited guidance on the presentation of the income statement or statement of comprehensive income, like IFRS Standards.	– Unlike IFRS Standards, NCP include a prescribed format for items recognised directly in equity.
– Revenue comprises income arising in the course of an entity's ordinary activities, and is presented as a separate line item in the statement of profit or loss and OCI.	– Revenue comprises inflows or other enhancements of assets and/or settlements of an entity's liabilities from delivering or producing goods, rendering services or other activities that are the entity's ongoing major or central operations, like IFRS Standards. Unlike IFRS Standards, only SEC registrants are required to present revenue as a separate line item in the income statement (or single statement of comprehensive income).	

IFRS	US GAAP	Argentine Accounting Standards
– An analysis of expenses is required, either by nature or by function, in the statement of profit or loss and OCI or in the notes.	– Unlike IFRS Standards, there is no requirement for expenses to be classified according to their nature or function. SEC regulations prescribe expense classification requirements for certain specialised industries, unlike IFRS Standards.	– Unlike IFRS Standards, an analysis of expenses is required by function (in the statement of profit or loss) and by nature (in an exhibit).
– The presentation of alternative earnings measures is not prohibited, either in the statement of profit or loss and OCI or in the notes to the financial statements.	– Unlike IFRS Standards, the presentation of non-GAAP measures in the financial statements by SEC registrants is prohibited. In practice, non-GAAP measures are also not presented in the financial statements by non-SEC registrants, unlike IFRS Standards.	– Like IFRS Standards the presentation of alternative earnings measures is not prohibited, either in the statement of profit or loss or in the notes to the financial statements.
– In our view, the use of the terms 'unusual' or 'exceptional' should be infrequent and reserved for items that justify greater prominence.	– Unlike IFRS Standards, transactions of an 'unusual' nature are defined as possessing a high degree of abnormality and of a type clearly unrelated to, or only incidentally related to, the ordinary and typical activities of the entity. Unlike IFRS Standards, material events or transactions that are unusual and/or occur infrequently are presented separately in the income statement or disclosed in the notes.	– Unlike IFRS Standards, the terms 'unusual' or 'exceptional' are not defined and not commonly used in practice.
– The presentation or disclosure of items of income and expense characterised as 'extraordinary items' is prohibited.	– Like IFRS Standards, the presentation or disclosure of items of income and expense characterised as 'extraordinary items' is prohibited.	– Unlike IFRS Standards, the presentation or disclosure of items of income and expense characterised as 'extraordinary items' is allowed.
– Items of income and expense are not offset unless required or permitted by another standard, or if the amounts relate to similar transactions or events that are not material.	– Like IFRS Standards, items of income and expense generally are not offset unless required or permitted by another Codification topic/subtopic, or if the amounts relate to similar transactions or events that are not material. However, offsetting is permitted in more circumstances than under IFRS Standards.	– Unlike IFRS Standards, there is no guidance on the offsetting of items of income and expense.

IFRS

4.2 Revenue from contracts with customers

(IFRS 15)

- **A five-step model is used to implement the core 'transfer of control' principle that is used to determine when to recognise revenue, and at what amount.**
- **Under Step 1 (identify the contract), an entity accounts for a contract under the model when it is legally enforceable and specific criteria are met. These criteria include that collection of consideration is 'probable', which means 'more likely than not'.**
- **Under Step 2 (identify the performance obligations in the contract), an entity breaks down the contract into one or more distinct performance obligations.**
- **Under Step 3 (determine the transaction price), an entity determines the amount of consideration to which it expects to be entitled in exchange for transferring goods or services to a customer.**

US GAAP

4.2 Revenue from contracts with customers

(Topic 606)

- **Like IFRS Standards, a five-step model is used to implement the core 'transfer of control' principle that is used to determine when to recognise revenue, and at what amount.**
- **Like IFRS Standards, under Step 1 (identify the contract), an entity accounts for a contract under the model when it is legally enforceable and specific criteria are met. These criteria include that collection of consideration is 'probable', which, unlike IFRS Standards, means 'likely'.**
- **Like IFRS Standards, under Step 2 (identify the performance obligations in the contract), an entity breaks down the contract into one or more distinct performance obligations.**
- **Like IFRS Standards, under Step 3 (determine the transaction price), an entity determines the amount of consideration to which it expects to be entitled in exchange for transferring goods or services to a customer.**

Argentine Accounting Standards

4.2 Revenue from contracts with customers

(RT 16, RT 17)

- **Unlike IFRS Standards, revenue is recognised when the income-generating activities are finished from an economic point of view. NCP provide no further guidance.**
- **Not applicable.**
- **Not applicable.**
- **Not applicable.**

IFRS	US GAAP	Argentine Accounting Standards
– Consideration includes an estimate of variable consideration to the extent that it is 'highly probable' that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.	– Like IFRS Standards, consideration includes an estimate of variable consideration to the extent it is 'probable' that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Although 'probable' rather than 'highly probable' is used under US GAAP, the IASB Board and the FASB explain that these are intended to be the same threshold so differences of interpretation are not expected.	– Not applicable.
– Under Step 4 (allocate the transaction price to the performance obligations in the contract) an entity generally allocates the transaction price to each performance obligation in proportion to its stand-alone selling price.	– Like IFRS Standards, under Step 4 (allocate the transaction price to the performance obligations in the contract) an entity generally allocates the transaction price to each performance obligation in proportion to its stand-alone selling price.	– Not applicable.
– Under Step 5 (recognise revenue) an entity recognises revenue when or as it satisfies a performance obligation by transferring a good or service to a customer, either at a point in time or over time. A good or service is transferred when or as the customer obtains control of it.	– Like IFRS Standards, under Step 5 (recognise revenue) an entity recognises revenue when or as it satisfies a performance obligation by transferring a good or service to a customer, either at a point in time or over time. Like IFRS Standards, a good or service is transferred when or as the customer obtains control of it.	– Not applicable. Unlike IFRS Standards, revenue I not recognised or over time, instead, inventories are stated at net realisable value based on the percentage of completion. The related adjustment is recognised in cost of sales.
– An entity generally capitalises incremental costs to obtain a contract with a customer if it expects to recover those costs. An entity capitalises the costs of fulfilling a contract if certain criteria are met. An impairment loss recognised in respect of capitalised costs is reversed if the carrying amount is no longer impaired.	– Like IFRS Standards, an entity generally capitalises incremental costs to obtain a contract with a customer if it expects to recover those costs. Like IFRS Standards, an entity capitalises the costs of fulfilling a contract if certain criteria are met. Unlike IFRS Standards, an impairment loss recognised in respect of capitalised costs is not reversed.	– Not applicable.

IFRS	US GAAP	Argentine Accounting Standards
– A contract modification is accounted for prospectively or using a cumulative catch-up adjustment depending on whether the modification results in additional goods or services that are 'distinct'.	– Like IFRS Standards, a contract modification is accounted for prospectively or using a cumulative catch-up adjustment depending on whether the modification results in additional goods or services that are 'distinct'.	– Not applicable.
– If the entity is a principal, then revenue is recognised on a gross basis – corresponding to the consideration to which the entity expects to be entitled. If the entity is an agent, then revenue is recognised on a net basis – corresponding to any fee or commission to which the entity expects to be entitled.	– Like IFRS Standards, if the entity is a principal, then revenue is recognised on a gross basis – corresponding to the consideration to which the entity expects to be entitled. Like IFRS Standards, if the entity is an agent, then revenue is recognised on a net basis – corresponding to any fee or commission to which the entity expects to be entitled.	– Not applicable.
– An entity presents a contract liability or a contract asset in its statement of financial position when either party to the contract has performed. Any unconditional rights to consideration are presented separately as a receivable.	– Like IFRS Standards, an entity presents a contract liability or a contract asset in its statement of financial position when either party to the contract has performed. Like IFRS Standards, any unconditional rights to consideration are presented separately as a receivable.	– Not applicable.
– The revenue standard contains extensive disclosure requirements designed to enable users of the financial statement to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. There are no exemptions from these disclosure requirements.	– Like IFRS Standards, the revenue Codification Topic contains extensive disclosure requirements designed to enable users of the financial statement to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. Unlike IFRS Standards, non-public entities may elect to present more simplified disclosures.	– Not applicable.

4.3 Government grants

(IAS 20, IAS 41, SIC-10)

IFRS	US GAAP	Argentine Accounting Standards
– Government grants are recognised when there is reasonable assurance that the entity will comply with the relevant conditions and the grant will be received. Government grants that relate to the acquisition of an asset, other than a biological asset measured at fair value less costs to sell, are recognised in profit or loss as the related asset is depreciated or amortised.	– Unlike IFRS Standards, there is no specific US GAAP guidance on the accounting for grants from governments to profit-oriented entities. However, US practice may look to IFRS Standards as a source of non-authoritative guidance in some instances.	– Unlike IFRS Standard, there is no specific guidance on government grants.
– If a government grant is in the form of a non-monetary asset, then both the asset and the grant are recognised either at the fair value of the non-monetary asset or at a nominal amount.	– Unlike IFRS Standards, a contributed non-monetary asset is generally recognised at fair value.	– Not applicable.
– Unconditional government grants related to biological assets measured at fair value less costs to sell are recognised in profit or loss when they become receivable; conditional grants for such assets are recognised in profit or loss when the required conditions are met.	– Like IFRS Standards, government contributions of biological assets are recognised initially at fair value when they become unconditionally receivable; however, unlike IFRS Standards, there is no specific guidance on whether this amount should be recognised in profit or loss or in equity. In our experience, conditional grants for such assets are recognised when the required conditions are met, like IFRS Standards.	– Not applicable.
– Interest is imputed on low-interest or interest-free loans from a government.	– Unlike IFRS Standards, interest may not always be imputed on low-interest or interest-free loans from a government.	– Not applicable.

IFRS

4.4 Employee benefits

(IAS 19, IFRIC 14)

- 'Short-term employee benefits' are employee benefits that are expected to be settled wholly within 12 months of the end of the period in which the services have been rendered, and are accounted for using normal accrual accounting.

- 'Post-employment benefits' are employee benefits that are payable after the completion of employment (before or during retirement).

- A 'defined contribution plan' is a post-employment benefit plan under which the employer pays fixed contributions into a separate entity and has no further obligations. All other post-employment plans are 'defined benefit plans'.

US GAAP

4.4 Employee benefits

(Topic 715, Subtopic 710-10, Subtopic 712-10)

- Unlike IFRS Standards, US GAAP does not contain specific guidance on short-term employee benefits other than compensated absences. However, accrual accounting principles are generally applied in accounting for short-term employee benefits.

- Unlike IFRS Standards, post-employment benefits are divided into 'post-retirement benefits' (provided during retirement) and 'other post-employment benefits' (provided after the cessation of employment but before retirement). The accounting for post-employment benefits depends on the type of benefit provided, unlike IFRS Standards.

- Like IFRS Standards, a 'defined contribution plan' is a post-retirement benefit plan under which the employer pays specified contributions into a separate entity and has no further obligations. All other post-retirement plans are 'defined benefit plans'. However, unlike IFRS Standards, other post-employment benefit plans do not have to be classified as either defined contribution or defined benefit plans.

Argentine Accounting Standards

4.4 Employee benefits

(RT 17, RT 23)

- Like IFRS Standards, 'short-term employee benefits' are those expected to be settled wholly within 12 months of the end of the period in which the services have been rendered, and are accounted for using normal accrual accounting.

- Like IFRS Standards, 'post-employment benefits' are those payable after the completion of employment (before or during retirement).

- Like IFRS Standards, 'defined contribution plan' is a post-employment benefit plan under which the employer pays fixed contributions into a separate entity and has no further obligations. All other post-employment plans are 'defined benefit plans'.

IFRS	US GAAP	Argentine Accounting Standards
– Contributions to a defined contribution plan are accounted for on an accrual basis.	– Like IFRS Standards, contributions to a defined contribution plan are accounted for on an accrual basis.	– Like IFRS Standards, contributions to a defined contribution plan are accounted for on an accrual basis.
– Accounting for defined benefit plans involves the following steps: - determining the present value of the defined benefit obligation by applying an actuarial valuation method; - deducting the fair value of any plan assets; - adjusting the amount of the deficit or surplus for any effect of limiting a net defined benefit asset to the asset ceiling; and - determining service costs, net interest and remeasurements of the net defined benefit liability (asset).	– Accounting for defined benefit plans involves the following steps: - determining the present value of the defined benefit obligation by applying an actuarial valuation method, which differs in some respects from IFRS Standards; - deducting the fair value of any plan assets, like IFRS Standards; - unlike IFRS Standards, there is no adjustment for any effect of limiting a net defined benefit asset to the asset ceiling; and - determining service costs, net interest and remeasurements of the net defined benefit liability (asset), which in a number of cases differ from IFRS Standards in terms of measurement, recognition and presentation.	– Unlike IFRS Standards, accounting for defined benefit plans involves the following steps: - determining the present value of the defined benefit obligation by applying an actuarial valuation method; - deducting the unrecognised actuarial gain or loss; - deducting the unrecognised portion of past service costs; - deducting the market value of any plan asset; - adjusting the amount of the deficit or surplus for the effect any limit in net asset recognition; - determining the corridor for recognition of actuarial gains or losses and past service cost; and - determining service costs and net interest.
– The projected unit credit method is used to determine the present value of the defined benefit obligation and the related current service cost and, if applicable, any past service cost.	– The liability and expense are generally measured actuarially under the projected unit credit method for pay-related plans, like IFRS Standards; and under the traditional unit credit method (projected unit credit method without future increases in salary) for certain cash balance plans, unlike IFRS Standards.	– Like IFRS Standards, the projected unit credit method is used to determine the present value of the defined benefit obligation and the related current service cost and, if applicable, any past service cost.
– To qualify as plan assets, assets need to meet specific criteria, including a requirement that they be unavailable to the entity's creditors (even in bankruptcy).	– Like IFRS Standards, to qualify as plan assets, assets need to meet specific criteria. However, unlike IFRS Standards, in general there is no requirement to affirmatively demonstrate that the assets would be unavailable to the entity's creditors in bankruptcy.	– Like IFRS Standards, to qualify as plan assets, assets need to meet specific criteria, including a requirement that they be unavailable to the entity's creditors (even in bankruptcy).

IFRS	US GAAP	Argentine Accounting Standards
– Insurance policies issued to the sponsor meet the definition of plan assets if they are issued by a party unrelated to the entity and meet certain other criteria. Insurance policies issued to the plan meet the definition of plan assets if they are transferable and meet certain other criteria.	– Like IFRS Standards, plan assets include insurance policies issued to the plan by the sponsor or a related party of the sponsor if the policies are transferable.	– Like IFRS Standards, insurance policies issued to the sponsor are considered to be plan assets if they are issued by a party unrelated to the entity and meet certain criteria. Unlike IFRS Standards there is no guidance on insurance policies issued to the plan itself.
– Assets that meet the definition of plan assets, including qualifying insurance policies, and the related liabilities are presented on a net basis in the statement of financial position.	– Like IFRS Standards, assets that meet the definition of plan assets and the related liabilities are presented on a net basis in the statement of financial position.	– Like IFRS Standards, plan assets, including insurance policies and the related liabilities are presented on a net basis in the statement of financial position.
– If a defined benefit plan is in surplus, then the amount of any net asset recognised is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan (the 'asset ceiling').	– Unlike IFRS Standards, the recognition of an asset in respect of a defined benefit plan is not restricted.	– Unlike IFRS Standards, if a defined benefit plan is in surplus, then the amount of any net asset recognised is limited to the present value of any economic benefits for the plan in the form of refunds from the plan or reductions in future contributions to the plan, and the unrecognised net actuarial losses and unrecognised past service costs.
– Minimum funding requirements to cover existing shortfalls give rise to a liability if payments under the requirement would create a surplus in excess of the asset ceiling.	– Unlike IFRS Standards, the funded status is recognised as a liability if the plan is underfunded; the liability is not subject to additional adjustments related to minimum funding requirements.	– Like IFRS Standards, minimum funding requirements to cover existing shortfalls give rise to a liability if payments under the requirement would create a surplus in excess of the limit on net assets recognition.
– Benefits are attributed to periods of service in accordance with the plan's benefit formula unless that formula is back-end loaded, in which case straight-line attribution is used instead.	– Like IFRS Standards, benefits are attributed to periods of service in accordance with the plan's benefit formula unless that formula is back-end loaded, in which case a straight-line attribution is used instead.	– Like IFRS Standards, benefits are attributed to periods of service in accordance with the plan's benefit formula unless the formula is back-end loaded, in which case straight-line attribution is used instead.
– Curtailments and other plan amendments are recognised at the same time as the related restructuring or related termination benefits if these events occur before the curtailment or other plan amendments occur.	– Unlike IFRS Standards, curtailment gains are recognised when they occur. Also unlike IFRS Standards, curtailment losses are recognised when they are probable.	– Like IFRS Standards, curtailments and other plan amendments are recognised at the same time as the related restructuring or related termination benefits if these events occur before the curtailment or other plan amendments occur.

