

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





# IAS 29 *Financial Reporting in Hyperinflationary Economies*

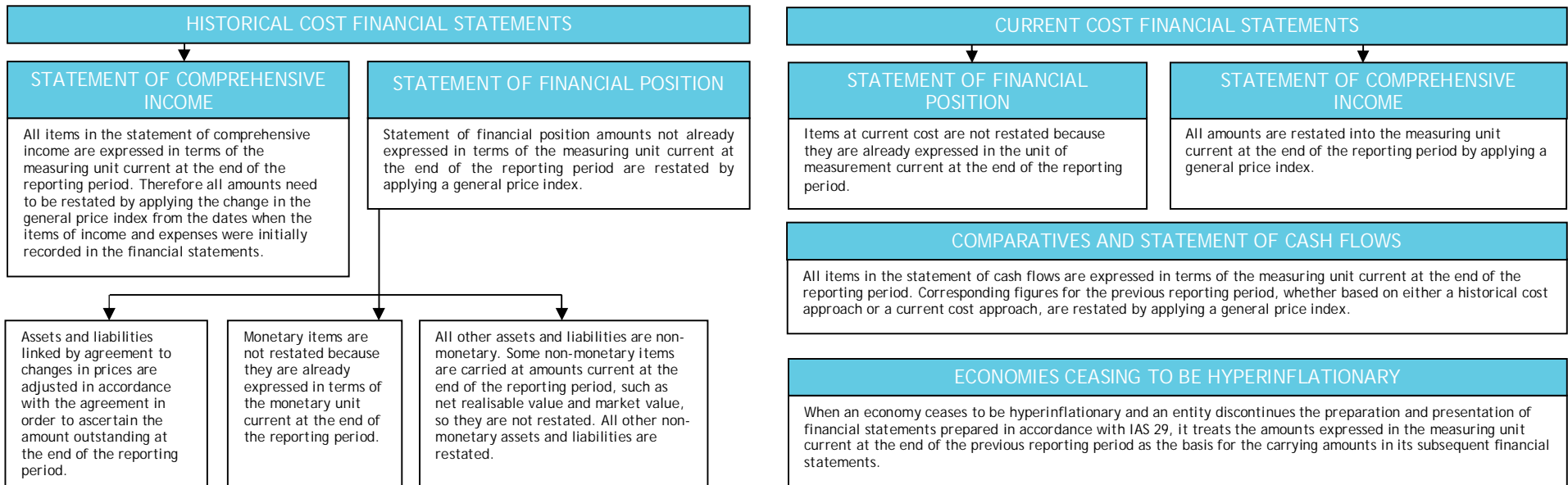
Also refer:  
IFRIC 7 *Applying the Restatement Approach under IAS 29*

Effective Date  
Periods beginning on or after 1 January 2007

SCOPE	INDICATORS OF HYPERINFLATION
<p>IAS 29 is applied to the individual financial statements, and the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy.</p>	<p>Hyperinflation is indicated by characteristics of the economic environment of a country which include, but are not limited to, the following:</p> <ul style="list-style-type: none"> <li>• The general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency</li> <li>• The general population regards monetary amounts not in terms of the local currency but in terms of a relatively stable foreign currency</li> <li>• Sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power during the credit period</li> <li>• Interest rates, wages and prices are linked to a price index</li> <li>• The cumulative inflation rate over three years is approaching, or exceeds, 100%.</li> </ul>

**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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#### Europe

Caroline Allouët	France	caroline.allouet@bdo.fr
Jens Freiberg	Germany	jens.freiberg@bdo.de
Teresa Morahan	Ireland	tmorahan@bdo.ie
Ehud Greenberg	Israel	ehudg@bdo.co.il
Ruud Vergoossen	Netherlands	ruud.vergoossen@bdo.nl
Reidar Jensen	Norway	reidar.jensen@bdo.no
María Sukonkina	Russia	m.sukonkina@bdo.ru
René Krügel	Switzerland	rene.kruegel@bdo.ch
Brian Creighton	United Kingdom	brian.creighton@bdo.co.uk

#### Asia Pacific

Wayne Basford	Australia	wayne.basford@bdo.com.au
Zheng Xian Hong	China	zheng.xianhong@bdo.com.cn
Fanny Hsiang	Hong Kong	fannyhsiang@bdo.com.hk
Khoon Yeow Tan	Malaysia	tanky@bdo.my

#### Latin America

Marcelo Canetti	Argentina	mcanetti@bdoargentina.com
Luis Pierrend	Peru	lpierrend@bdo.com.pe
Ernesto Bartesaghi	Uruguay	ebartesaghi@bdo.com.uy

#### North America & Caribbean

Armand Capisciolto	Canada	acapisciolto@bdo.ca
Wendy Hambleton	USA	whambleton@bdo.com

#### Middle East

Arshad Gadit	Bahrain	arshad.gadit@bdo.bh
Antoine Gholam	Lebanon	agholam@bdo-lb.com

#### Sub Saharan Africa

Nigel Griffith	South Africa	ngriffith@bdo.co.za
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