

# CPC IFRS Conversion Project

## Technical pronouncements

The accounting practices adopted in Brazil (“BRGAAP”) have not established specific accounting standards to deal with the Oil & Gas industry since the Brazilian Accounting Pronouncements Committee – (“CPC”) did not issue an pronouncement equivalent to IFRS 6 (CPC is waiting for the review and approval of IFRS 6 by IFRS Foundation to issue the Brazilian pronouncement based on this revised version).

### CPC IFRS Conversion Project: Technical pronouncements (Position as of June 30, 2012) Issued in 2008

CPC	IFRS	Subject
		Conceptual Framework for Preparation and Disclosure of Financial Statements
<b>CPC 01 (R1) (3)</b>	IAS 36	Impairment of Assets
<b>CPC 02 (R2) (3)</b>	IAS 21	The Effects of Changes in Foreign exchange Rates
<b>CPC 03 (R2) (3)</b>	IAS 7	Statement of Cash Flows
<b>CPC 04 (R1) (3)</b>	IAS 38 / SIC 32	Intangible Assets
<b>CPC 05 (R1) (3)</b>	IAS 24	Related Party Disclosures
<b>CPC 06 (R1) (3)</b>	IAS 17	Leases
<b>CPC 07 (R1) (3)</b>	IAS 20	Accounting for Government Grants and Disclosure of Government Assistance
<b>CPC 08 (R1) (3)</b>	IAS 39	Financial Instruments: Recognition and Measurement
<b>CPC 09</b>	Not applicable	Added Value Statement
<b>CPC 10 (R1) (3)</b>	IFRS 2	Share-based Payment
<b>CPC 11(1)</b>	IFRS 4	Insurance Contracts
<b>CPC 12</b>	Not applicable	Present Value Adjustment
<b>CPC 13</b>	Not applicable	First adoption of Law no.11.638/07 and Provisional Measure. 449/08
<b>CPC 14(2)</b>	IAS 32/39	Financial Instruments: Phase I

(1) Although issued in 2008, the CPC technical pronouncement 11 is mandatory for insurers’ financial statements for years ended on and after December of 2010 and the comparative 2009 financial statements, to be disclosed with the 2010 financial statements.

(2) CPC 14 was approved by CVM Resolution 566/08 and by CFC Resolution in 1153/09. In 2009 the CPC 14 (revised) underwent a public hearing process. Due to this public hearing process, in conjunction with CPCs 38, 39 and 40, it was decided not to issue CPC technical pronouncement 14 (revised), revoke CPC 14 (keeping its application only in 2008 and 2009) and transform it into CPC Guidance 03 - Financial Instruments: Recognition, Measurement and Reporting.

(3) Pronouncement revised and amended in 2010.

## Issued in 2009

CPC	IFRS	Subject
CPC 15 (R1) (6)	IFRS 3	Business Combinations
CPC 16 (R1) (3)	IAS 2	Inventories
CPC 17	IAS 11	Construction Contracts
CPC 18	IAS 28	Investments in Associates and Joint Ventures (2011)
CPC 19 (R1) (6)	IAS 31	Interests In Joint Ventures
CPC 20 (R1) (6)	IAS 23	Borrowing Costs
CPC 21 (R1) (6)	IAS 34	Interim Financial Reporting
CPC 22	IFRS 8	Segment Information
CPC 23	IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
CPC 24	IAS 10	Events After the Reporting Period
CPC 25	IAS 37	Provisions, Contingent Liabilities and Contingent Assets
CPC 26 (R1) (6)	IAS 1	Presentation of Financial Statements
CPC 27	IAS 16	Property, Plant and Equipment
CPC 28	IAS 40	Investment Property
CPC 29	IAS 41	Agriculture
CPC 30	IAS 18	Revenue
CPC 31	IFRS 5	Non-current Assets Held for Sale and Discontinued Operations
CPC 32	IAS 12	Income Taxes
CPC 33	IAS 19	Employee Benefits
CPC 34(4)	IFRS 6	Exploration for and Evaluation of Mineral Assets
CPC 35 (R1) (6)	IAS 27	Separate Financial Statements (2011)
CPC 36 (R2) (6)	IAS 27	Consolidated and Separate Financial Statements
CPC 37 (R1) (3)	IFRS 1	First-time Adoption of International Financial Standards
CPC 38	IAS 39	Financial Instruments: Recognition and Measurement
CPC 39	IAS 32	Financial Instruments: Presentation
CPC 40	IFRS 7	Financial Instruments: Disclosures
CPC 42(5)	IAS 29	Financial Reporting in Hyperinflationary Economies
CPC 43 (R1) (3)	Not applicable	First Adoption of Technical Pronouncements CPC 15-40
CPC-PME (R1)	IFRS-SME	SME - Small and Medium Enterprises