IFRS	US GAAP	Argentine Accounting Standards
– ‘Multi-employer plans’ are post-employment plans that pool the assets contributed by various entities that are not under common control to provide benefits to employees of more than one entity. Such plans are classified as defined contribution or defined benefit plans following the above definitions. However, if insufficient information is available to permit defined benefit accounting, then the plan is treated as a defined contribution plan and additional disclosures are required.	– Like IFRS Standards, ‘multi-employer plans’ are post-retirement plans that pool the assets contributed by various entities to provide benefits to the employees of more than one entity. However, unlike IFRS Standards, all multi-employer plans are accounted for as defined contribution plans, supplemented with additional disclosures.	– Like IFRS Standards, ‘multi-employer plans’ are post-employment plans that pool the assets contributed by various entities to provide benefits to the employees of more than one entity. Like IFRS Standards, such plans are classified as defined contribution or defined benefit plans. If insufficient information is available to permit defined benefit accounting, then the plan is treated as a defined contribution plan and additional disclosures are required.
– If defined contribution plan accounting is applied to a multi-employer defined benefit plan and there is an agreement that determines how a surplus in the plan would be distributed or a deficit in the plan funded, then an asset or liability that arises from the contractual agreement is recognised.	– Unlike IFRS Standards, even if there is an agreement that determines how the surplus in a multi-employer plan would be distributed or a deficit in the plan funded, an asset or liability is not recognised until the liability is assessed or the refund received.	– Unlike IFRS Standards, there is no specific guidance on defined contribution plan accounting applied to multi-employer defined benefit plans.
– There is no specific guidance on the application of defined benefit accounting to plans that would be defined contribution plans except that they contain minimum benefit guarantees. In our view, a minimum benefit guarantee causes a plan to be a defined benefit plan.	– Unlike IFRS Standards, there is specific guidance on the application of defined benefit accounting to certain plans that would be defined contribution plans except that they contain minimum benefit guarantees. Depending on the form of the minimum guarantee, the plan would be accounted for as a defined benefit plan or as a cash balance plan.	– Like IFRS Standards, there is no specific guidance on the application of defined benefit accounting to plans that would be defined contribution plans.
– ‘Termination benefits’ are employee benefits provided as a result of either an entity’s decision to terminate an employee’s employment before the normal retirement date or an employee’s decision to accept an offer of benefits in exchange for the termination of employment.	– Unlike IFRS Standards, termination benefits are categorised into different types of benefits: ongoing benefit arrangements, contractual terminations, special terminations and one-time terminations.	– Like IFRS Standards, ‘termination benefits’ are employee benefits provided as a result of either an entity’s decision to terminate an employee’s employment before the normal retirement date or an employee’s decision to accept an offer of benefits in exchange for the termination of employment.

IFRS	US GAAP	Argentine Accounting Standards
– A termination benefit is recognised at the earlier of the date on which the entity recognises costs for a restructuring that includes the payment of termination benefits and the date on which the entity can no longer withdraw the offer of the termination benefits.	– Unlike IFRS Standards, there is not a single model for the recognition of termination benefits, and the timing of recognition depends on the category of termination benefit.	– Unlike IFRS Standards, termination benefits are recognised at the earlier of the date on which the entity recognises costs for a restructuring that includes the payment of termination benefits and the date on which the entity has committed itself (in a demonstrable manner) to dismiss the employee or group of employees
– 'Other long-term employee benefits' are all employee benefits other than short-term benefits, post-employment benefits and termination benefits.	– Unlike IFRS Standards, US GAAP does not distinguish between long- and short-term employee benefits.	– Like IFRS Standards, 'other long-term employee benefits' are all employee benefits other than short-term benefits, post-employment benefits and termination benefits.
– The expense for other long-term employee benefits, calculated on a discounted basis, is usually accrued over the service period. The computation is similar to defined benefit plans.	– Like IFRS Standards, the expense for long-term employee benefits is accrued over the service period; however, the computation may differ from IFRS Standards.	– Like IFRS Standards, the expense for other long-term employee benefits, calculated on a discounted basis, is usually accrued over the service period; however, the computation may differ from IFRS Standards.

IFRS

4.5 Share-based payments

(IFRS 2)

- Goods or services received in a share-based payment transaction are measured using a fair value-based measure.
- Goods are recognised when they are obtained and services are recognised over the period in which they are received.
- Equity-settled transactions with employees are generally measured based on the grant-date fair value of the equity instruments granted.
- ‘Grant date’ is the date on which the entity and the employee have a shared understanding of the terms and conditions of the arrangement.

US GAAP

4.5 Share-based payments

(Topic 718, Subtopic 505-50)

- Like IFRS Standards, goods or services received in a share-based payment transaction are measured using a fair value-based measure.
- Like IFRS Standards, goods are recognised when they are obtained and services are recognised over the period in which they are received.
- Like IFRS Standards, equity-classified transactions with employees are generally measured based on the grant-date fair value of the equity instruments granted.
- Like IFRS Standards, ‘grant date’ is the date on which the entity and the employee have a shared understanding of the terms and conditions of the arrangement. However, unlike IFRS Standards, employees should also begin to benefit from or be adversely affected by changes in the entity’s share price.

Argentine Accounting Standards

4.5 Share-based payments

- Unlike IFRS Standards, there is no guidance on share-based payments.
- Not applicable.
- Not applicable.
- Not applicable.

IFRS	US GAAP	Argentine Accounting Standards
– **Equity-settled transactions with non-employees are generally measured based on the fair value of the goods or services obtained. The measurement date is the date on which the goods or services are received, which means that there may be multiple measurement dates.**	– **Unlike IFRS Standards, for public entities, equity-classified transactions with non-employees are generally measured based on the grant-date fair value of the equity instruments granted. For public entities, the measurement date is the grant date, which may differ from IFRS Standards. Also, unlike IFRS Standards, for non-public entities, awards to non-employees are accounted for using the non-employee model, which generally requires remeasurement of the awards throughout the service period rather than the modified grant-date method used for employee awards.**	– **Not applicable.**
– **An intrinsic value approach is permitted only in the rare circumstance that the fair value of the equity instruments cannot be estimated reliably.**	– **Like IFRS Standards, an intrinsic value approach is permitted in the rare circumstance that the fair value of the equity instruments cannot be estimated reliably. However, unlike IFRS Standards, non-public entities may apply an intrinsic value approach for liability-classified share-based payments as an accounting policy election.**	– **Not applicable.**
– **For equity-settled transactions, an entity recognises a cost and a corresponding increase in equity. For cash-settled transactions, an entity recognises a cost and a corresponding liability. For both, the cost is recognised as an expense unless it qualifies for recognition as an asset.**	– **Like IFRS Standards, for equity-classified transactions an entity recognises a cost and a corresponding increase in equity. Like IFRS Standards, for liability-classified transactions, an entity recognises a cost and a corresponding liability. For both, the cost is recognised as an expense unless it qualifies for recognition as an asset, like IFRS Standards.**	– **Not applicable.**
– **The liability for cash-settled transactions is remeasured, until settlement date, for subsequent changes in the fair value of the liability. The remeasurements are recognised in profit or loss and are not eligible for capitalisation.**	– **Like IFRS Standards, the liability is remeasured, until settlement date, for subsequent changes in the fair value of the liability. Unlike IFRS Standards, remeasurements are generally recognised as compensation cost, which is eligible for capitalisation.**	– **Not applicable.**

IFRS	US GAAP	Argentine Accounting Standards
– **Market conditions are reflected in the measurement of the fair value of share-based payment transactions. There is no true-up if the expected and actual outcomes differ because of market conditions.**	– **Like IFRS Standards, market conditions are reflected in the measurement of the fair value of share-based payment transactions and there is no true-up if the expected and actual outcomes differ because of market conditions.**	– **Not applicable.**
– **Like market conditions, non-vesting conditions are reflected in the measurement of the fair value of share-based payment transactions and there is no subsequent true-up for differences between the expected and the actual outcome.**	– **Unlike IFRS Standards, the concept of 'non-vesting conditions' is separated into two separate concepts: post-vesting restrictions and other conditions. Post-vesting restrictions are reflected in the initial measurement of fair value and there is no subsequent true-up for differences between the expected and the actual outcome, like IFRS Standards. However, unlike IFRS Standards, other conditions require the award to be liability-classified, irrespective of the settlement provisions of the award.**	– **Not applicable.**
– **Service and non-market performance conditions are not reflected in the measurement of the fair value of share-based payment transactions, but are considered in estimating the number of instruments that are expected to vest. Initial estimates of the number of instruments that are expected to vest are adjusted to current estimates and on vesting date to the actual number of instruments that ultimately vest.**	– **Unlike IFRS Standards, an entity makes an accounting policy election to account for the effect of forfeitures using one of the following approaches.** - ***True-up approach:* Like IFRS Standards, the effect of service conditions and (non-market) performance conditions on vesting is estimated at grant date, but it is not reflected in the grant-date fair value itself. Subsequently, these estimates are trued up for differences between the number of instruments expected to vest and the actual number of instruments vested, like IFRS Standards.** - ***Actual approach:* Unlike IFRS Standards, the effect of forfeitures is recognised as they occur, and previously recognised compensation cost is reversed in the period that the award is forfeited.**	– **Not applicable.**

IFRS	US GAAP	Argentine Accounting Standards
– Modification of an equity-settled share-based payment results in the recognition of any incremental fair value but not in any reduction in fair value. Replacements are accounted for as modifications.	– Like IFRS Standards, the modification of an equity-classified share-based payment results in the recognition of any incremental fair value but not in any reduction in fair value unless the modification is an 'improbable-to-probable' modification, unlike IFRS Standards. Like IFRS Standards, replacements are accounted for as modifications.	– Not applicable.
– When an entity modifies a cash-settled share-based payment transaction such that it becomes equity-settled, it measures the equity-settled award at its fair value and recognises any gain or loss in profit or loss.	– Like IFRS Standards, when an entity modifies a liability-classified share-based payment transaction such that it becomes equity-classified, it measures the equity-classified award at its fair value and recognises any gain or loss in profit or loss.	– Not applicable.
– Cancellation of a share-based payment results in accelerated recognition of any unrecognised cost.	– Like IFRS Standards, cancellation of a share-based payment by the entity results in accelerated recognition of any unrecognised cost. Unlike IFRS Standards, cancellation by the counterparty does not change recognition of the compensation cost.	– Not applicable.
– Classification of grants in which the entity has the choice of equity or cash settlement depends on whether the entity has the ability and intent to settle in shares.	– Like IFRS Standards, the classification of grants in which the entity has the choice of equity or cash settlement depends on whether the entity has the ability and intent to settle in shares.	– Not applicable.
– Grants in which the employee has the choice of equity or cash settlement are accounted for as compound instruments. Therefore, the entity accounts for a liability component and an equity component separately.	– Unlike IFRS Standards, an award for which the employee has the choice of equity or cash settlement is generally liability-classified in its entirety unless the award is a 'combination' award, which might be treated like a compound instrument.	– Not applicable.
– Awards with graded vesting, for which the only vesting condition is service, are accounted for as separate share-based payment arrangements.	– Awards with graded vesting, for which the only vesting condition is service, can be accounted for ratably over the longest vesting tranche, unlike IFRS Standards; or as separate share-based payment arrangements, like IFRS Standards.	– Not applicable.

IFRS	US GAAP	Argentine Accounting Standards
– **There is specific guidance on group share-based payment arrangements, which are accounted for in each group entity's financial statements based on their own perspectives.**	– **Unlike IFRS Standards, US GAAP does not contain specific guidance on group share-based payment arrangements, which may give rise to differences in practice.**	– **Not applicable.**

IFRS

4.6 Borrowing costs

(IAS 23)

- **Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset generally form part of the cost of that asset. Other borrowing costs are recognised as an expense.**

- **A 'qualifying asset' is one that necessarily takes a substantial period of time to be made ready for its intended use or sale. Financial assets, inventories that are manufactured or otherwise produced over a short period of time and contract assets that represent a conditional right to a financial asset, as well as investments (including in our view investments in subsidiaries and equity-accounted investees), are not qualifying assets. Property, plant and equipment, internally developed intangible assets and investment property can be qualifying assets.**

US GAAP

4.6 Capitalised interest

(Topic 835)

- **Like IFRS Standards, interest costs that are directly attributable to the acquisition, construction or production of a qualifying asset generally form part of the cost of that asset. However, the amount of interest cost capitalised may differ from IFRS Standards. Like IFRS Standards, other interest costs are recognised as an expense.**

- **Like IFRS Standards, financial assets, inventories that are manufactured or otherwise produced over a short period of time and contract assets that represent a conditional right to a financial asset are not qualifying assets. Like IFRS Standards, property, plant and equipment (including what would be investment property under IFRS Standards) can be a 'qualifying asset'. Unlike IFRS Standards, an equity-method investment might be a qualifying asset. However, like IFRS Standards, other investments cannot be qualifying assets. Unlike IFRS Standards, internally developed intangible assets generally do not qualify for capitalisation and therefore will not be qualifying assets.**

Argentine Accounting Standards

4.6 Borrowing costs

(RT 17)

- **Unlike IFRS Standards, an entity may select an accounting policy:**
  - **to expense borrowing costs, or**
  - **to capitalise borrowing costs directly attributable to acquisition, construction or production of a qualifying asset, consider them as part of the cost of the asset, while other borrowing costs are recognised as an expense.**

  Unlike IFRS Standards, an entity may capitalise interest on qualifying assets financed by own capital, by applying a prevailing market interest rate less its inflationary component. Capitalised interest is recognised in profit or loss.

- **Like IFRS Standards, a qualifying asset is one that necessarily takes a substantial period of time to be made ready for its intended use or sale.**

IFRS	US GAAP	Argentine Accounting Standards
– **Borrowing costs may include interest calculated using the effective interest method, certain other interest charges and certain foreign exchange differences.**	– **Like IFRS Standards, interest costs may include interest calculated using the effective interest method and certain other interest charges; but not foreign exchange differences, unlike IFRS Standards.**	– **Unlike IFRS Standards, borrowing costs may include interest, indexations, foreign exchange differences, and cost of FX insurance.**

5. Special topics

5.1 Leases

(IFRS 16)

- **IFRS 16, the leases standard, is effective for annual periods beginning on or after 1 January 2019.**
- **This leases standard applies to leases of property, plant and equipment and other assets, with limited exclusions.**
- **A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.**

5.1 Leases

(Topic 842)

- **The leases Codification Topic is currently effective for public entities, and for annual periods beginning after 15 December 2021 for non-public entities. Early adoption is permitted.**
- **The leases Codification Topic applies to leases of property, plant and equipment. Unlike IFRS Standards, the scope excludes leases of inventory, leases of assets under construction and all leases of intangible assets.**
- **Like IFRS Standards, a contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.**

5.1 Leases

(RT 18)

- **Not applicable.**
- **Like IFRS Standards, the leasing guidance applies to property, plant and equipment and other assets. Unlike IFRS Standards, there are no scope exclusions.**
- **Unlike IFRS Standards, there is no guidance on arrangements that contain a lease.**

IFRS	US GAAP	Argentine Accounting Standards
– Lessees apply a single on-balance sheet lease accounting model, except for leases to which they elect to apply the recognition exemptions for short-term leases or leases of low-value assets.	– Unlike IFRS Standards, there is a dual classification on-balance sheet lease accounting model for lessees: finance leases and operating leases. Classification is determined by pass/fail tests intended to determine whether the lessee obtains control of the use of the underlying asset as a result of the lease. Classification is made at commencement of the lease and is reassessed only if there is a lease modification and that modification is not accounted for as a separate lease. Like IFRS Standards, the on-balance sheet accounting does not apply to short-term leases for which the lessee elects the recognition exemption; however, the definition of 'short-term' differs in some respects from IFRS Standards. Unlike IFRS Standards, there is no exemption for leases of low-value assets.	– Unlike IFRS Standards, operating leases are treated as executory contracts.
– A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make future lease payments.	– Like IFRS Standards, a lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make future lease payments.	– Unlike IFRS Standards, a lessee recognises the leased asset and a liability for future lease payments only for finance leases.
– After initial recognition, a lessee measures the lease liability at amortised cost using the effective interest method. The lease liability is also remeasured to reflect lease modifications and changes in the lease payments, including changes caused by a change in an index or rate.	– Like IFRS Standards, after initial recognition, a lessee measures the lease liability at amortised cost using the effective interest method. The lease liability is also remeasured to reflect lease modifications and changes in the lease payments, like IFRS Standards; however, unlike IFRS Standards, this does not include changes caused by a change in an index or rate unless the lease liability is remeasured for another reason.	– Like IFRS Standards, after initial recognition a lessee measures the lease liability at amortised cost using the effective interest method. However, there are no guidance on changes in lease payments.

IFRS	US GAAP	Argentine Accounting Standards
– A lessee measures the right-of-use asset at cost less accumulated depreciation and accumulated impairment losses, except when it applies the alternative measurement models for revalued assets and investment property.	– For a finance lease, a lessee measures the right-of-use asset at cost less accumulated amortisation and accumulated impairment losses, like IFRS Standards. For an operating lease, unless the right-of-use asset has been impaired, a lessee amortises the right-of-use asset as a balancing amount that together with accretion on the lease liability generally produces straight-line total lease expense, unlike IFRS Standards. Unlike IFRS Standards, a lessee cannot revalue right-of-use assets, and there is no alternative measurement model for leases of investment property.	– Not applicable.
– Lessors classify leases as either finance or operating leases.	– Like IFRS Standards, lessors classify leases as either finance or operating leases. However, unlike IFRS Standards, finance leases are further classified as sales-type leases or direct financing leases.	– Like IFRS Standards, lessors classify leases as either finance or operating leases.
– Lease classification by lessors is made at inception of the lease and is reassessed only if there is a lease modification and that modification is not accounted for as a separate lease. The classification depends on whether substantially all of the risks and rewards incidental to ownership of the underlying asset have been transferred, based on the substance of the arrangement.	– Lease classification by lessors is made at commencement of the lease, unlike IFRS Standards. In addition, unlike IFRS Standards, the classification is determined by a series of pass/fail tests intended to determine whether the lessee obtains control of the use of the underlying asset as a result of the lease. Like IFRS Standards, classification is reassessed only if there is a lease modification and that modification is not accounted for as a separate lease.	– Like IFRS Standards, the lease classification is made at inception of the lease and is reassessed only if there is a lease modification. Like IFRS Standards, the classification depends on whether substantially all risks and rewards incidental to ownership of the underlying asset have been transferred, based on the substance of the arrangement.

