



**IFRS AT A GLANCE**  
**IAS 29 *Financial Reporting in  
Hyperinflationary Economies***



# IAS 29 *Financial Reporting in Hyperinflationary Economies*

## SCOPE

IAS 29 is applied to the individual financial statements, and the consolidated financial.

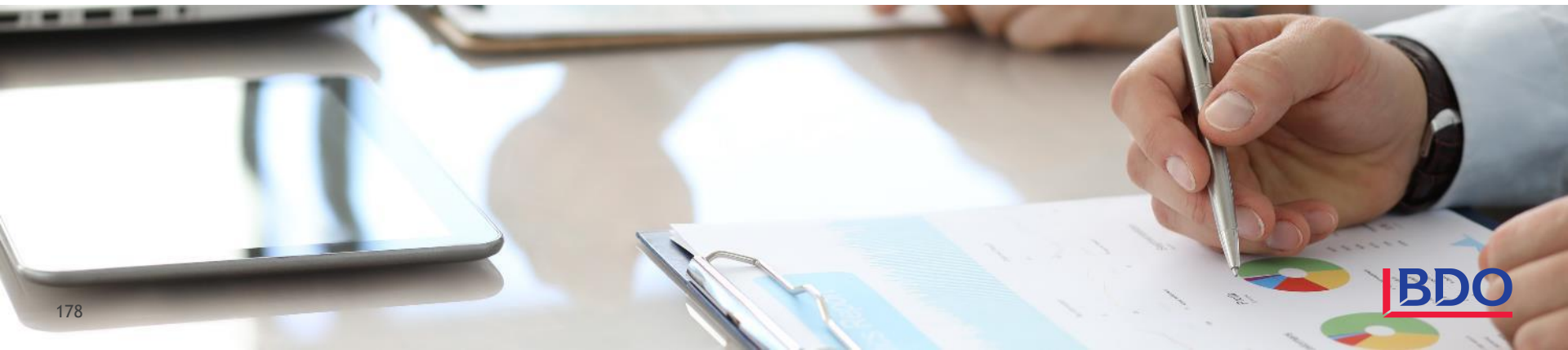
## INDICATORS OF HYPERINFLATION

Hyperinflation is indicated by characteristics of the economic environment of a country which include, but are not limited to, the following:

- ▶ The general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency
- ▶ The general population regards monetary amounts not in terms of the local currency but in terms of a relatively stable foreign currency prices may be quoted in that currency
- ▶ Sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power during the credit period, even if the period is short
- ▶ Interest rates, wages and prices are linked to a price index
- ▶ The cumulative inflation rate over three years is approaching, or exceeds, 100%.

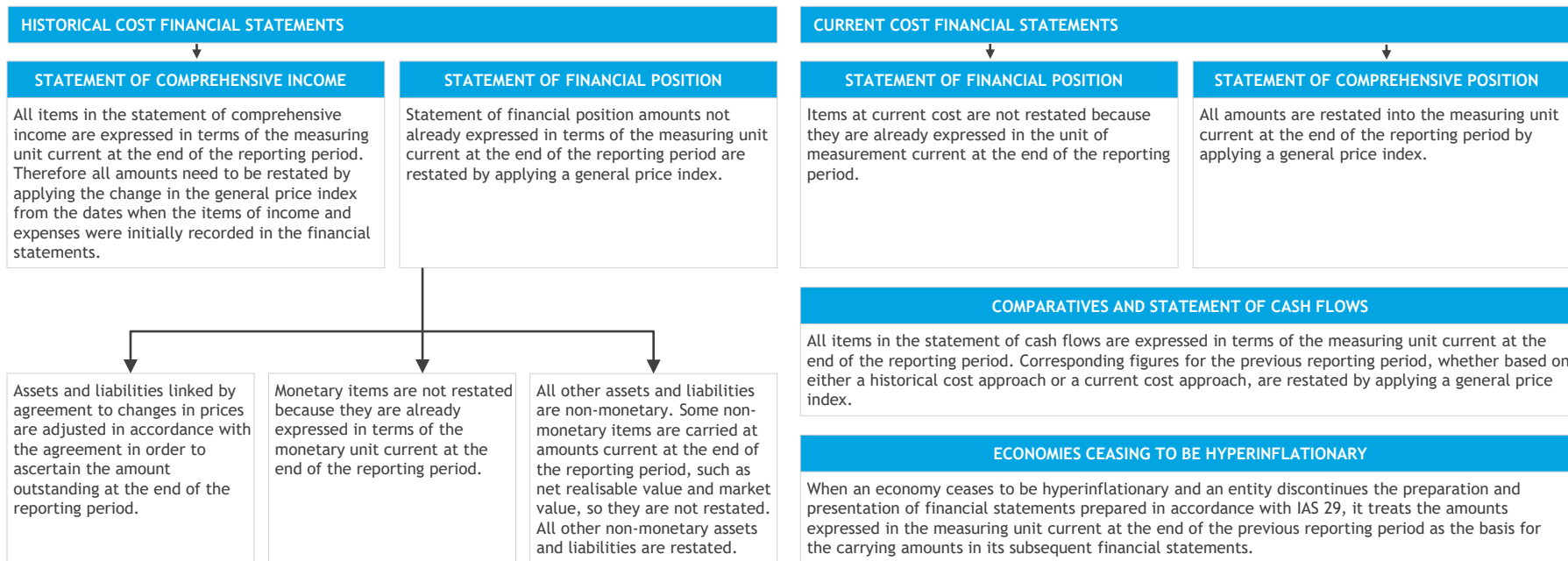
## RESTATEMENT OF FINANCIAL STATEMENTS - HYPERINFLATIONARY ECONOMIES