(3) Pronouncement revised and amended in 2010. (4) CPC 34 – Exploration and Evaluation of Mineral Resources has not been issued, even though it has undergone a public hearing, for not being made mandatory by the IASB, as it is not complete with respect to all phases relating to prospecting, exploration, evaluation, and mineral extraction. (5) CPC 42 - Financial Reporting in Hyperinflationary Economies (IAS 29) has not been issued due to its inapplicability to the current situation in Brazil and the Brazilian experience with previous full adjustment of the financial statements. This is mentioned in the Technical Statements that refer to hyperinflation. Nevertheless, it is mandatory to implement the content of IAS 29, with full adjustment of investments in hyperinflationary countries. (6) Pronouncement revised and amended in 2011.

**Issued in 2010**

CPC	IFRS	Subject
CPC 41	IAS 33	Earnings Per Share

**Issued in 2011**

CPC	IFRS	Subject
CPC 44(10)	N/A	Combined Financial Statements

**Technical Guidance**

**Issued in 2008**

OCPC	IFRS	Subject
OCPC 01 (R1)(7)	Not applicable	Real Estate Development Entities

(7) Guidance reviewed and amended in 2010.

**Issued in 2009**

OCPC	IFRS	Subject
OCPC 02	Not applicable	Clarified 2008 Financial Statements
OCPC 03 (8)	Not applicable	Financial Instruments: Recognition, Measurement and Disclosure

(8) Guidance to CPC 03 - Financial Instruments: Recognition, Measurement and Disclosure replaces the prior (old) CPC 14 (keeping its application only for 2008 and 2009).

**Issued in 2010**

OCPC	IFRS	Subject
OCPC 04	N/A	Application of Technical Interpretation ICPC 02 to Brazilian Real Estate Development Entities
OCPC 05	N/A	Concession Arrangements

**Issued in 2011**

OCPC	IFRS	Subject
OCPC06	N/A	Presentation of Pro Forma Financial Information

## Technical Interpretations

### Issued in 2009

ICPC	IFRS	Subject
ICPC 01	IFRIC 12	Service Concession Arrangements
ICPC 02	IFRIC 15	Agreements for the Construction of Real Estate
ICPC 03	IFRIC 4, SIC 15 e SIC 27	Determining Whether an Arrangement Contains a Lease
ICPC 04(9)	IFRIC 8	Scope of IFRS 2
ICPC 05(9)	IFRIC 11	IFRS 2: Group and Treasury Share Transactions
ICPC 06	IFRIC 16	Hedges of a Net Investment in a Foreign Operation
ICPC 07	IFRIC 17	Distributions of Non-cash Assets to Owners
ICPC 08(10)	Not applicable	Accounting for Proposed Dividend
ICPC 09(10)	Not applicable	Individual, Separate, Consolidated Financial Statements and Application of the Equity Method
ICPC 10	Not applicable	Interpretation of the Initial Application to Fixed Assets and Investment Property of Technical Pronouncements CPCs 27, 28, 37 and 43
ICPC 11	IFRIC 18	Transfers of Assets from Customers
ICPC 12	IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities

(9) The text of this interpretation is contained in CPC 10 - Share-Based Payment, which was revised and amended in 2010.

(10) These pronouncements and interpretations were reviewed, but until the issuance of this guide, the final documents had not been issued by the CPC.

### Issued in 2010

ICPC	IFRS	Subject
ICPC 13	IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
ICPC 14	IFRIC 2	Members' Shares in Co-operative Entities and Similar Instruments
ICPC 15	IFRIC 6	Liabilities Arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
ICPC 16	IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

### Issued in 2011

ICPC	IFRS	Subject
ICPC 17	IFRIC 12	Service Concession Arrangements: Disclosures

2 ANP Administrative Ruling No. 36, dated March 7, 2001, which revoked ANP Administrative Rule No. 11 of January 13, 1999: Accounting and Auditing of Concession Agreements.

3 ANP Administrative Rulings Nos. 10/1999, 102/1999 and 58/2001

4 Issued by the Financial Accounting Standards Board - FASB and accepted by the Securities Exchange Commission (SEC) in the U.S.A.