IFRS	US GAAP	Argentine Accounting Standards
– Under a finance lease, a lessor derecognises the underlying asset and recognises a net investment in the lease. A manufacturer or dealer lessor recognises the selling margin in a finance lease by applying its normal accounting policy for outright sales.	– Like IFRS Standards, under a sales-type or direct financing lease, a lessor derecognises the underlying asset and recognises a net investment in the lease. Like IFRS Standards, a lessor recognises the selling margin in a sales-type lease by applying its normal accounting policy for outright sales. Unlike IFRS Standards, any selling margin in a direct financing lease is recognised over the lease term. In addition, unlike IFRS Standards, there is specific guidance on collectability that may affect timing of recognition of income for a sales-type lease and require classification of a lease as operating that would otherwise be classified as direct financing.	– Like IFRS Standards, under a finance lease, a lessor derecognises the underlying asset and recognises a finance lease receivable. Like IFRS Standards, a manufacturer or dealer lessor recognises the selling margin in a finance lease by applying its normal accounting policy for outright sales.
– Under an operating lease, the lessor recognises the lease payments as income over the lease term, generally on a straight-line basis. The lessor recognises the underlying asset in its statement of financial position.	– Like IFRS Standards, under an operating lease, the lessor recognises the lease payments as income over the lease term, generally on a straight-line basis. Like IFRS Standards, the lessor recognises the underlying asset in its statement of financial position. Unlike IFRS Standards, there is specific guidance on collectability that may result in operating lease income being recognised on a cash basis (i.e. rather than on a straight-line basis).	– Like IFRS Standards, under an operating lease, the lessor recognises the lease payments as income over the lease term; however, unlike IFRS Standards, the straight-line method is not required. Like IFRS Standards, the lessor recognises the underlying asset in its statement of financial position.
– There is specific guidance on accounting for lease modifications by lessees and lessors. In addition, there is a practical expedient for lessees for COVID-19-related rent concessions.	– There is specific guidance on accounting for lease modifications by lessees and lessors, which differs in some respects from IFRS Standards. In addition, there is a practical expedient for COVID-19-related rent concessions, which differs in some respects from IFRS Standards, including that it also applies to lessors.	– Unlike IFRS Standards, there is no specific guidance on accounting for lease modifications.

IFRS	US GAAP	Argentine Accounting Standards
– In a sale-and-leaseback transaction, the seller-lessee first determines if the buyer-lessor obtains control of the asset based on the revenue standard (see chapter 4.2). If not, then the transaction is accounted for as a financing.	– Like IFRS Standards, in a sale-leaseback transaction the seller-lessee first determines if the buyer-lessor obtains control of the asset based on the revenue Codification Topic (see chapter 4.2). However, unlike IFRS Standards, additional considerations apply if there is a seller-lessee repurchase option or if the leaseback would be classified as a finance lease by the seller-lessee (sales-type lease by the buyer-lessor). Like IFRS Standards, if the transaction does not qualify for sale accounting, then it is accounted for as a financing.	– Unlike IFRS Standards, immediate gain recognition from the sale and leaseback of an asset depends on whether the leaseback is classified as finance or an operating lease and, if the leaseback is an operating lease, whether the sale takes place at market value.
– In a sub-lease transaction, the intermediate lessor accounts for the head lease and the sub-lease as two separate contracts. An intermediate lessor classifies a sub-lease by reference to the right-of-use asset arising from the head lease.	– Like IFRS Standards, in a sub-lease transaction, the intermediate lessor accounts for the head lease and the sub-lease as two separate contracts. Unlike IFRS Standards, an intermediate lessor classifies a sub-lease by reference to the underlying asset.	– Unlike IFRS Standards, there is no guidance on sub-lease transactions.

IFRS

5.2 Operating segments

(IFRS 8)

- Segment disclosures are required by entities whose debt or equity instruments are traded in a public market or that file, or are in the process of filing, their financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market.
- Segment disclosures are provided about the components of the entity that management monitors in making decisions about operating matters (the 'management approach').
- Such components (operating segments) are identified on the basis of internal reports that the entity's chief operating decision maker (CODM) regularly reviews in allocating resources to segments and in assessing their performance.

US GAAP

5.2 Operating segments

(Topic 280)

- Like IFRS Standards, segment disclosures are required by entities whose debt or equity securities are traded in a public market, or that are in the process of issuing such securities.
- Like IFRS Standards, the Codification Topic is based on a 'management approach', which requires segment disclosures based on the components of the entity that management monitors in making decisions about operating matters.
- Like IFRS Standards, such components (operating segments) are identified on the basis of internal reports that the entity's chief operating decision maker (CODM) regularly reviews in allocating resources to segments and in assessing their performance.

Argentine Accounting Standards

5.2 Operating segments

(RT18)

- Entities whose debt or equity securities are traded in a public market, or that are in the process of issuing such securities apply IFRS 8. All other entities may opt to present segment disclosures applying the guidance of RT 18.
- Unlike IFRS Standards, segment disclosures are provided based on accounting information.
- Unlike IFRS Standards, the criteria to identify a segment is as follows:
  - Business segment: it is a distinctive component that provides goods or related services that are subject to risks and profitability different from other business segments.
  - Geographical segment: it is a distinctive component that provides goods or services in a particular economic environment and is subject to risks and profitability different from other geographical segments. It can be a country, a group of countries, or a region within a country or group of countries.

  Moreover, business segments and geographical segments are classified as primary segments and secondary segments, depending on which characteristics (business or geographical) affect more significantly the risks and profitability of the entity.

IFRS	US GAAP	Argentine Accounting Standards
– The aggregation of operating segments is permitted only when the segments have 'similar' economic characteristics and meet a number of other criteria.	– Like IFRS Standards, the aggregation of operating segments is permitted only when the segments have 'similar' economic characteristics and meet a number of other criteria.	– Unlike IFRS Standards, there is no specific guidance on the aggregation of segments.
– Reportable segments are identified based on quantitative thresholds of revenue, profit or loss or total assets.	– Like IFRS Standards, reportable segments are identified based on quantitative thresholds of revenue, profit or loss or total assets.	– Like IFRS Standards, reportable segments are identified based on quantitative thresholds of revenue, profit or loss or total assets.
– The amounts disclosed for each reportable segment are the measures reported to the CODM, which are not necessarily based on the same accounting policies as the amounts recognised in the financial statements.	– Like IFRS Standards, the amounts disclosed for each reportable segment are the measures reported to the CODM, which are not necessarily based on the same accounting policies as the amounts recognised in the financial statements.	– Unlike IFRS Standards, segment information is prepared based on accounting policies.
– As part of the disclosures, an entity reports a measure of profit or loss for each reportable segment and, if reported to the CODM, a measure of total assets and liabilities for each reportable segment.	– Like IFRS Standards, as part of the disclosures, an entity reports a measure of profit or loss and, if reported to the CODM, a measure of total assets for each reportable segment. Unlike IFRS Standards, there is no requirement to disclose information about liabilities.	– Unlike IFRS Standard, a measure of profit or loss for each reportable primary segment is always required.
– Disclosures are required for additions to non-current assets, with certain exceptions.	– Like IFRS Standards, disclosures are required for additions to long-lived assets, with certain exceptions. However, the exceptions differ in certain respects from IFRS Standards.	– Unlike IFRS Standards, disclosures for additions to PPE and intangible assets for each reportable primary segment are always required.
– Reconciliations between total amounts for all reportable segments and financial statement amounts are disclosed with a description of reconciling items.	– Like IFRS Standards, reconciliations between total amounts for all reportable segments and financial statement amounts are disclosed, with a description of reconciling items.	– Like IFRS Standards, reconciliations between total amounts for all reportable segments and financial statement amounts are disclosed. Unlike IFRS Standards, there is no specific requirement to disclose a description of reconciling items.

IFRS	US GAAP	Argentine Accounting Standards
– **General and entity-wide disclosures include information about products and services, geographic areas, major customers, the factors used to identify an entity’s reportable segments, and the judgements made by management in applying the aggregation criteria. Such disclosures are required even if an entity has only one segment.**	– **Like IFRS Standards, general and entity-wide disclosures are required, including information about products and services, geographic areas, major customers and factors used to identify an entity’s reportable segments. Such disclosures are required even if an entity has only one segment, like IFRS Standards. However, unlike IFRS Standards, there is no explicit requirement to disclose the judgements made by management in applying the aggregation criteria.**	– **Unlike IFRS Standards, there is no specific requirement to present general and entity-wide disclosures.**
– **Comparative information is normally revised for changes in reportable segments.**	– **Like IFRS Standards, comparative information is normally revised for changes in operating segments.**	– **Like IFRS Standards, comparative information is revised for changes in reportable segments, unless impracticable.**

IFRS

5.3 Earnings per share

(IAS 33)

- Basic and diluted EPS are presented by entities whose ordinary shares or potential ordinary shares are traded in a public market or that file, or are in the process of filing, their financial statements for the purpose of issuing any class of ordinary shares in a public market.

- Basic and diluted EPS for both continuing operations and profit or loss are presented in the statement of profit or loss and OCI, with equal prominence, for each class of ordinary shares that has a differing right to share in the profit or loss for the period.

- Separate EPS information is disclosed for discontinued operations, either in the statement of profit or loss and OCI or in the notes to the financial statements.

- Basic EPS is calculated by dividing the profit or loss attributable to holders of ordinary equity of the parent by the weighted-average number of ordinary shares outstanding during the period.

US GAAP

5.3 Earnings per share

(Subtopic 260-10)

- Like IFRS Standards, basic and diluted EPS are presented by entities whose common shares or potential common shares are traded in a public market or that file, or are in the process of filing, their financial statements for the purpose of issuing any class of common shares in a public market.

- Like IFRS Standards, basic and diluted EPS for both continuing operations and net income are presented in the statement that reports profit or loss, with equal prominence, for each class of common shares.

- Like IFRS Standards, separate EPS information is disclosed for discontinued operations either in the statement that reports profit or loss or in the notes to the financial statements.

- Like IFRS Standards, basic EPS is calculated by dividing the earnings attributable to holders of ordinary equity (i.e. income available to common shareholders) of the parent by the weighted-average number of common shares outstanding during the period.

Argentine Accounting Standards

5.3 Earnings per share

(RT 8, RT 9)

- Entities whose ordinary shares or potential ordinary shares are traded in a public market, or that file, or are in the process of filing, their financial statements for purpose of issuing any class of ordinary shares in a public market apply IAS 33. All other entities may opt to present EPS applying the guidance of RT 18.

- Unlike IFRS Standards, basic and diluted EPS for both ordinary operations (disclosed only when the entity presents extraordinary profit or loss) and profit or loss are presented in the statement of income with equal prominence, for each class of ordinary shares that has a different right to share in the profit or loss for the period.

- Unlike IFRS Standards, separate EPS information is not disclosed for discontinued operations.

- Like IFRS Standards, basic EPS is calculated by dividing the profit or loss attributable to holders of ordinary equity of the entity by the weighted-average number of ordinary shares outstanding during the period.

IFRS	US GAAP	Argentine Accounting Standards
– To calculate diluted EPS, profit or loss attributable to ordinary equity holders, and the weighted-average number of ordinary shares outstanding, are adjusted for the effects of all dilutive potential ordinary shares.	– Like IFRS Standards, diluted EPS is calculated based on income available to common shareholders and the weighted-average number of common shares outstanding, adjusted for the effects of all dilutive potential common shares.	– Like IFRS Standards, diluted EPS is calculated based on profit or loss attributable to ordinary equity and the weighted-number of shares outstanding, adjusted for the effects of all dilutive potential common shares.
– Potential ordinary shares are considered dilutive only if they decrease EPS or increase loss per share from continuing operations. In determining whether potential ordinary shares are dilutive or anti-dilutive, each issue or series of potential ordinary shares is considered separately, rather than in aggregate.	– Like IFRS Standards, potential common shares are considered dilutive only if they decrease EPS or increase loss per share from continuing operations. Like IFRS Standards, in determining whether potential common shares are dilutive or anti-dilutive, each issue or series of potential common shares is considered separately, rather than in aggregate.	– Like IFRS Standards, potential ordinary shares are considered dilutive only if they decrease ordinary EPS or increase ordinary loss per share. However, there is no guidance on considering each issue or series of potential ordinary shares separately or in aggregate, unlike IFRS Standards.
– Contingently issuable ordinary shares are included in basic EPS from the date on which all necessary conditions are satisfied. When they are not yet satisfied, such shares are included in diluted EPS based on the number of shares that would be issuable if the reporting date were the end of the contingency period.	– Like IFRS Standards, contingently issuable common shares are included in basic EPS from the date on which all necessary conditions are satisfied. Like IFRS Standards, when they are not satisfied, such shares are included in diluted EPS based on the number of shares that would be issuable if the reporting date were the end of the contingency period.	– Unlike IFRS Standards, there is no guidance on contingently issuable common shares.
– If a contract may be settled in either cash or shares at the entity's option, then the presumption is that it will be settled in ordinary shares and the resulting potential ordinary shares are used to calculate diluted EPS.	– If a contract may be settled in either cash or shares at the entity's option, then the general presumption is that it will be settled in common shares and the resulting potential common shares are used to calculate diluted EPS, like IFRS Standards. However, unlike IFRS Standards, this presumption may be overcome if the entity has existing practice or a stated policy of settling in cash (see forthcoming requirements).	– Unlike IFRS Standards, there is no guidance on contracts that may be settled in either cash or shares.
– If a contract may be settled in either cash or shares at the holder's option, then the more dilutive of cash and share settlement is used to calculate diluted EPS.	– Like IFRS Standards, if a contract may be settled in either cash or shares at the holder's option, then the more dilutive of cash and share settlement is used to calculate diluted EPS.	– Unlike IFRS Standards, there is no guidance on contracts that may be settled in either cash or shares.

IFRS	US GAAP	Argentine Accounting Standards
– For diluted EPS, diluted potential ordinary shares are determined independently for each period presented.	– Unlike IFRS Standards, the computation of diluted EPS for year-to-date (including annual) periods is based on the weighted average of incremental shares included in each interim period resulting in the year-to-date period, considering previously anti-dilutive instruments and their dilution in the year-to-date period, in certain circumstances.	– Like IFRS Standards, for diluted EPS, diluted potential common shares are determined independently for each period presented.
– When the number of ordinary shares outstanding changes, without a corresponding change in resources, the weighted-average number of ordinary shares outstanding during all periods presented is adjusted retrospectively for both basic and diluted EPS.	– Like IFRS Standards, when the number of common shares outstanding changes, without a corresponding change in resources, the weighted-average number of common shares outstanding during all periods presented is adjusted retrospectively for both basic and diluted EPS.	– Like IFRS Standards, when the number of common shares outstanding changes, without a corresponding change in resources, the weighted-average number of common shares outstanding during all periods presented is adjusted retrospectively for both basic and diluted EPS.
– Adjusted basic and diluted EPS based on alternative earnings measures may be disclosed and explained in the notes to the financial statements.	– Like IFRS Standards, entities may choose to present basic and diluted other per-share amounts that are not required under US GAAP only in the notes to the financial statements. However, cash flow per share may not be presented. Additionally, SEC regulations restrict the use of 'non-GAAP' measures in filings by SEC registrants, which is more restrictive than IFRS Standards.	– Unlike IFRS Standards, there is no guidance on adjusted basic and diluted EPS based on alternative earnings measures.

IFRS

5.4 Non-current assets held for sale and discontinued operations

(IFRS 5, IFRIC 17)

- Non-current assets and some groups of assets and liabilities ('disposal groups') are classified as held-for-sale if their carrying amounts will be recovered principally through sale and specific criteria related to their sale are met.
- Non-current assets and some groups of assets and liabilities ('disposal groups') are classified as held-for-distribution when the entity is committed to distributing the asset or disposal group to its owners.
- The classification, presentation and measurement requirements that apply to items that are classified as held-for-sale generally also apply to a non-current asset or disposal group that is classified as held-for-distribution.
- Non-current assets (or disposal groups) held for sale are measured at the lower of their carrying amount and fair value less costs to sell, and are presented separately in the statement of financial position.

US GAAP

5.4 Long-lived assets held for sale and discontinued operations

(Subtopic 205-20, Subtopic 360-10)

- Like IFRS Standards, long-lived assets (or disposal groups) are classified as held-for-sale if specific criteria related to their sale are met.
- Unlike IFRS Standards, there is no special designation for assets held for distribution.
- Unlike IFRS Standards, there is no special designation for assets held for distribution.
- Like IFRS Standards, long-lived assets (or disposal groups) held for sale are measured at the lower of their carrying amount and fair value less costs to sell, and are presented separately in the statement of financial position.

Argentine Accounting Standards

5.4 Non-current assets held for sale and discontinued operations

(RT 8, RT 9, RT 31)

- Like IFRS Standards, non-current assets are classified as held-for-sale if they meet certain criteria. However, these criteria do not apply to disposal groups, unlike IFRS Standards,
- Unlike IFRS Standards, there is no special designation for assets held for distribution.
- Unlike IFRS Standards, there is no special designation for assets held for distribution.
- Unlike IFRS Standards, non-current assets held for sale are measured optionally at cost less cumulative depreciation or net realisable value (NRV). NRV may be higher than cost less depreciation, only if NRV derives from close market transactions in an active market, or the selling price is locked by a contract.

