CONTENTS

Introductory Note	7
CHAPTER 1 Definitions regarding groups of companies and consolidated accounts	9
CHAPTER 2 The consolidation perimeter and setting the consolidation method	12
2.1 Definitions and key issues regarding groups of companies	13
 2.3 Control Percentage, Interest Percentage and Integration Percentage 2.4 The consolidated perimeter exclusion and non-exclusion issues 2.5 Premises for entry/exit in the consolidated perimeter 	25 25
2.6 Date for closing accounts	26
CHAPTER 3 Consolidation methods and international standards for consolidation	27
3.1 The case of full consolidation method and of the standard for Separate and Consolidated Financial Statements: special issues3.2 The case of proportionate consolidation method and of standard Interest	27
in Joint Ventures (reference processing): special discussions	
(the other authorized processing): special discussions	39
CHAPTER 4 Retreating separate financial statements for companies in the consolidation perimeter	42
4.1 Recognition of deferred taxes	
from applying tax laws	70

CHAPTER 5 Translation of financial statements for foreign operations	72
5.1. Translation principles	72
5.2. Presentation of the Translation Methods Historical Exchange-rate Method	l 74
CHAPTER 6	
Final consolidation operations	81
6.1. The takeover and cumulation of Balance Sheet and Income Statement items of the parent and consolidated companies	
(both by full and proportionate consolidation methods)	81
6.2. The elimination of reciprocal accounts and operations	
6.3 The elimination of participation titles, according to the ownership	
quota at the moment of acquisition	97
CHAPTER 7	
Consolidated financial statements	109
7.1 The Consolidated Balance Sheet	110
7.2 Statement of Comprehensive Income	
7.3 Statement of Cash Flows for the Period	114
7.4 Accounting policies and Notes (Annexes)	125
CHAPTER 8	
Steps for the consolidation process	126
References	129