The financial statements of an entity whose functional currency is the currency of a hyperinflationary economy are stated in terms of the measuring unit current at the end of the reporting period. Corresponding figures in relation to prior periods are also restated. The gain or loss on the net monetary position is included in profit or loss and separately disclosed.





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# Contact

For further information about how BDO can assist you and your organisation, please get in touch with one of our key contacts listed below.

Alternatively, please visit [www.bdo.global](http://www.bdo.global) where you can find full lists of regional and country contacts.



## EUROPE

Anne Catherine Farlay	 France	<a href="mailto:annecatherine.farlay@bdo.fr">annecatherine.farlay@bdo.fr</a>
Jens Freiberg	 Germany	<a href="mailto:jens.freiberg@bdo.de">jens.freiberg@bdo.de</a>
Teresa Morahan	 Ireland	<a href="mailto:tmorahan@bdo.ie">tmorahan@bdo.ie</a>
Ehud Greenberg	 Israel	<a href="mailto:ehudg@bdo.co.il">ehudg@bdo.co.il</a>
Stefano Bianchi	 Italy	<a href="mailto:stefano.bianchi@bdo.it">stefano.bianchi@bdo.it</a>
Roald Beumer	 Netherlands	<a href="mailto:roald.beumer@bdo.nl">roald.beumer@bdo.nl</a>
Reidar Jensen	 Norway	<a href="mailto:reidar.jensen@bdo.no">reidar.jensen@bdo.no</a>
Leonid Sidelkovskiy	 Russia	<a href="mailto:L.Sidelkovskiy@bdo.ru">L.Sidelkovskiy@bdo.ru</a>
David Cabaleiro	 Spain	<a href="mailto:david.cabaleiro@bdo.es">david.cabaleiro@bdo.es</a>
René Füglistner	 Switzerland	<a href="mailto:rene.fueglistner@bdo.ch">rene.fueglistner@bdo.ch</a>
Moses Serfaty	 United Kingdom	<a href="mailto:moses.serfaty@bdo.co.uk">moses.serfaty@bdo.co.uk</a>




## SUB SAHARAN AFRICA



Theunis Schoeman	 South Africa	<a href="mailto:tschoeman@bdo.co.za">tschoeman@bdo.co.za</a>
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## NORTH AMERICA &







Armand Capisciolto	 Canada	<a href="mailto:acapisciolto@bdo.ca">acapisciolto@bdo.ca</a>
Wendy Hambleton	 USA	<a href="mailto:whambleton@bdo.com">whambleton@bdo.com</a>

## LATIN AMERICA


Marcello Canetti	 Argentina	<a href="mailto:mcanetti@bdoargentina.com">mcanetti@bdoargentina.com</a>
Victor Ramirez	 Colombia	<a href="mailto:vramirez@bdo.com.co">vramirez@bdo.com.co</a>
Ernesto Bartesaghi	 Uruguay	<a href="mailto:ebartesaghi@bdo.com.uy">ebartesaghi@bdo.com.uy</a>

Arshad Gadit	 Bahrain	<a href="mailto:arshad.gadit@bdo.bh">arshad.gadit@bdo.bh</a>
Antoine Gholam	 Lebanon	<a href="mailto:agholam@bdo-lb.com">agholam@bdo-lb.com</a>

## ASIA PACIFIC

Aletta Boshoff	 Australia	<a href="mailto:aletta.boshoff@bdo.com.au">aletta.boshoff@bdo.com.au</a>
Hu Jian Fei	 China	<a href="mailto:hu.jianfei@bdo.com.cn">hu.jianfei@bdo.com.cn</a>
Fanny Hsiang	 Hong Kong	<a href="mailto:fannyhsiang@bdo.com.hk">fannyhsiang@bdo.com.hk</a>
Pradeep Suresh	 India	<a href="mailto:pradeepsuresh@bdo.in">pradeepsuresh@bdo.in</a>
Khoon Yeow Tan	 Malaysia	<a href="mailto:tanky@bdo.my">tanky@bdo.my</a>
Ng Kian Hui	 Singapore	<a href="mailto:kianhui@bdo.com.sg">kianhui@bdo.com.sg</a>





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