IFRS	US GAAP	Argentine Accounting Standards
– Assets held for sale or distribution are not amortised or depreciated.	– Like IFRS Standards, assets held for sale are not amortised or depreciated. Unlike IFRS Standards, assets to be distributed to owners continue to be depreciated or amortised.	– Unlike IFRS Standards, when non-current assets held for sale are measured at cost less cumulative depreciation, there is no guidance on whether depreciation or amortisation should stop. Unlike IFRS Standards, there is no guidance on assets held for distribution.
– The comparative statement of financial position is not re-presented when a non-current asset or disposal group is classified as held-for-sale.	– Unlike IFRS Standards, the comparative statement of financial position is re-presented for discontinued operations. Unlike IFRS Standards, there is no specific guidance for held-for-sale long-lived assets or disposal groups that are not discontinued operations.	– Unlike IFRS Standards, there is no specific guidance on whether the comparative statement of financial position is re-presented when a non-current asset is classified as held for sale.
– A ‘discontinued operation’ is a component of an entity that either has been disposed of or is classified as held-for-sale. Discontinued operations are limited to those operations that are a separate major line of business or geographic area, and subsidiaries acquired exclusively with a view to resale.	– Unlike IFRS Standards, a discontinued operation is either (1) a component of an entity that has been disposed of, meets the criteria to be classified as held-for-sale, or has been abandoned/spun-off; and represents a strategic shift that has (or will have) a major effect on an entity’s operations and financial results; or (2) a business or non-profit activity that, on acquisition, meets the criteria to be classified as held-for-sale.	– Unlike IFRS Standards, a ‘discontinued operation’ is a component of the entity that has been disposed of, spun off, or abandoned. It is a separate line of business or a separate geographical area of operations, and it can be differentiated for operational and accounting purposes. Unlike IFRS Standards, discontinued operations are limited to operations that are a separate line of business or geographical area. Subsidiaries are not considered to be an operation.
– Discontinued operations are presented separately in the statement of profit or loss and OCI, and related cash flow information is disclosed.	– Like IFRS Standards, discontinued operations are presented separately in the statements that report profit or loss and cash flows.	– Like IFRS Standards, discontinued operations are presented separately in the statement of profit or loss, and related cash flow information is disclosed.
– The comparative statements of profit or loss and OCI and cash flow information is re-presented for discontinued operations.	– Like IFRS Standards, the comparative statements that report profit or loss and cash flows are re-presented for discontinued operations.	– Like IFRS Standards, the comparative statements of income are re-presented for discontinued operations. Unlike IFRS Standards, cash flow information is not re-presented.

IFRS

5.5 Related party disclosures

(IAS 24)

- **'Related party relationships' are those involving control (direct or indirect), joint control or significant influence.**
- **Key management personnel and their close family members are parties related to an entity.**
- **There are no special recognition or measurement requirements for related party transactions.**
- **The disclosure of related party relationships between a parent and its subsidiaries is required, even if there have been no transactions between them.**
- **No disclosure is required in the consolidated financial statements of intra-group transactions eliminated in preparing those statements.**

US GAAP

5.5 Related party disclosures

(Topic 850)

- **Like IFRS Standards, 'related party relationships' include those involving direct or indirect control (including common control), joint control or significant influence. Unlike IFRS Standards, entities that are under significant influence of the same third party could be related parties in certain circumstances.**
- **Like IFRS Standards, management and management's immediate family members are parties related to an entity.**
- **Generally, there are no special recognition or measurement requirements for related party transactions; however, unlike IFRS Standards, certain Codification topics/subtopics have specific guidance.**
- **Unlike IFRS Standards, there is no requirement to disclose related party relationships between a parent and its subsidiaries if there have been no transactions between them.**
- **Like IFRS Standards, no disclosure is required in the consolidated financial statements of intra-group transactions eliminated in preparing those statements.**

Argentine Accounting Standards

5.5 Related party disclosures

(RT 21)

- **Like IFRS Standards, 'related party relationships' are those involving control (direct or indirect), joint control, or significant influence. However, the definition of control differs from IFRS Standards.**
- **Unlike IFRS Standards, 'key management personnel' is not defined, but considered to be related parties. Like IFRS Standards, close family members of those who have control, joint control, or significant influence are considered to be 'related parties'.**
- **Like IFRS Standards, there are no special recognition or measurement requirements for related party transactions.**
- **Like IFRS Standards, the disclosure of related party relationships between a parent and its subsidiaries is required, even if there have been no transactions between them.**
- **Like IFRS Standards, no disclosure is required in the consolidated financial statements of intra-group transactions eliminated in preparing those statements.**

IFRS	US GAAP	Argentine Accounting Standards
– Comprehensive disclosures of related party transactions are required for each category of related party relationship.	– Like IFRS Standards, comprehensive disclosures of related party transactions are required. However, unlike IFRS Standards, there is no requirement for the disclosures to be grouped into categories of related parties.	– Like IFRS Standards, comprehensive disclosures of related party transactions are required for each category of related party relationship.
– Key management personnel compensation is disclosed in total and is analysed by component.	– Unlike IFRS Standards, management compensation is not required to be disclosed in the financial statements; however, SEC registrants are required to provide compensation information outside the financial statements for specified members of management and the board.	– Unlike IFRS Standards, key management personnel compensation is not required to be disclosed in the financial statements.
– In certain cases, government-related entities are allowed to provide less detailed disclosures of related party transactions.	– Unlike IFRS Standards, there is no partial disclosure exemption for government-related entities that prepare financial statements in accordance with US GAAP. However, such entities' financial statements will often be prepared in accordance with US governmental accounting standards, rather than in accordance with US GAAP.	– Unlike IFRS Standards, there is no partial disclosure exemption for government-related entities.

IFRS

5.6 Investment entity consolidation exception

(IFRS 10)

- **Only an entity that meets the definition under the consolidation standard can qualify as an 'investment entity'.**
- **The definition of an investment entity requires an entity to meet certain criteria relating to its activities and its measurement and evaluation of the performance of its investments.**
- **In addition, an entity considers 'typical' characteristics in assessing whether it meets the definition of an investment entity.**

US GAAP

5.6 Investment company consolidation exception

(Topic 946)

- **An entity that meets the definition under US GAAP can qualify as an 'investment company', like IFRS Standards. However, unlike IFRS Standards, an entity also qualifies as an investment company by virtue of being regulated under the Investment Company Act of 1940.**
- **Like IFRS Standards, the definition of an investment company requires an entity to meet certain criteria relating to its activities and its evaluation of investments; however, these criteria differ from IFRS Standards in certain respects.**
- **In addition, an entity considers 'typical' characteristics in assessing whether it meets the definition of an investment company, like IFRS Standards; however, these characteristics differ from IFRS Standards in certain respects.**

Argentine Accounting Standards

5.6 Investment company consolidation exception

- **Unlike IFRS Standards, there is no investment entity consolidation exception.**
- **Not applicable.**
- **Not applicable.**

IFRS	US GAAP	Argentine Accounting Standards
– An investment entity measures its subsidiaries at fair value, with changes in fair value recognised in profit or loss. As an exception, an investment entity consolidates a subsidiary that is not itself an investment entity and whose main purpose and activities are providing services that relate to the investment entity's investment activities.	– In general, an investment company measures investments in non-investment company subsidiaries at fair value, with changes in fair value recognised in profit or loss, like IFRS Standards. As exceptions, an investment company: - consolidates a subsidiary that provides investment-related services but, unlike IFRS Standards, only when the subsidiary provides investment-related services only to the investment company; and - unlike IFRS Standards, applies the equity method to an equity-method investee that provides investment-related services to the investment company.	– Not applicable.
– An investment entity prepares a complete set of financial statements in the usual way, including comparative information.	– Unlike IFRS Standards, an investment company's financial statements include a schedule of investments and financial highlights; a statement of cash flows is not always required. In addition, unlike IFRS Standards, there is no requirement to present comparative financial statements except for the statement of changes in net assets and financial highlights for registered investment companies.	– Not applicable.
– The investment entity consolidation exception is mandatory for the parent of an investment entity that itself meets the definition of an investment entity.	– Unlike IFRS Standards, consolidation by an investment company of an investment company subsidiary is not precluded.	– Not applicable.
– A parent that is not itself an investment entity consolidates all subsidiaries.	– Unlike IFRS Standards, for the purpose of consolidating an investment company, a non-investment company parent retains the investment company accounting applied by the subsidiary investment company.	– Not applicable.

IFRS

5.7 Non-monetary transactions

(IFRS 15, IAS 16, IAS 38, IAS 40)

- **If an entity enters into a non-monetary exchange with a customer as part of its ordinary activities, then generally it applies the guidance on non-cash consideration in the revenue standard.**

- **Non-monetary exchanges with non-customers do not give rise to revenue. If a non-monetary exchange of assets with a non-customer has commercial substance, then the transaction gives rise to a gain or loss. The cost of the asset acquired is generally the fair value of the asset surrendered, adjusted for any cash transferred.**

US GAAP

5.7 Non-monetary transactions

(Topic 845, Topic 606, Subtopic 610-20)

- **If a non-monetary exchange is with a customer because the asset given up or service provided is part of the entity's ordinary activities, then generally it falls under the guidance on non-cash consideration in the revenue Codification Topic, which differs from IFRS Standards in some respects.**

- **Like IFRS Standards, if the exchange of non-monetary assets with a non-customer has commercial substance, then the transaction generally gives rise to a gain or loss. However, unlike IFRS Standards, additional criteria are required to be met before recognition of a gain or loss. Unlike IFRS Standards, the cost of the asset acquired is generally its fair value, measured at the date of the contract inception.**

Argentine Accounting Standards

5.7 Non-monetary transactions

(RT 17)

- **Unlike IFRS Standards, NCP does not provide guidance on non-monetary exchange with customer as part of its ordinary activities. Unlike IFRS Standards, exchanges of assets held for use are measured at replacement cost and result in the recognition of gains or losses, unless the transaction involves the exchange of items used in the same line of business, and with similar replacement costs in which case are measured based on historical cost.**

- **Unlike IFRS Standards, NCP does not provide guidance on non-monetary exchange with non-customers. Unlike IFRS Standards, exchanges of assets held for use are measured at replacement cost and result in the recognition of gains or losses, unless the transaction involves the exchange of items used in the same line of business, and with similar replacement costs in which case are measured based on historical cost.**

IFRS

5.8 Accompanying financial and other information

(IAS 1, IFRS Practice Statement *Management Commentary*)

- **IFRS Standards do not require supplementary financial and operational information to be presented.**
- **An entity considers its particular legal or regulatory requirements in assessing what information is disclosed in addition to that required by IFRS Standards.**
- **IFRS Practice Statement *Management Commentary* provides a broad, non-binding framework for the presentation of management commentary.**

US GAAP

5.8 Accompanying financial and other information

(Reg G, Reg S-K, Reg S-X)

- **Like IFRS Standards, a financial and operational review is not required. However, unlike IFRS Standards, SEC registrants are required to include MD&A in their annual and interim reports. Such information is presented outside the financial statements.**
- **Like IFRS Standards, an entity considers the legal, securities exchange or SEC requirements in assessing the information to be disclosed in addition to US GAAP requirements.**
- **Unlike IFRS Standards, SEC registrants are required to include MD&A in their annual and interim reports. Although this is not required for non-SEC registrants, sometimes they include MD&A in their annual reports.**

Argentine Accounting Standards

5.8 Accompanying financial and other information

- **Like IFRS Standards supplementary financial and operational information are not required to be presented.**
- **Like IFRS Standards, an entity considers its legal or other regulatory requirements.**
- **Unlike IFRS Standards, entities are required to include a Board of Directors' Report ('Memoria'), while public entities also provide the Additional information required by National Securities Commission.**

IFRS	US GAAP	Argentine Accounting Standards
5.9 Interim financial reporting (IAS 34, IFRIC 10)	**5.9 Interim financial reporting** (Topic 270, Subtopic 740-270)	**5.9 Interim financial reporting** (RT 8, RT 9)
– Interim financial statements contain either a complete or a condensed set of financial statements for a period shorter than a financial year.	– Like IFRS Standards, interim financial statements contain either a complete or a condensed set of financial statements for a period shorter than a financial year.	– Unlike IFRS Standards, there is no condensed set of financial statements for a period shorter than a financial year.
– At least the following are presented in condensed interim financial statements: condensed statement of financial position, condensed statement of profit or loss and OCI, condensed statement of changes in equity, condensed statement of cash flows, and selected explanatory notes.	– Like IFRS Standards, at least the following are presented in condensed interim financial statements: condensed statement of financial position, condensed statement of comprehensive income, condensed statement of cash flows, and selected explanatory notes. However, unlike IFRS Standards, a condensed statement of changes in equity is not required.	– Unlike IFRS Standards, seasonal businesses presents additional comparative information regarding the statement of financial position as of the closing date of previous year, as a third column or in the notes.
– Other than income tax, items are recognised and measured as if the interim period were a discrete stand-alone period.	– Unlike IFRS Standards, each interim period is viewed as an integral part of the annual period to which it relates.	– Not applicable.
– Income tax expense for an interim period is based on an estimated average annual effective income tax rate.	– Like IFRS Standards, income tax expense for an interim period is based on an estimated average annual effective income tax rate. However, US GAAP has more detailed guidance than IFRS Standards.	– Not applicable.
– The accounting policies applied in the interim financial statements are generally those that will be applied in the next annual financial statements.	– Like IFRS Standards, the accounting policies applied in the interim financial statements are generally those that will be applied in the next annual financial statements.	– Not applicable.

IFRS

5.10 Disclosure of interests in other entities

(IFRS 12)

- **A single standard deals with the disclosure of information about an entity's interests in other entities.**
- **An entity discloses information that helps users of its financial statements to understand the composition of the group and the interests of NCI in the group's activities and cash flows.**
- **An entity discloses information that helps users of its financial statements to evaluate the nature, extent and financial effects of its interests in joint arrangements and associates and the risks associated with them.**
- **Disclosures are required about an entity's involvement with both consolidated and unconsolidated 'structured entities'.**
- **An investment entity discloses information about the nature of its involvement with investees.**

US GAAP

5.10 Disclosure of interests in other entities

(Topic 320, Topic 810, Topic 946)

- **Unlike IFRS Standards, there is no single Codification Topic under US GAAP that deals with the disclosure of information about an entity's interests in other entities.**
- **In general, the disclosure requirements related to the composition of the group and the interests of NCI in the group's activities and cash flows are not as extensive as under IFRS Standards.**
- **Unlike IFRS Standards, US GAAP does not explicitly require disclosure about an entity's interests in joint arrangements. While disclosures are required about corporate joint ventures and other equity-method investees that are material in aggregate, the overall approach to disclosure may result in differences from IFRS Standards in practice.**
- **Disclosures are required about an entity's involvement with both consolidated and unconsolidated 'variable interest entities', which may be different from 'structured entities' under IFRS Standards. In addition, certain of the disclosure requirements are more extensive than IFRS Standards.**
- **The disclosures required by investment companies in respect of investees are more extensive than IFRS Standards.**

Argentine Accounting Standards

5.10 Disclosure of interests in other entities

(RT 8, RT 9, RT 18, RT 21)

- **Unlike IFRS Standards, there is no single standard that deals with the disclosure of information about an entity's interests in other entities.**
- **In general, the disclosure requirements are less extensive as under IFRS Standards.**
- **Unlike IFRS Standards, NCP requires specific information on investments in other entities regardless are individually material or not.**
- **Unlike IFRS Standards, disclosure requirements does not include entity's involvement with unconsolidated 'structured entities'.**
- **The disclosures required by investment companies in respect of investee are more extensive than IFRS Standards.**

IFRS

5.11 Extractive activities

(IFRS 6, IFRIC 20)

- IFRS Standards provide specialised extractive industry guidance only in respect of expenditure incurred on exploration for and evaluation of (E&E) mineral resources after obtaining a legal right to explore and before being able to demonstrate technical feasibility and commercial viability.
- There is no industry-specific guidance on the recognition or measurement of pre-exploration expenditure or development expenditure. Pre-E&E expenditure is generally expensed as it is incurred.
- Entities identify and account for pre-exploration expenditure, E&E expenditure and development expenditure separately.
- Each type of E&E cost may be expensed as it is incurred or capitalised, in accordance with the entity's selected accounting policy.

US GAAP

5.11 Extractive activities

(Topic 930, Topic 932)

- Unlike IFRS Standards, US GAAP provides detailed guidance on the accounting and reporting by oil- and gas-producing entities for expenditure incurred before, during and after exploration and evaluation (E&E) activities. US GAAP does not contain extensive authoritative guidance for other extractive industries. SEC guidelines are used for other extractive industries.
- Unlike IFRS Standards, there is industry-specific guidance on the recognition and measurement of pre-exploration expenditure and development expenditure for oil- and gas-producing entities. For other extractive industries, pre-E&E expenditure is generally expensed as it is incurred, like IFRS Standards.
- Unlike IFRS Standards, the accounting for oil- and gas-producing activities covers pre-exploration expenditure, E&E expenditure and development expenditure. Other extractive industries account for pre-exploration and E&E separately from development expenditure.
- Unlike IFRS Standards, all costs related to oil- and gas-producing activities are accounted for under either the successful-efforts method or the full-cost method, and the type of E&E costs capitalised under each method differs. For other extractive industries, E&E costs are generally expensed as they are incurred unless an identifiable asset is created by the activity.

Argentine Accounting Standards

5.11 Extractive activities

- Unlike IFRS Standards, there is no specific guidance on extractive activities.
- Not applicable.
- Not applicable.
- Not applicable.

IFRS	US GAAP	Argentine Accounting Standards
– **Capitalised E&E costs are classified as either tangible or intangible assets, according to their nature.**	– **Like IFRS Standards, in extractive industries (other than oil- and gas-producing industries), capitalised costs are classified as either tangible or intangible assets, according to their nature. Unlike IFRS Standards, oil- and gas-producing entities do not segregate capitalised E&E costs into tangible and intangible components; all capitalised costs are classified as tangible assets.**	– **Not applicable.**
– **The test for recoverability of E&E assets can combine several CGUs, as long as the combination is not larger than an operating segment.**	– **Unlike IFRS Standards, the test for recoverability is usually conducted at the oil and gas field level under the successful-efforts method, or by geographic region under the full-cost method. For other extractive industries, the test for recoverability is generally at the mine or group of mines level, which may differ from IFRS Standards.**	– **Not applicable.**
– **Stripping costs incurred during the production phase of surface mining are included in the cost of inventory extracted during the period, if appropriate, or are capitalised as a non-current asset if they improve access to the ore body.**	– **Unlike IFRS Standards, the guidance on production stripping applies to all extractive activities other than oil and gas. Unlike IFRS Standards, stripping costs incurred during the production phase of a mine are included in the cost of inventory extracted during the period.**	– **Not applicable.**

IFRS

5.12 Service concession arrangements

(IFRIC 12, SIC-29)

- **The interpretation on service concession arrangements provides guidance on the accounting by private sector entities (operators) for public-to-private service concession arrangements. The guidance applies only to service concession arrangements in which the public sector (the grantor) controls or regulates:**
  - **the services provided with the infrastructure;**
  - **to whom the operator should provide the services;**
  - **the prices charged to end users; and**
  - **any significant residual interest in the infrastructure.**
- **Legal ownership of the infrastructure during the term of the arrangement is not relevant in determining whether an arrangement is in the scope of the interpretation on service concession arrangements.**
- **For service concession arrangements in the scope of the guidance, the operator does not recognise public service infrastructure as its property, plant and equipment if the infrastructure is existing infrastructure of the grantor, or if the infrastructure is built or acquired by the operator as part of the service concession arrangement.**

US GAAP

5.12 Service concession arrangements

(Topic 853, Topic 980)

- **US GAAP provides limited guidance on the accounting by operators for service concession arrangements. Unlike IFRS Standards, the guidance applies only to service concession arrangements that are not regulated operations. Like IFRS Standards, the guidance applies only to service concession arrangements in which the public sector (the grantor) controls:**
  - **the services provided with the infrastructure;**
  - **to whom the operator must provide those services;**
  - **the price charged for the services; and**
  - **any residual interest in the infrastructure at the end of the term of the arrangement.**
- **Unlike IFRS Standards, some entities choose to account for a service concession arrangement as a lease if the operator is the legal owner of the infrastructure during the term of the arrangement.**
- **Like IFRS Standards, for service concession arrangements in the scope of the guidance, the operator does not recognise public service infrastructure as its property, plant and equipment.**

Argentine Accounting Standards

5.12 Service concession arrangements

(Resolution 433/12 FACPCE)

- **Unlike IFRS Standards, there is no specific guidance on service concession arrangements; however, an entity may opt to apply IFRIC 12.**
- **Not applicable.**
- **Not applicable.**

IFRS	US GAAP	Argentine Accounting Standards
– If the grantor provides other items to the operator that the operator may retain or sell at its discretion and those items form part of the consideration for the services provided, then the operator accounts for the items as part of the transaction price as defined in the revenue standard.	– Like IFRS Standards, if the grantor provides other items to the operator that the operator may retain or sell at its discretion and those items form part of the consideration for the services provided, then the operator accounts for the items as part of the transaction price under the revenue Codification Topic.	– Not applicable.
– The operator recognises and measures revenue for providing construction or upgrade services, and revenue for other services, in accordance with the revenue standard.	– Like IFRS Standards, the operator recognises and measures revenue for providing construction or upgrade services, and revenue for other services, in accordance with the revenue Codification Topic.	– Not applicable.
– The operator recognises a contract asset during the construction or upgrade phase.	– Unlike IFRS Standards, further evaluation of the construction activities is required to determine the appropriate classification of the resulting asset.	– Not applicable.
– The operator recognises a financial asset to the extent that it has an unconditional right to receive cash (or another financial asset), irrespective of the use of the infrastructure.	– Like IFRS Standards, the operator recognises a receivable to the extent that it has an unconditional right to receive cash (or another financial asset), irrespective of the use of the infrastructure.	– Not applicable.
– The operator recognises an intangible asset to the extent that it has a right to charge for use of the infrastructure.	– Unlike IFRS Standards, the operator recognises a contract asset to the extent that it does not have an unconditional right to receive cash (or another financial asset).	– Not applicable.
– Any financial asset recognised is accounted for in accordance with the financial instruments standard, and any intangible asset in accordance with the intangible assets standard. There are no exemptions from these standards for operators.	– Any financial asset recognised is accounted for in accordance with the relevant financial instruments Codification Topics, which differ in certain respects from IFRS Standards. Unlike IFRS Standards, an intangible asset is never recognised.	– Not applicable.

IFRS	US GAAP	Argentine Accounting Standards
– **The operator recognises and measures obligations to maintain or restore infrastructure, except for any construction or upgrade element, in accordance with the provisions standard.**	– **Unlike IFRS Standards, the operator recognises revenue and costs related to maintenance activities in accordance with the revenue Codification Topic and related cost guidance.**	– **Not applicable.**
– **The operator generally capitalises attributable borrowing costs incurred during construction or upgrade periods to the extent that it has a right to receive an intangible asset. Otherwise, the operator expenses borrowing costs as they are incurred.**	– **Like IFRS Standards, the operator capitalises interest costs when it concludes that the construction service gives rise to a qualifying asset and it has net accumulated expenditure on the qualifying asset. Otherwise, the operator expenses interest costs as they are incurred.**	– **Not applicable.**

IFRS

5.13 Common control transactions and Newco formations

- **In our view, the acquirer in a common control transaction has a choice of applying either book value accounting or acquisition accounting in its consolidated financial statements.**
- **The transferor losing control in a common control transaction that is not a demerger applies the general guidance on loss of control in its consolidated financial statements.**
- **In our view, the transferor in a common control transaction that is a demerger has a choice of applying either book value accounting or fair value accounting in its consolidated financial statements.**
- **Newco formations generally fall into one of two categories: to effect a business combination involving a third party, or to effect a restructuring among entities under common control.**

US GAAP

5.13 Common control transactions and Newco formations

(Subtopic 805-50)

- **Unlike IFRS Standards, the acquirer in a common control transaction applies book value accounting in its consolidated financial statements.**
- **Like IFRS Standards, the transferor losing control in a common control transaction that is not a spin-off applies the general guidance on loss of control in its consolidated financial statements.**
- **Unlike IFRS Standards, the transferor in a common control transaction that is a spin-off applies book value accounting in its consolidated financial statements.**
- **The formation of a Newco is often to effect a business combination or a restructuring among entities under common control, like IFRS Standards.**

Argentine Accounting Standards

5.13 Common control transactions and Newco formations

(RT 17, RT 18)

- **Unlike IFRS Standards, there is no specific guidance on common control transactions except for two types of restructuring transactions: demerger (no third parties involved), and demerger followed by a merger with a Newco or an existing entity.**
  - **demerger: book value accounting applies.**
  - **demerger-merger: acquisition accounting applies.**
- **Unlike IFRS Standards, there is no specific guidance on common control transactions that is not a demerger.**
- **Unlike IFRS Standards, the transferor in a demerger applies book value accounting.**
- **Guidance on Newco formations covers only demergers followed by a business combination involving a third party, or a pure demerger.**

IFRS	US GAAP	Argentine Accounting Standards
– In a Newco formation to effect a business combination involving a third party, acquisition accounting generally applies.	– Like IFRS Standards, in a Newco formation to effect a business combination, acquisition accounting generally applies.	– Like IFRS Standards, in Newco formation to effect a business combination involving a third party, acquisition accounting applies.
– In a Newco formation to effect a restructuring among entities under common control, in our view it is first necessary to determine whether there has been a business combination. If there has been, then the same accounting choices are available as for common control transactions in consolidated financial statements.	– In a Newco formation to effect a restructuring among entities under common control, the transaction is accounted for using book values, which may result in differences from IFRS Standards.	– There is no specific guidance on restructuring among entities under common control.

6. Financial instruments

IFRS

6.1 Scope and definitions

(IAS 32, IFRS 9)

- The standards on financial instruments apply to all financial instruments, except for those specifically excluded from their scope.
- Financial instruments include a broad range of financial assets and financial liabilities. They include both primary financial instruments (e.g. cash, receivables, debt and shares in another entity) and derivative financial instruments (e.g. options, forwards, futures, interest rate swaps and currency swaps).

US GAAP

6.1 Scope and definitions

(Subtopic 320-10, Topic 321, Topic 326, Subtopic 505-10, Subtopic 815-10, Subtopic 820-10, Subtopic 825-10, Topic 860, Subtopic 946-320)

- Like IFRS Standards, the standards on financial instruments apply to all financial instruments, except for those specifically excluded from their scope.
- Like IFRS Standards, financial instruments include a broad range of financial assets and financial liabilities. They include both primary financial instruments (e.g. cash, receivables, debt and shares in another entity) and derivative financial instruments (e.g. options, forwards, futures, interest rate swaps and currency swaps).

Argentine Accounting Standards

6.1 Scope and definitions

(RT 17, RT 18, RT 20)

- Unlike IFRS, there is no specific standard on financial instruments, rather NCP includes guidance on receivables and liabilities derived from sales/purchases of goods or services, lending, restructured balances and other receivables/payable; investments in debt and shares in another entity and derivative financial instruments.
- Like IFRS Standards, provides guidance on both primary financial instruments (as described in the previous bullet) and derivative financial instruments (e.g. options, forwards, futures, interest rate swaps and currency swaps).

IFRS	US GAAP	Argentine Accounting Standards
– A ‘financial instrument’ is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.	– Like IFRS Standards, a ‘financial instrument’ is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.	– Unlike IFRS Standards, NCP do not contain a definition of a ‘financial instrument’.
– A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due. Certain financial guarantee contracts are in the scope of IFRS 9, the financial instruments standard.	– Unlike IFRS Standards, US GAAP does not define a financial guarantee contract. Instead, US GAAP provides guidance on when to account for a financial guarantee contract as a derivative or as a guarantee.	– Like IFRS Standards, a financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due. Unlike IFRS Standards, financial guarantees are not accounted for as a derivative.
– A loan commitment is a firm commitment to provide credit under pre-specified terms and conditions. Loan commitments are fully or partially in the scope of the financial instruments standard.	– Like IFRS Standards, a loan commitment is a legally binding commitment to provide credit under pre-specified terms and conditions. Certain loan commitments are in the scope of the financial instruments standards.	– Unlike IFRS Standards, NCP does neither define a loan commitment nor provide any accounting guidance.
– A contract to buy or sell a non-financial item may be required to be accounted for as a derivative, even though the contract itself is not a financial instrument.	– Like IFRS Standards, a contract to buy or sell a non-financial item may be required to be accounted for as a derivative, even though the non-financial item itself may be outside the scope of the financial instruments standards.	– Like IFRS Standards, a contract to buy or sell a non-financial item may be required to be accounted for as a derivative.

IFRS

6.2 Derivatives and embedded derivatives

(IAS 32, IFRS 9, IFRIC 9)

- A 'derivative' is a financial instrument or other contract in the scope of the financial instruments standards:
  - the value of which changes in response to some underlying variable;
  - that has an initial net investment smaller than would be required for other instruments that have a similar response to changes in market factors; and
  - that will be settled at a future date.

- An 'embedded derivative' is a component of a hybrid contract that affects the cash flows of the hybrid contract in a manner similar to a stand-alone derivative instrument.

US GAAP

6.2 Derivatives and embedded derivatives

(Subtopic 470-20, Subtopic 815-10, Subtopic 815-15)

- A 'derivative' is a financial instrument or other contract in the scope of the financial instruments Codification Topics:
  - that has one or more underlyings, and one or more notional amounts or payment provisions or both, unlike IFRS Standards;
  - that has an initial net investment smaller than would be required for other instruments that would be expected to have a similar response to changes in market factors, like IFRS Standards; and
  - that, unlike IFRS Standards:
    - requires or permits net settlement;
    - can readily be settled net through a market mechanism outside the contract; or
    - provides for delivery of an asset that is readily convertible into cash.

- Like IFRS Standards, an 'embedded derivative' is one or more implicit or explicit terms in a host contract that affect the cash flows of the contract in a manner similar to a stand-alone derivative instrument.

Argentine Accounting Standards

6.2 Derivatives and embedded derivatives

(RT 18, RT 20)

- Like IFRS, a 'derivative' is a contract which value changes in response to some underlying variable, which has an initial net investment smaller than that which would be required for other instruments that have a similar response to the variable; and which will be settled at a future date.

- Like IFRS Standards, an 'embedded derivative' is a component of a hybrid contract that affects the cash flows of the hybrid contract in a manner similar to a stand-alone derivative instrument.

IFRS	US GAAP	Argentine Accounting Standards
– A hybrid instrument also includes a non-derivative host contract that may be a financial or a non-financial contract. The requirements on separation of embedded derivatives do not apply when the host contract is a financial asset in the scope of IFRS 9, the financial instruments standard.	– Like IFRS Standards, a 'host contract' may be a financial or a non-financial contract. However, unlike IFRS Standards, the US GAAP guidance on separation of embedded derivatives also applies to all hybrid contracts with financial asset hosts.	– Like IFRS Standards, a hybrid instrument also includes a non-derivative host contract that may be a financial or a non-financial contract. Unlike IFRS Standards, the requirements on separation of embedded derivatives do not apply when the host contract is measured at 'current value'.
– An embedded derivative is not accounted for separately from the host contract if it is closely related to the host contract or if the entire contract is measured at FVTPL. In other cases, an embedded derivative is accounted for separately as a derivative.	– Like IFRS Standards, an embedded derivative is not accounted for separately from the host contract if it is clearly and closely related to the host contract or if the entire contract is measured at FVTPL. However, the US GAAP guidance on the term 'clearly and closely related' differs from IFRS Standards in certain respects. In other cases, an embedded derivative is accounted for separately as a derivative, like IFRS Standards.	– Unlike IFRS Standards, an embedded derivative is not accounted for separately from the host contract if it is closely related to the host contract, or if the entire contract is measured at 'current value', which is similar, but not equal to fair value. Unlike IFRS Standards, there is no specific guidance on the term 'closely related'. Like IFRS Standards, in other cases, an embedded derivative is accounted for separately as a derivative..

IFRS

6.3 Equity and financial liabilities

(IAS 1, IAS 32, IFRS 9, IFRIC 17)

- **An instrument, or its components, is classified on initial recognition as a financial liability, a financial asset or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument.**

- **A financial instrument is a financial liability if it contains a contractual obligation to transfer cash or another financial asset.**

US GAAP

6.3 Equity and financial liabilities

(Topic 815, Subtopic 470-10, Subtopic 470-20, Subtopic 480-10, Subtopic 505-10, Subtopic 505-30, Subtopic 505-30, Subtopic 810-10, CON6)

- **An instrument, or its components, is classified on initial recognition as a financial liability, a financial asset or an equity instrument in accordance with the applicable Codification topics/subtopics, which may result in differences from IFRS Standards.**

- **Like IFRS Standards, financial instruments that can oblige the issuer to settle in cash or by delivering another financial asset are classified as liabilities. Unlike IFRS Standards, certain securities with redemption features that are outside the control of the issuer that would not otherwise be classified as liabilities are presented as 'temporary equity'.**

Argentine Accounting Standards

6.3 Equity and financial liabilities

(RT 16, RT 17)

- **An instrument, or its components, is classified as a liability or an equity instrument in accordance with the economic substance and the definition of a liability and an equity instrument contained in the Conceptual framework, which may result in differences from IFRS Standards.**

- **Unlike IFRS Standards, 'preferred shares' are classified as liabilities when they contain a contractual obligation to transfer a determined o determinable amount of cash on a determined or determinable date. Unlike IFRS Standards, there is no specific guidance on other types of instruments.**

IFRS	US GAAP	Argentine Accounting Standards
– A financial instrument is also classified as a financial liability if it is a derivative that will or may be settled in a variable number of the entity's own equity instruments or a non-derivative that comprises an obligation to deliver a variable number of the entity's own equity instruments.	– Like IFRS Standards, a financial instrument is a financial liability if the monetary value of the obligation is based solely or predominantly on a fixed monetary amount known at inception that will or may be settled in a variable number of the entity's own equity instruments. Unlike IFRS Standards, a financial instrument that is an outstanding share that only conditionally obliges settlement in a variable number of shares is equity if other criteria are met. Unlike IFRS Standards, a financial instrument that is predominantly indexed to the entity's own stock and is settleable in a variable number of shares is equity if other criteria are met.	– Unlike IFRS Standards, there is no specific guidance on the classification of instruments that will or may be settled in a variable number of the entity's own equity instruments.
– An obligation for an entity to acquire its own equity instruments gives rise to a financial liability, unless certain conditions are met.	– Unlike IFRS Standards, an obligation for an entity to acquire its own equity instruments creates a financial liability only if it has certain characteristics.	– Unlike IFRS Standards, NCP only provides guidance on 'preferred shares'. Preferred shares compulsorily redeemable are classified as liabilities when the amount and the time for the redemption are determined or determinable. Like IFRS Standards, 'preferred shares' redeemable at the issuers' option are classified as equity.
– As an exception to the general principle, certain puttable instruments and instruments, or components of instruments, that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation are classified as equity instruments if certain conditions are met.	– Unlike IFRS Standards, the accounting for a puttable instrument depends on whether the entity is publicly or privately held and on whether it is conditionally or unconditionally puttable. Like IFRS Standards, certain instruments that can be required to be redeemed only in the event of the liquidation of the issuer are equity; however, the conditions for such treatment differ from IFRS Standards.	– Unlike IFRS Standards, there is no specific guidance on instruments redeemable only on liquidation.
– The contractual terms of preference shares and similar instruments are evaluated to determine whether they have the characteristics of a financial liability.	– Like IFRS Standards, an instrument issued in the legal form of a preferred share and similar instruments may be, in whole or in part, a liability based on an analysis of the contractual terms of the instrument. However, differences between IFRS Standards and US GAAP exist in treating preferred shares as liability, equity or temporary equity.	– Like IFRS Standards, the contractual terms of preference shares and similar instruments are evaluated to determine whether they have the characteristics of a financial liability.

IFRS	US GAAP	Argentine Accounting Standards
– The components of compound financial instruments, which have both liability and equity characteristics, are accounted for separately.	– Unlike IFRS Standards, instruments with characteristics of both liability and equity are not always split between their liability and equity components; and when they are, the basis of separation may differ from IFRS Standards.	– Like IFRS Standards, the components of compound financial instruments, which have both liability and equity characteristics, are accounted for separately.
– A non-derivative contract that will be settled by an entity delivering its own equity instruments is an equity instrument if, and only if, it will be settled by delivering a fixed number of its own equity instruments.	– Unlike IFRS Standards, a non-derivative contract in the form of a share that the issuer must or may settle by issuing a variable number of its equity shares is recorded as equity, unless it is known at inception that the monetary value of the obligation is based solely or predominantly on a fixed monetary amount; will vary based on something other than the fair value of the issuer's equity shares; or will vary inversely related to changes in the fair value of the issuer's equity shares.	– Unlike IFRS Standards, NCP only provide guidance on 'irrevocable contributions' that will be settled by the entity by delivering its own equity instruments which are equity instruments if and only if they have been paid-in; there is formal documentation and they have been approved by the shareholders or by the Board of Directors ad referendum.
– A derivative contract that will be settled by the entity delivering a fixed number of its own equity instruments for a fixed amount of cash is an equity instrument. If such a derivative contains settlement options, then it is an equity instrument only if all settlement alternatives lead to equity classification.	– Instruments indexed to an entity's own stock that will be settled by the entity delivering a fixed number of own equity instruments for a fixed amount of cash may meet the definition of equity; however, the criteria for determining whether they meet the definition of equity or liability differ from IFRS Standards. Additionally, US GAAP contains more guidance on what constitutes 'indexed to an entity's own stock'. Also, instruments indexed to an entity's own stock may be treated as equity if they can be net share-settled where certain criteria are met, unlike IFRS Standards.	– Unlike IFRS Standards, there is no specific guidance on derivatives that will be settled by the entity delivering its own equity instruments.
– Incremental costs that are directly attributable to issuing or buying back own equity instruments are recognised directly in equity.	– Like IFRS Standards, incremental costs that are directly attributable to issuing or buying back an entity's own equity instruments are recognised directly in equity.	– Unlike IFRS Standards, there is no specific guidance on incremental costs that are directly attributable to issuing or redeeming own equity instruments. In practice, they are recognised in profit or loss.
– Treasury shares are presented as a deduction from equity.	– Like IFRS Standards, treasury shares are presented as a deduction from equity.	– Like IFRS Standards, treasury shares are presented as a deduction from equity.

IFRS	US GAAP	Argentine Accounting Standards
– Gains and losses on transactions in an entity's own equity instruments are reported directly in equity.	– Like IFRS Standards, gains and losses on transactions in own equity instruments are reported directly in equity.	– Like IFRS Standards, gains and losses on transactions in own equity instruments are reported directly in equity.
– Dividends and other distributions to the holders of equity instruments, in their capacity as owners, are recognised directly in equity.	– Like IFRS Standards, dividends and other distributions to the holders of equity instruments, in their capacity as owners, are recognised directly in equity.	– Like IFRS Standards, dividends and other distributions to the holders of equity instruments, in their capacity as owners, are recognised directly in equity.
– NCI are classified within equity, but separately from equity attributable to shareholders of the parent.	– Like IFRS Standards, non-redeemable NCI are classified within equity, but separately from equity attributable to shareholders of the parent.	– Unlike IFRS Standards, NCI are not classified in a different caption between liabilities and equity.

IFRS	US GAAP	Argentine Accounting Standards
6.4 Classification of financial assets (IFRS 9)	**6.4 Classification of financial assets** (Subtopic 310-10, Subtopic 310-20, Subtopic 310-25, Subtopic 320-10, Subtopic 321-10, Subtopic 815-10, Subtopic 815-15, Subtopic 815-25, Subtopic 825-10, Subtopic 948-310)	**6.4 Classification of financial assets** (RT 17)
– Financial assets are classified into one of three measurement categories: amortised cost, FVOCI and FVTPL.	– Unlike IFRS Standards, US GAAP does not have classification categories that are broadly applied to all financial assets. However, US GAAP does have classification categories for certain financial assets. Debt securities are classified as: held-for-trading, available-for-sale or held-to-maturity, unlike IFRS Standards. Also unlike IFRS Standards, loans are either classified as held-for-sale or held-for-investment.	– Unlike IFRS Standards, financial assets are measured at net realisable value, or at amortised cost; depending on the entity's intention: to hold the instrument for sale, or to collect the contractual cash flows of the instrument.
– A financial asset is classified as measured at amortised cost if it is held within a held-to-collect business model and its contractual cash flows are solely payments of principal and interest on the principal amount outstanding (SPPI).	– Unlike IFRS Standards, debt securities classified as held-to-maturity, loans and trade receivables classified as held-for-investment are measured at amortised cost.	– Not applicable.
– A financial asset is classified as measured at FVOCI if it is held within a held-to-collect-and-sell business model and the contractual cash flows meet the SPPI criterion.	– Unlike IFRS Standards, there is no prescribed 'FVOCI' classification for financial assets. Debt securities that are not classified as held-for-trading or held-to-maturity are classified as available-for-sale. Available-for-sale debt securities are measured at fair value, like IFRS Standards.	– Not applicable.

IFRS	US GAAP	Argentine Accounting Standards
– On initial recognition, an entity may choose to irrevocably designate a financial asset that would otherwise qualify for amortised cost or FVOCI as measured at FVTPL if this designation eliminates or significantly reduces a measurement or recognition inconsistency.	– On initial recognition, certain financial assets can be irrevocably designated as at FVTPL, like IFRS Standards. However, the eligibility criteria and financial assets to which the fair value option can be applied differ from IFRS Standards in certain respects.	– Not applicable.
– Investments in equity instruments fail the SPPI criterion and are therefore generally measured at FVTPL. On initial recognition, an entity may elect to present in OCI changes in the fair value of an investment in an equity instrument if it is not held for trading.	– Unlike IFRS Standards, an entity may not elect to present in OCI changes in the fair value of any investments in equity securities.	– Unlike IFRS Standards, investments in equity instruments (where the holder does not have control, joint control or significant influence) are measured at cost.
– Reclassifications of financial assets are made only on a change in an entity's business model that is significant to its operations. These are expected to be very infrequent. No other reclassifications are permitted.	– Unlike IFRS Standards, certain financial assets (i.e. debt securities, loans and trade receivables) may be reclassified if there are changes in management's intent and ability with respect to holding the financial assets. The requirements for reclassification of these financial assets differ from IFRS Standards and the frequency of reclassifications may also differ. Under US GAAP, the circumstances in which transfers of debt securities into and out of the held-for-trading category would be permitted are expected to be rare.	– Unlike IFRS Standards, there is no restriction on the entity changing its intention and reclassifying items in or out the net realisable value category after initial recognition.

IFRS

6.5 Classification of financial liabilities

(IFRS 9)

- Financial liabilities are generally classified into two measurement categories:
  - amortised cost; or
  - FVTPL.
- Financial liabilities classified as at FVTPL are further subcategorised as held-for-trading (which includes derivatives) or designated as at FVTPL on initial recognition.
- Reclassification of financial liabilities is not permitted.

US GAAP

6.5 Classification of financial liabilities

(Subtopic 470-10, Subtopic 480-10, Subtopic 405-10, Subtopic 815-10, Subtopic 815-15, Subtopic 815-25, Subtopic 825-10)

- Unlike IFRS Standards, classification categories for financial liabilities are not prescribed. However, like IFRS Standards, financial liabilities that are not measured at fair value are generally measured at amortised cost.
- Unlike IFRS Standards, there is no subcategorisation of financial liabilities as held-for-trading. Like IFRS Standards, financial liabilities may be designated as at FVTPL. However, the eligibility criteria for fair value option designation differ from IFRS Standards in certain respects.
- Like IFRS Standards, reclassification of financial liabilities is not permitted.

Argentine Accounting Standards

6.5 Classification of financial liabilities

(RT 17)

- Unlike IFRS Standards, financial liabilities are measured at amortised cost or at 'settlement cost', depending on the entity's intention and ability to prepay the obligation.
- Unlike IFRS Standards, there is no subcategorisation of financial liabilities as held-for-trading.
- Unlike IFRS Standards, there is no restriction on the entity changing its intention and reclassifying items in or out the settlement cost after initial recognition.

IFRS

US GAAP

Argentine Accounting Standards

6.6 Recognition and derecognition

(IFRS 9, IFRIC 19)

- **Financial assets and financial liabilities, including derivative instruments, are recognised in the statement of financial position when the entity becomes a party to the instrument. However, 'regular-way' purchases and sales of financial assets are recognised and derecognised using either trade date or settlement date accounting.**
- **A financial asset is derecognised only when the contractual rights to the cash flows from the financial asset expire or when the financial asset is transferred and the transfer meets certain conditions.**
- **A financial asset is 'transferred' if an entity transfers the contractual rights to receive the cash flows from the financial asset or enters into a qualifying 'pass-through' arrangement. If a financial asset is transferred, then an entity evaluates whether it has retained the risks and rewards of ownership of the transferred financial asset.**

6.6 Recognition and derecognition

(Subtopic 405-20, Subtopic 470-50, Subtopic 470-60, Topic 860, Subtopic 940-320, Subtopic 942-325, Subtopic 946-320)

- **Like IFRS Standards, financial assets and financial liabilities, including derivative instruments, are recognised in the statement of financial position at trade date. However, unlike IFRS Standards, certain industries are required to use trade date accounting for 'regular-way' transactions; otherwise US GAAP is silent and practice varies.**
- **Unlike IFRS Standards, the derecognition model for transfers of financial assets focuses on surrendering control over the transferred assets; the transferor has 'surrendered' control over transferred assets only if certain conditions are met.**
- **Unlike IFRS Standards, a financial asset is 'transferred' when it has been conveyed by and to someone other than its issuer.**

6.6 Recognition and derecognition

(RT 17, RT 18)

- **Unlike IFRS Standards, NCP do not provide guidance on recognition of financial instruments apart from derivatives. Derivatives are recognised in the statement of financial position when the entity has contractual rights or becomes the liable party.**
- **Unlike IFRS Standards, there is no specific guidance on derecognition of financial assets.**
- **Unlike IFRS Standards, there is no specific guidance on transference of financial assets.**

IFRS	US GAAP	Argentine Accounting Standards
– An entity derecognises a transferred financial asset if it has: transferred substantially all of the risks and rewards of ownership; or neither retained nor transferred substantially all of the risks and rewards of ownership and has not retained control of the financial asset.	– Unlike IFRS Standards, 'risks and rewards' is not an explicit consideration when testing a transfer for derecognition. Rather, an entity derecognises a transferred financial asset or a participating interest therein if it surrenders legal, actual and effective control of the financial asset or participating interest.	– Unlike IFRS Standards, there is no specific guidance on derecognition of financial assets.
– An entity continues to recognise a financial asset to the extent of its continuing involvement if it has neither retained nor transferred substantially all of the risks and rewards of ownership and it has retained control of the financial asset.	– After a transfer of a financial asset, or a participating interest therein, an entity continues to recognise the financial assets that it controls, which may be different from the treatment required by IFRS Standards.	– Unlike IFRS Standards, there is no specific guidance on derecognition of financial assets.
– A financial liability is derecognised when it is extinguished or when its terms are substantially modified.	– Like IFRS Standards, a financial liability is derecognised when it is extinguished or when its terms are substantially modified. However, unlike IFRS Standards, there is specific guidance on the modification of terms in respect of convertible debt and troubled debt restructuring.	– Unlike IFRS Standards, a liability (not necessarily a financial liability) is derecognised when it is extinguished or when its terms are substantially modified.

IFRS

6.7 Measurement

(IFRS 9, IFRS 13, IAS 21, IAS 32)

– Generally, financial assets and financial liabilities are initially measured at fair value plus directly attributable transaction costs, except for:
  - financial instruments classified as at FVTPL, which are initially measured at fair value; and
  - trade receivables that are initially measured at the transaction price as defined in the revenue standard.

– Financial assets are subsequently measured at fair value or amortised cost.

US GAAP

6.7 Measurement

(Subtopic 310-10, Subtopic 310-20, Subtopic 320-10, Subtopic 320-20, Subtopic 325-20, Subtopic 405-20, Topic 450-20, Subtopic 460-10, Subtopic 470-20, Subtopic 470-50, Subtopic 470-60, Subtopic 480-10, Subtopic 805-20, Subtopic 815-10, Subtopic 815-15, Subtopic 815-25, Subtopic 820-10, Subtopic 825-10, Subtopic 830-20, Subtopic 835-30, Subtopic 946-320, Subtopic 946-830, Subtopic 948-10)

– The initial measurement of financial assets and financial liabilities, including accounting for transaction costs, differs in certain respects from IFRS Standards. The measurement bases include:
  - fair value (like IFRS Standards); and
  - cost (unlike IFRS Standards).

– Like IFRS Standards, certain financial assets are subsequently measured at fair value or amortised cost. Unlike IFRS Standards, loans held for sale are measured at the lower of cost and fair value. Also unlike IFRS Standards, an alternative measurement basis is available for equity securities without readily determinable fair values.

Argentine Accounting Standards

6.7 Measurement

(RT 17, Interpretation 1)

– Unlike IFRS Standards, financial assets and financial liabilities are initially measured at transaction price less any implicit financial component, when significant. However, transactions with related parties are recognised at face value.

– Unlike IFRS Standards, financial assets are subsequently measured at net realisable value, or at amortised cost, depending on the entity's intention: to held the instrument for sale or to collect the contractual cash flows of the instrument. Unlike IFRS Standards, interests in other entities with no control, joint control or significant influence are measured at cost.

IFRS	US GAAP	Argentine Accounting Standards
– If a financial asset is measured at fair value, then changes in its fair value are recognised as follows. - *Debt financial assets at FVOCI:* Gains and losses are recognised in OCI, except for interest, foreign exchange gains and losses and expected credit losses, which are recognised in profit or loss. On derecognition, any gains or losses accumulated in OCI are reclassified to profit or loss. - *Equity financial assets at FVOCI:* Gains and losses are recognised in OCI, except for dividends, which are generally recognised in profit or loss. The amounts in OCI are not reclassified to profit or loss. - *Financial assets at FVTPL:* All changes in fair value are recognised in profit or loss.	– If a financial asset is measured at fair value, then changes in its fair value are recognised as follows. - *Available-for-sale debt securities:* Changes in fair value are recognised in OCI, except for interest and credit losses, which are recognised in profit or loss. The recognition and measurement of credit losses differs from IFRS Standards. Unlike IFRS Standards, the amount recognised in OCI includes foreign exchange gains and losses. Like IFRS Standards, on derecognition any gains or losses accumulated in OCI are reclassified to profit or loss. - *Equity securities with readily determinable fair values, financial assets for which the fair value option is elected and debt securities held for trading:* All changes in fair value are recognised in profit or loss, like IFRS Standards.	– Unlike IFRS Standards, changes in net realisable value, are recognised in profit or loss.
– Financial liabilities, other than those measured at FVTPL, are generally measured at amortised cost subsequent to initial recognition.	– Like IFRS Standards, financial liabilities that are not measured at fair value are generally measured at amortised cost subsequent to initial recognition.	– Unlike IFRS Standards, other than those measured at 'settlement cost', are measured at amortised cost subsequent to initial recognition.
– If a financial liability is mandatorily measured at FVTPL, then all changes in fair value are recognised in profit or loss.	– Like IFRS Standards, if a financial liability is mandatorily measured at FVTPL, then all changes in fair value are recognised in profit or loss.	– Unlike IFRS Standards, changes in 'settlement cost', are recognised in profit or loss.
– If a financial liability is designated as at FVTPL, then the portion of the fair value changes that is attributable to changes in the financial liability's credit risk is generally recognised in OCI. The amount presented in OCI is never reclassified to profit or loss.	– Like IFRS Standards, if a financial liability is measured at fair value under the fair value option, then changes in fair value due to instrument-specific credit risk are recognised in OCI. Unlike IFRS Standards, the amount presented in OCI is reclassified to profit or loss on derecognition.	– Not applicable.

IFRS	US GAAP	Argentine Accounting Standards
– **All derivatives (including separated embedded derivatives) are measured at fair value, with changes in fair value generally recognised in profit or loss.**	– **Like IFRS Standards, all derivatives (including separated embedded derivatives) are measured at fair value, with changes in fair value generally recognised in profit or loss.**	– **Unlike IFRS Standards, derivatives (including separated embedded derivatives) are measured at net realisable value (assets), or at the amount of prepayment (liabilities). Changes in net realisable value or amount of prepayment are recognised in profit or loss.**

IFRS

6.8 Impairment

(IFRS 9)

- The impairment model in the financial instruments standard (expected credit loss/ECL model) covers financial assets measured at amortised cost, investments in debt instruments measured at FVOCI, certain loan commitments and financial guarantee contracts issued, lease receivables and contract assets.
- Investments in equity instruments are outside the scope of the ECL requirements.
- Impairment is recognised using an expected loss model, which means that it is not necessary for a loss event to occur before an impairment loss is recognised.

US GAAP

6.8 Impairment

(Subtopic 321-10, Subtopic 326-20, Subtopic 326-30)

- Like IFRS Standards, the expected credit loss model (Subtopic 326-20) covers financial assets measured at amortised cost, net investments in leases, contract assets and certain loan commitments and issued financial guarantee contracts not accounted for as insurance or derivatives. Unlike IFRS Standards, other off-balance sheet credit exposures may also be in scope. In addition, unlike IFRS Standards, a separate credit loss model covers debt securities classified as available for sale (AFS) (Subtopic 326-30).
- Like IFRS Standards, investments in equity instruments are outside the scope of the expected credit loss model. However, investments in equity instruments that do not have a readily determinable fair value for which an entity has elected the measurement alternative are subject to a qualitative impairment assessment, unlike IFRS Standards.
- Like IFRS Standards, for instruments in the scope of the expected credit loss model, impairment is recognised before a loss event occurs. However, for AFS debt securities and investments in equity instruments that do not have a readily determinable fair value for which an entity has elected the measurement alternative, an impairment loss is recognised in profit or loss only when incurred.

Argentine Accounting Standards

6.8 Impairment

(RT 17)

- Unlike IFRS, an entity assesses whether there is objective evidence of impairment of financial assets measured at amortised cost. When there is objective evidence of impairment, any impairment loss is recognised in profit or loss.
- Unlike IFRS, NCP provide no guidance on investments in equity instruments impairment.
- Unlike IFRS, impairment is recognised when a loss event has already occurred.

IFRS	US GAAP	Argentine Accounting Standards
– The general approach of the ECL model uses two measurement bases: 12-month ECLs and lifetime ECLs, depending on whether the credit risk on a financial instrument has increased significantly since initial recognition.	– Unlike IFRS Standards, the ECL model uses a single measurement approach based on lifetime ECLs. Lifetime ECLs are recorded upon initial recognition of an instrument. The measurement approach remains consistent throughout the life of the instrument.	– Not applicable.
– ECLs on trade receivables and contract assets that do not have a significant financing component are always measured at lifetime ECLs. There is an accounting policy election to measure ECLs on trade receivables that have a significant financing component and on lease receivables either using the general approach or at lifetime ECLs.	– Unlike IFRS Standards, ECLs on all trade receivables, contract assets and lease receivables are based on the same single measurement approach of lifetime ECLs.	– Not applicable.
– For financial assets that are credit-impaired on initial recognition, ECLs are measured as the change in lifetime ECLs since initial recognition. Accordingly, the amount recognised as a loss allowance for these assets is not the total amount of lifetime ECLs, but instead the changes in lifetime ECLs since initial recognition of the asset.	– Unlike IFRS Standards, there is no concept of credit-impaired financial assets at initial recognition. Instead, there is a concept of assets that are purchased credit deteriorated (PCD). Also unlike IFRS Standards, for PCD assets lifetime ECL is recognised on acquisition through a balance sheet gross-up that increases the amortised cost basis of the asset with no effect on profit or loss. Like IFRS Standards, subsequent changes in ECLs are recognised in profit or loss.	– Unlike IFRS Standards, there is no concept of credit-impaired financial assets at initial recognition.
– ECLs are measured in a way that reflects: - a probability-weighted amount determined by evaluating a range of possible outcomes; - the time value of money; and - reasonable and supportable information about past events, current conditions and forecasts of future economic conditions.	– Unlike IFRS Standards, a probability-weighted ECL measure determined by evaluating a range of possible outcomes is permitted, but not required. Also, unlike IFRS Standards, methods of estimating ECLs that include the impact of the time value of money are permitted, but not required. Like IFRS Standards, ECLs are measured in a way that reflects reasonable and supportable information about past events, current conditions and forecasts of future economic conditions.	– Not applicable.

IFRS

6.9 Hedge accounting

(IFRS 9, IAS 39, IFRIC 16)

- **Hedge accounting is voluntary and, if it is elected, allows an entity to measure assets, liabilities and firm commitments selectively on a basis different from that otherwise stipulated in IFRS Standards, or to defer the recognition in profit or loss of gains or losses on derivatives.**
- **There are three hedge accounting models: fair value hedges of fair value exposures; cash flow hedges of cash flow exposures; and net investment hedges of foreign currency exposures on net investments in foreign operations.**
- **Hedge accounting is permitted only when specific requirements related to documentation and effectiveness are met.**
- **Hedge accounting is required to be closely aligned with an entity's actual risk management objectives.**

US GAAP

6.9 Hedge accounting

(Topic 815)

- **Like IFRS Standards, hedge accounting is voluntary and, if it is elected, allows an entity to measure assets, liabilities and firm commitments selectively on a basis different from that otherwise stipulated in US GAAP, or to defer the recognition in profit or loss of gains or losses on derivatives.**
- **Like IFRS Standards, there are three hedge accounting models: fair value hedges of fair value exposures; cash flow hedges of cash flow exposures; and net investment hedges of foreign currency exposures on net investments in foreign operations. However, the requirements differ from IFRS Standards in certain respects.**
- **Like IFRS Standards, hedge accounting is permitted only when specific requirements related to documentation and effectiveness are met.**
- **Although US GAAP does not specifically require an entity's hedge accounting to be 'closely aligned' with its actual risk management objectives, the intent of the hedging guidance is to enable an entity to closely align hedge accounting with risk management strategies and to accurately reflect hedging results in the financial statements.**

Argentine Accounting Standards

6.9 Hedge accounting

(RT 18, RT 20)

- **Like IFRS Standards, hedge accounting is voluntary and, if it is elected, allows an entity to measure assets, liabilities and firm commitments selectively on a basis different from that otherwise stipulated in NCP, or to defer the recognition in profit or loss of gains or losses on derivatives.**
- **Like IFRS Standards, there are three hedge accounting models: current value (similar to fair value) hedges of current value exposures; cash flow hedges of cash flow exposures; and net investment hedges of foreign currency exposures on net investments in unintegrated foreign operations.**
- **Like IFRS Standards, hedge accounting is permitted only when specific requirements related to documentation and effectiveness are met.**
- **Like IFRS Standards, hedge accounting needs not be closely aligned with an entity's actual risk management objectives and strategy.**

IFRS	US GAAP	Argentine Accounting Standards
– Qualifying hedged items can be recognised assets or liabilities, unrecognised firm commitments, highly probable forecast transactions, net investments in foreign operations or aggregated exposures (a combination of a non-derivative exposure and a derivative exposure).	– Like IFRS Standards, qualifying hedged items can be recognised assets or liabilities, unrecognised firm commitments, probable forecast transactions or net investments in foreign operations. Unlike IFRS Standards, aggregated exposures do not qualify as a hedged item.	– Like IFRS Standards, qualifying hedged items can be recognised assets or liabilities, unrecognised firm commitments, highly probable forecast transactions, or net investments in foreign operations. Unlike IFRS Standards, aggregated exposures do not qualify as a hedged item.
– The hedged risk should be one that could affect profit or loss or, only if the hedged item is an investment in equity instruments for which changes in fair value are presented in OCI, OCI.	– Like IFRS Standards, the hedged risk should be one that could affect profit or loss; an equity investment is not permitted to be designated as a hedged item, unlike IFRS Standards.	– Unlike IFRS Standards, there is no specific requirement that the hedged risk should affect profit or loss. An equity investment is not permitted to be designated as a hedged item, unlike IFRS Standards.
– An entity can designate an item in its entirety or a component of an item as the hedged item. However, only certain components may be designated as the hedged item.	– Like IFRS Standards, an entity can designate an item in its entirety or only a component (portion) of an item as the hedged item. Like IFRS Standards, only certain components of financial and non-financial items may be designated, although the requirements are more specific and restrictive under US GAAP.	– Unlike IFRS Standards, an entity can only designate an item in its entirety. Unlike IFRS Standards, only certain components of non-financial items may be designated as the hedged item.
– The following contracts with a party external to the reporting entity qualify as hedging instruments: derivative instruments (with some exceptions), non-derivative financial instruments measured at FVTPL (with some exceptions) and for hedges of foreign exchange risk only, the foreign currency risk component of a non-derivative financial instrument.	– Unlike IFRS Standards, in general only derivative instruments with a party external to the reporting entity qualify as hedging instruments. Non-derivative financial instruments may qualify as hedging instruments only for hedges of foreign exchange risk exposure in (1) hedges of a net investment in a foreign operation, or (2) hedges of unrecognised firm commitments, unlike IFRS Standards.	– Unlike IFRS Standards, the following contracts with a party external to the reporting entity qualify as hedging instruments: derivative instruments (with some exceptions), and for hedges of foreign exchange risk only, the foreign currency risk component of a non-derivative financial instrument.
– An entity may exclude the time value of a purchased option, forward element of a forward contract and foreign currency basis spread from the designation of a hedging instrument.	– Certain components of a hedging instrument's fair value or cash flows may be excluded from the assessment of hedge effectiveness, which differs from IFRS Standards.	– Unlike IFRS Standards, the time value of a purchased option, forward element of a forward contract and foreign currency basis spread from the designation of a hedging instrument

IFRS	US GAAP	Argentine Accounting Standards
– For a cash flow hedge and a net investment hedge, the ineffective portion of the gain or loss on the hedging instrument is recognised in profit or loss, even if the hedge has been highly effective.	– Unlike IFRS Standards, when a cash flow hedging relationship is deemed highly effective the entire change in the fair value of the designated hedging instrument that is included in the assessment of hedge effectiveness is recognised in OCI and becomes a component of accumulated OCI. For a net investment hedge, the entire gain or loss on the hedging instrument that is included in the assessment of hedge effectiveness is recognised in OCI as an offset to the foreign currency translation of that foreign operation.	– For a cash flow hedge and a net investment hedge, the ineffective portion of the gain or loss on the hedging instrument is recognised in profit or loss, even if the hedge has been highly effective.
– Hedge accounting is discontinued prospectively if the hedging relationship ceases to meet the qualifying criteria after considering rebalancing. Voluntary discontinuation when the qualifying criteria are met is prohibited.	– Like IFRS Standards, hedge accounting is discontinued prospectively if the hedging relationship ceases to meet the qualifying criteria. Unlike IFRS Standards, voluntary discontinuation when the qualifying criteria are met is permitted.	– Unlike IFRS Standards, hedge accounting is discontinued prospectively if: the hedged transaction is no longer highly probable; the hedging instrument expires or is sold, terminated or exercised; the hedged item is sold, settled or otherwise disposed of; or the hedge is no longer highly effective. Like IFRS Standards, the entity cannot revoke the designation.
– If an entity uses a credit derivative that is measured at FVTPL to manage the credit risk of all, or a part, of a credit exposure, and other criteria are met, then it can designate the exposure as at FVTPL as an alternative to hedge accounting.	– Unlike IFRS Standards, there is no specific guidance on designating credit exposures as at FVTPL. The general requirements for fair value option designation would apply under US GAAP.	– Unlike IFRS Standards, there is no specific guidance on credit derivatives.
– The IASB Board has a separate active project to address dynamic risk management. In the meantime, for a fair value hedge of the interest rate exposure of a portfolio of financial instruments, an entity may apply the hedge accounting requirements of the old standard, IAS 39, rather than the financial instruments standard, IFRS 9.	– Unlike the IASB Board, the FASB does not have a project to address dynamic risk management activities.	– Unlike the IASB Board, the FACPCE does not have a project to address dynamic risk management activities.

IFRS

6.10 Presentation and disclosure

(IFRS 7, IFRS 9, IFRS 13, IAS 1, IAS 32)

- A financial asset and a financial liability are offset only if there are both a current legally enforceable right to set off and an intention to settle net or to settle both amounts simultaneously.

- Disclosure is required in respect of the significance of financial instruments for the entity's financial position and performance, and the nature and extent of risks arising from financial instruments and how the entity manages those risks.

US GAAP

6.10 Presentation and disclosure

(Subtopic 210-10, Subtopic 210-20, Subtopic 235-10, Subtopic 320-10, Subtopic 326-20, Subtopic 326-30, Subtopic 470-10, Subtopic 815-20, Subtopic 815-35, Subtopic 825-10, Subtopic 835-30, Subtopic 842-50, Subtopic 860-10, Subtopic 860-30, Reg S-K, Reg S-X)

- A financial asset and a financial liability may be offset only if there are both a legally enforceable right to set off and an intention to settle net or to settle both amounts simultaneously, like IFRS Standards. However, unlike IFRS Standards, derivatives with the same counterparty, and related collateral, may be offset, provided that they are subject to a master netting arrangement and certain other criteria are met. Also, unlike IFRS Standards, repurchase agreements and reverse repurchase agreements that clear through a qualified clearing house may be offset, provided that they are subject to a master netting arrangement and certain other criteria are met. Once the applicable criteria are met, offsetting is a policy choice, unlike IFRS Standards.

- Like IFRS Standards, disclosures are required to enable users to evaluate the significance of financial instruments for the entity's financial position and performance, and the extent of risk arising from financial instruments.

Argentine Accounting Standards

6.10 Presentation and disclosure

(RT 8, RT 9)

- Unlike IFRS Standards, a financial asset and a financial liability are offset only if there are both a legally enforceable right to offset and an intention to settle net amounts.

- Unlike IFRS Standards, no disclosure is required regarding performance and risks associated with financial instruments.

IFRS	US GAAP	Argentine Accounting Standards
– For disclosure of the significance of financial instruments, the overriding principle is to disclose sufficient information to enable users of financial statements to evaluate the significance of financial instruments for an entity's financial position and performance.	– Like IFRS Standards, the overriding principle is to disclose sufficient information to enable users of financial statements to evaluate the significance of financial instruments for an entity's financial position and performance. However, the specific requirements differ from IFRS Standards.	– Unlike IFRS Standards, there is no specific requirement to provide information to enable users of financial statements to evaluate the significance of financial instruments for an entity's financial position and performance.
– Disclosure is required about the nature and extent of risks arising from financial instruments. This includes both qualitative and quantitative information.	– Risk disclosure requirements differ for public and non-public entities under US GAAP. Public entities are required to disclose qualitative and quantitative information; however, the specific disclosure requirements differ from IFRS Standards. The disclosure requirements for non-public entities are primarily qualitative and much less detailed than for public entities under US GAAP or under IFRS Standards.	– Not applicable.
– Qualitative disclosures describe management's objectives, policies and processes for managing risks arising from financial instruments.	– Unlike IFRS Standards, US GAAP does not require specific qualitative disclosures in respect of financial instruments other than related to credit risk. Instead, qualitative disclosures about market risk including interest rate risk, foreign currency risk, commodity price risk and other relevant price risk are required to be disclosed by SEC registrants outside the financial statements in management's discussion and analysis (MD&A).	– Not applicable.
– Quantitative data about the exposure to risks arising from financial instruments is based on information provided internally to key management personnel. However, certain disclosures about the entity's exposures to credit risk (including amounts arising from expected credit losses), liquidity risk and market risk arising from financial instruments are required, irrespective of whether this information is provided to management.	– Unlike IFRS Standards, non-SEC registrants are not required to make specific quantitative risk-related disclosures in respect of financial instruments, other than related to credit risk. Non-SEC registrants are encouraged, but not required, to disclose quantitative information about market risks of financial instruments. The SEC does require certain quantitative disclosures; however, unlike IFRS Standards, these disclosures are limited to market risk disclosures and are provided outside the financial statements in MD&A.	– Not applicable.

7. Insurance contracts

IFRS

7.1 Insurance contracts

(IFRS 4)

- **The insurance contracts standard applies to all insurance contracts that an entity issues and reinsurance contracts that it holds, regardless of the type of entity that issued the contract. An 'insurance contract' is a contract that transfers significant insurance risk.**
- **Generally, entities that issue insurance contracts are required to continue their existing accounting policies with respect to insurance contracts except when the standard requires or permits changes in accounting policies.**
- **A financial instrument that does not meet the definition of an insurance contract (including investments held to back insurance liabilities) is accounted for under the general recognition and measurement requirements for financial instruments.**

US GAAP

7.1 Insurance contracts

(Topic 944)

- **Unlike IFRS Standards, the insurance literature applies to all insurance contracts that are issued by an insurance company; there are no specific requirements for other entities that accept significant insurance risk. An 'insurance contract' is a contract that provides economic protection from identified risks occurring or discovered within a specific period, which differs from IFRS Standards in certain respects.**
- **Unlike IFRS Standards, insurance companies comply with the accounting policies specified in the insurance literature.**
- **Contracts that are not insurance contracts are accounted for under other applicable Codification topics/subtopics, which may differ from IFRS Standards.**

Argentine Accounting Standards

7.1 Insurance contracts

(Law 20 091; General Rules on Insurance Activity – National Insurance Superintendence)

- **Unlike IFRS Standards, insurance guidance is provided by the local regulator, and applies to all insurance contracts issued by an insurance company.**
- **Unlike IFRS Standards, insurance companies comply with the accounting policies specified by the local regulator.**
- **Unlike IFRS Standards, there is no specific guidance on financial instruments that do not meet the definition of an insurance contract.**

IFRS	US GAAP	Argentine Accounting Standards
– Changes in existing accounting policies for insurance contracts are permitted only if the new policy, or combination of new policies, results in information that is more relevant or reliable, or both, without reducing either relevance or reliability.	– Like IFRS Standards, an entity may change an accounting policy if it is justified on the basis that it is 'preferable'.	– Like IFRS Standards, an entity may change an accounting policy if it results in information that is more relevant or reliable, or both.
– Financial instruments that include 'discretionary participation features' may be accounted for as insurance contracts.	– Unlike IFRS Standards, US GAAP does not use the term 'discretionary participation feature' and instead addresses the accounting for dividends to policyholders. Further, US GAAP does not address discretionary participation features in contracts that are not insurance contracts.	– Unlike IFRS Standards, there is no specific guidance on financial instruments that include discretionary participation features.
– In some cases, a deposit element is 'unbundled' (separated) from an insurance contract and accounted for as a financial instrument.	– Unlike IFRS Standards, US GAAP does not have a broad unbundling concept for insurance contracts.	– Unlike IFRS Standards, there is no specific guidance on the unbundling a deposit element from for insurance contracts.
– Some derivatives that are embedded in insurance contracts should be separated from their host insurance contract and accounted for as if they were stand-alone derivatives.	– Like IFRS Standards, derivatives that are embedded in insurance contracts and meet certain criteria should be separated from the host insurance contract and accounted for as if they were stand-alone derivatives.	– Unlike IFRS Standards, there is no specific guidance on embedded derivatives within insurance contracts.
– The recognition of catastrophe and equalisation provisions is prohibited for contracts not in existence at the reporting date.	– Like IFRS Standards, the recognition of catastrophe and equalisation provisions is prohibited for contracts not in existence at the reporting date.	– Like IFRS Standards, the recognition of catastrophe and equalisation provisions is prohibited for contracts not in existence at the reporting date.
– A liability adequacy test is required to ensure that the measurement of an entity's insurance liabilities considers all contractual cash flows, using current estimates.	– Unlike IFRS Standards, the term 'liability adequacy test' is not used, and instead a form of premium deficiency testing is required, which generally meets the minimum requirements of IFRS Standards for a liability adequacy test.	– Unlike IFRS Standards, a liability adequacy test is not required.

IFRS	US GAAP	Argentine Accounting Standards
– The application of 'shadow accounting' for insurance liabilities is permitted for consistency with the treatment of unrealised gains or losses on assets.	– Unlike IFRS Standards, the use of 'shadow accounting' is required.	– Unlike IFRS Standards, 'shadow accounting' is neither required nor permitted.
– An expanded presentation of the fair value of insurance contracts acquired in a business combination or portfolio transfer is permitted.	– Unlike IFRS Standards, US GAAP requires an expanded presentation of the fair value of insurance contracts acquired in a business combination.	– Unlike IFRS Standards, there is no specific requirement for an expanded presentation of the fair value of insurance contracts acquired in a business combination.
– This chapter includes only currently effective requirements (see About this publication).	– This chapter includes only currently effective requirements (see About this publication).	– This chapter includes only currently effective requirements (see About this publication).

Appendix - Effective dates: US GAAP

The following table shows the effective dates of Accounting Standards Updates (ASUs) issued by 30 November 2020 that are not yet effective for all entities. The titles have been condensed and are not necessarily the exact titles of the ASUs. For completeness, this table also includes the interim periods in which ASUs are effective. Not-for-profit entities and employee benefit plans are not in the scope of this publication and are therefore excluded. Amendments that comprise minor Codification improvements and conforming SEC content updates are also excluded.

For most ASUs, the effective date distinguishes between entities that are public business entities and other entities; the comparisons in this publication typically refer to public and non-public entities for simplicity. In some cases, the FASB may make a further distinction between SEC filers and non-SEC filers. In June 2020, a further bifurcation was made when the FASB deferred the effective dates of two major accounting standards for certain entities – revenue (for certain private companies) and leases (for certain private companies and public not-for-profit entities). In addition, under the *Coronavirus Aid, Relief, and Economic Security Act*, certain companies could defer the adoption of the credit impairment standard and the accounting requirements for certain loan modifications were suspended; both elections expire by 31 December 2020; see KPMG publication, The US CARES Act.

Since 2019, the FASB has sometimes made a further distinction in effective dates between SEC filers that are eligible to be 'smaller reporting companies' (under the SEC's definition) and other SEC filers. A smaller reporting company is a registrant that generally has a public float of less than $250 million, or annual revenues of less than $100 million (as of the most recent fiscal year for which audited financial statements are available) and a public float ranging from $0 to less than $700 million.

A public business entity is a business entity (which excludes not-for-profit entities and employee benefit plans) that meets any of the following criteria:

- it is required by the SEC to file or furnish financial statements, or does file or furnish financial statements (including voluntary filers), with the SEC (including other entities whose financial statements or financial information are required to be or are included in a filing);
- it is required by the Securities Exchange Act of 1934 (the Act), or rules or regulations promulgated under the Act, to file or furnish financial statements with a regulatory agency other than the SEC;
- it is required to file or furnish financial statements with a foreign or domestic regulatory agency in preparation for the sale of or for purposes of issuing securities that are not subject to contractual restrictions on transfer;
- it has issued, or is a conduit bond obligor for, securities that are traded, listed or quoted on an exchange or an over-the-counter market; or
- it has one or more securities that are not subject to contractual restrictions on transfer, and it is required by law, contract or regulation to prepare US GAAP financial statements (including notes) and make them publicly available on a periodic basis (e.g. interim or annual periods). An entity must meet both of these conditions to meet this criterion.

An entity may meet the definition of a public business entity solely because its financial statements or financial information is included in another entity's filing with the SEC. In that case, the entity is only a public business entity for purposes of financial statements that are filed or furnished with the SEC.

Unless otherwise noted, the effective dates in the following table should be read as periods in fiscal years beginning **after** the stated date.

In this table:

A = annual periods

I = interim periods

SRC = smaller reporting company

			Public business entities				
			SEC filers				
	Chapter		Not eligible to be an SRC	Eligible to be an SRC	Not an SEC filer	All other entities	Early adoption allowed?
ASU 2020-08: Nonrefundable fees and other costs	–[1]	A	15 Dec 2020	15 Dec 2020	15 Dec 2020	15 Dec 2021	Yes[2]
		I	15 Dec 2020	15 Dec 2020	15 Dec 2020	15 Dec 2022	
ASU 2020-06: Convertible instruments and contracts in an entity's own equity	5.3 7.3	A	15 Dec 2021	15 Dec 2023	15 Dec 2023	15 Dec 2023	Yes[3]
		I	15 Dec 2021	15 Dec 2023	15 Dec 2023	15 Dec 2023	
ASU 2020-04: Reference rate reform (effective as of the date shown through 31 December 2022)	7.6 7.7 7.9, 7.9I 7.10	A	12 March 2020	12 March 2020	12 March 2020	12 March 2020	No
		I	12 March 2020	12 March 2020	12 March 2020	12 March 2020	
ASU 2020-03: Codification improvements to financial instruments[4]	–[1]	A	9 March 2020	9 March 2020	9 March 2020	Effective	Yes
		I	9 March 2020	9 March 2020	9 March 2020	15 Dec 2020	
ASU 2020-01: Clarifying interactions between Topics 321, 323 and 815	3.5	A	15 Dec 2020	15 Dec 2020	15 Dec 2020	15 Dec 2021	Yes
		I	15 Dec 2020	15 Dec 2020	15 Dec 2020	15 Dec 2021	
ASU 2019-12: Simplifying accounting for income taxes	3.13[1]	A	15 Dec 2020	15 Dec 2020	15 Dec 2020	15 Dec 2021	Yes
		I	15 Dec 2020	15 Dec 2020	15 Dec 2020	15 Dec 2022	
ASU 2019-11: Credit losses – Improvements	7.8[5]	A	Effective	15 Dec 2022	15 Dec 2022	15 Dec 2022	Yes[6]

In this table:

A = annual periods

I = interim periods

SRC = smaller reporting company

			Public business entities				
			SEC filers				
	Chapter		Not eligible to be an SRC	Eligible to be an SRC	Not an SEC filer	All other entities	Early adoption allowed?
		I	Effective	15 Dec 2022	15 Dec 2022	15 Dec 2022	
ASU 2019-08: Share-based consideration payable to a customer	4.5	A	Effective	Effective	Effective	Effective	Yes
		I	Effective	Effective	Effective	15 Dec 2020	
ASU 2019-05: Credit losses – Transition relief; ASU 2019-10: Deferral of effective dates	7.8[5]	A	Effective	15 Dec 2022	15 Dec 2022	15 Dec 2022	Yes[6]
		I	Effective	15 Dec 2022	15 Dec 2022	15 Dec 2022	
ASU 2019-04: Credit losses, derivatives and hedging – Improvements; ASU 2019-10: Deferral of effective dates	7.8[5] 7.9[5] 7.9I[5]	A	Effective	15 Dec 2022	15 Dec 2022	15 Dec 2022	Yes[6]
		I	Effective	15 Dec 2022	15 Dec 2022	15 Dec 2022	
ASU 2019-02: Costs of films and license agreements for program materials	–[1]	A	Effective	Effective	Effective	15 Dec 2020	Yes
		I	Effective	Effective	Effective	15 Dec 2020	
ASU 2019-01: Leases – Improvements; ASU 2019-10: Deferral of effective dates	5.1[5]	A	Effective	Effective	Effective	15 Dec 2021[11]	Yes[6]
		I	Effective	Effective	Effective	15 Dec 2022[11]	
ASU 2018-20: Lessors – Improvements	5.1[5]	A	Effective	Effective	Effective	15 Dec 2021[11]	Yes[6]
		I	Effective	Effective	Effective	15 Dec 2022[11]	

In this table:
A = annual periods
I = interim periods
SRC = smaller reporting company

	Chapter		Public business entities				
			SEC filers				
			Not eligible to be an SRC	Eligible to be an SRC	Not an SEC filer	All other entities	Early adoption allowed?
ASU 2018-19: Credit losses – Improvements; ASU 2019-10: Deferral of effective dates	7.8[5]	A	Effective	15 Dec 2022	15 Dec 2022	15 Dec 2022	Yes[6]
		I	Effective	15 Dec 2022	15 Dec 2022	15 Dec 2022	
ASU 2018-18: Collaborative arrangements – Interaction with Topic 606	3.6	A	Effective	Effective	Effective	15 Dec 2020	Yes
		I	Effective	Effective	Effective	15 Dec 2021	
ASU 2018-17: Consolidation – Related party guidance for variable interest entities	2.5	A	Effective	Effective	Effective	15 Dec 2020	Yes
		I	Effective	Effective	Effective	15 Dec 2021	
ASU 2018-16: Secured Overnight Financing Rate Overnight Index Swap Rate as a benchmark interest rate for hedge accounting	–[1]	A	Effective	Effective	Effective	15 Dec 2020[7]	Yes
		I	Effective	Effective	Effective	15 Dec 2021[7]	
ASU 2018-15: Customer's accounting for implementation costs in a cloud computing arrangement that is a service contract	3.3	A	Effective	Effective	Effective	15 Dec 2020	Yes
		I	Effective	Effective	Effective	15 Dec 2021	
ASU 2018-14: Defined benefit plans – Disclosures	–[1]	A	15 Dec 2020	15 Dec 2020	15 Dec 2020	15 Dec 2021	Yes
		I	N/A	N/A	N/A	N/A	
ASU 2018-12: Insurance – Accounting for long-duration	–[8]	A	15 Dec 2022	15 Dec 2024	15 Dec 2024	15 Dec 2024	Yes

In this table:
A = annual periods
I = interim periods
SRC = smaller reporting company

			Public business entities				
			SEC filers				
	Chapter		Not eligible to be an SRC	Eligible to be an SRC	Not an SEC filer	All other entities	Early adoption allowed?
contracts; ASU 2020-11: Deferral of effective date		I	15 Dec 2022	15 Dec 2025	15 Dec 2025	15 Dec 2025	
ASU 2018-11: Leases – Improvements	5.1[5]	A	Effective	Effective	Effective	15 Dec 2021[11]	Yes[6]
		I	Effective	Effective	Effective	15 Dec 2022[11]	
ASU 2018-10: Leases – Improvements	5.1[5]	A	Effective	Effective	Effective	15 Dec 2021[11]	Yes[6]
		I	Effective	Effective	Effective	15 Dec 2022[11]	
ASU 2018-07: Nonemployee share-based payments	–[1]	A	Effective	Effective	Effective	Effective	Yes
		I	Effective	Effective	Effective	15 Dec 2020	
ASU 2018-01: Leases – Land easements	5.1[5]	A	Effective	Effective	Effective	15 Dec 2021[11]	Yes[6]
		I	Effective	Effective	Effective	15 Dec 2022[11]	
ASU 2017-12: Targeted improvements to the accounting for hedging activities; ASU 2019-10: Deferral of effective dates	7.9[5] 7.9I[5]	A	Effective	Effective	Effective	15 Dec 2020	Yes
		I	Effective	Effective	Effective	15 Dec 2021	
ASU 2017-11: Financial instruments with down round features / mandatorily redeemable financial instruments	–[1]	A	Effective	Effective	Effective	Effective	Yes
		I	Effective	Effective	Effective	15 Dec 2020	

In this table:
A = annual periods
I = interim periods
SRC = smaller reporting company

			Public business entities				
			SEC filers				
	Chapter		Not eligible to be an SRC	Eligible to be an SRC	Not an SEC filer	All other entities	Early adoption allowed?
ASU 2017-08: Premium amortization on purchased callable debt securities	–[1]	A	Effective	Effective	Effective	Effective	Yes
		I	Effective	Effective	Effective	15 Dec 2020	
ASU 2017-04: Simplifying the test for goodwill impairment; ASU 2019-10: Deferral of effective dates	3.10	A	Effective	15 Dec 2022	15 Dec 2022	15 Dec 2022	Yes[9]
		I	Effective	15 Dec 2022	15 Dec 2022	15 Dec 2022	
ASU 2016-13: Measurement of credit losses on financial instruments; ASU 2019-10: Deferral of effective dates	7.8[5]	A	Effective	15 Dec 2022	15 Dec 2022	15 Dec 2022	Yes[8]
		I	Effective	15 Dec 2022	15 Dec 2022	15 Dec 2022	
ASU 2016-12: Revenue – Improvements and practical expedients	4.2[5]	A	Effective	Effective	Effective	Effective	Yes
		I	Effective	Effective	Effective	15 Dec 2020[10]	
ASU 2016-10: Revenue – Identifying performance obligations and licensing	4.2[5]	A	Effective	Effective	Effective	Effective	Yes
		I	Effective	Effective	Effective	15 Dec 2020[10]	
ASU 2016-08: Revenue – Principal vs agent considerations	4.2[5]	A	Effective	Effective	Effective	Effective	Yes
		I	Effective	Effective	Effective	15 Dec 2020[10]	
ASU 2016-02: Leases; ASU 2020-05: Deferral of effective dates	5.1[5]	A	Effective	Effective	Effective	15 Dec 2021[11]	Yes

In this table:
A = annual periods
I = interim periods
SRC = smaller reporting company

	Chapter		Public business entities: SEC filers: Not eligible to be an SRC	Public business entities: SEC filers: Eligible to be an SRC	Public business entities: Not an SEC filer	All other entities	Early adoption allowed?
		I	Effective	Effective	Effective	15 Dec 2022[11]	
ASU 2014-09: Revenue from contracts with customers; ASU 2020-05: Deferral of effective dates	4.2	A	Effective	Effective	Effective	Effective	Yes
		I	Effective	Effective	Effective	15 Dec 2020[10]	

Notes:

1. The amendments in this ASU are not (fully) included in this publication because they are too detailed relative to the differences highlighted.
2. Early adoption is not permitted for public business entities. However, it is permitted for all other entities for fiscal years, and interim periods within those fiscal years, beginning after 15 December 2020.
3. All entities may early adopt ASU 2020-06, but no earlier than fiscal years beginning after 15 December 2020, including interim periods within those fiscal years. An entity should adopt the guidance at the beginning of its fiscal year. An entity that has not yet adopted the amendments to the guidance for accounting for certain instruments with down-round features may adopt the recognition and measurement amendments in this ASU for any convertible security that includes a down-round feature in financial statements that have not yet been issued (made available for issuance) for fiscal years (or interim periods) beginning after 15 December 2019.
4. This ASU included seven issues and resulted in different effective dates depending on the issue. The effective dates shown in the table reflect conforming amendments related to Issues 1, 2, 4 and 5. Issues 3, 6 and 7 have different effective dates, as indicated in ASU 2020-03.
5. This ASU is incorporated into the related chapter in this publication – i.e. it is not noted as a forthcoming requirement (see About this publication).
6. These amendments cannot be early adopted ahead of the related standards: ASU 2016-13 (credit losses) and ASU 2016-02 (leases).
7. ASU 2018-16 is generally effective at the same time as ASU 2017-12. However, nonpublic entities that have adopted ASU 2017-12 are required to adopt ASU 2018-16 for annual and interim periods in fiscal years beginning after 15 December 2019.
8. This edition of our publication focuses only on currently effective requirements under both IFRS Standards and US GAAP related to insurance (see About this publication).
9. ASU 2017-04 is effective for annual or interim goodwill impairment tests performed for fiscal years beginning after the presented dates. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates on or after 1 January 2017.
10. The effective dates for 'All other entities' apply to private companies that have not yet issued (made available for issuance) financial statements reflecting the adoption of Topic 606 as of 3 June 2020.
11. The effective dates for 'All other entities' apply to private companies that have not yet issued (made available for issuance) financial statements reflecting the adoption of Topic 842 as of 3 June 2020. 'Public' not-for-profit entities (i.e. not-for-profit entities that have issued or are conduit bond obligors for securities that are traded or quoted on an exchange or an over the counter market) that have not yet issued (made available for issuance) financial statements reflecting the adoption of Topic 842 as of 3 June 2020 must adopt Topic 842 for annual and interim periods in fiscal years beginning after 15 December 2019.

Acknowledgements

This publication has been produced jointly by the KPMG International Standards Group (part of KPMG IFRG Limited) and the Department of Professional Practice of KPMG in the US.

We would like to thank the following main contributors to this edition.

Members of the KPMG International Standards Group	**Members of the Department of Professional Practice of KPMG in the US**
Suzanne Arnold	Kimber Bascom
Ewa Bialkowska	Richard Binderup
Audrey Hamm	Valerie Boissou
Roanne Hasegawa	Nick Burgmeier
Irina Ipatova	Meredith Canady
Seung Hoon Lee	Regina Croucher
Colin Martin	Irina Guberuk
Conor Moroney	Scott Muir
Jan Alexander Müller	Mahesh Narayanasami
Brian O'Donovan	Michael Republicano
Agnieszka Sekita	Julie Santoro
Chris Spall	Angie Storm
Stacy Wingrove	

We would also like to thank other members of the KPMG International Standards Group and the Department of Professional Practice of KPMG in the US for the time that they committed to this project.

Information about Argentine accounting standards prepared by

Margarita Pérez Rodríguez
Director
+54 11 4316 5853
margaritaperez@kpmg.com.ar

Contact us

Instituto de Comités de Auditoría (ICA)

For more information, please visit us online at
www.home.kpmg/ar/ICA or email us at ica@kpmg.com.ar:

Ariel Eisenstein
Lead Audit Partner
+54 11 4316 5812
aeisenstein@kpmg.com.ar

Viviana Picco
Partner
+54 11 4316 5729
vpicco@kpmg.com.ar

Romina Bracco
Partner
+54 11 4316 5910
rbracco@kpmg.com.ar

At the KPMG-sponsored Audit Committee Institute we provide a variety of resources designed to assist Directors and Audit Committee members to update and share experiences that are essential to properly fulfilling their role. We offer a program that includes the sponsorship of events and training sessions, and the publication of articles by specialists that address current issues.

kpmg.com.ar

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 on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2021 KPMG, a partnership established under Argentine law and a member firm of the KPMG network of independent firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.