

International Practices Task Force
DOCUMENT FOR DISCUSSION
Monitoring Inflation in Certain Countries

May 22, 2025

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Introduction

Registrants are responsible for monitoring inflation in countries in which they have operations. Under U.S. GAAP (ASC 830), the determination of a highly inflationary economy begins by calculating the cumulative inflation rate for the three-year period that precedes the beginning of the reporting period, including interim reporting periods. If that calculation results in a cumulative inflation rate in excess of 100%, the economy should be considered highly inflationary in all instances. However, if that calculation results in the cumulative rate being less than 100%, historical inflation rate trends and other pertinent factors should be considered to determine whether such information suggests that classification of the economy as highly inflationary is appropriate. Registrants should be especially prudent when monitoring inflation data in countries where there is a concern about the reliability of the inflation data.

Additionally, significant professional judgment is required when determining if there is sufficient evidence to conclude the country should no longer be classified as highly inflationary.

In an effort to facilitate greater consistency, the CAQ International Practices Task Force (the “Task Force”) developed a framework for compiling inflation data to assist registrants in monitoring inflation statistics in connection with their determination of the inflationary status of countries in which they have operations. The information herein may be helpful to management in applying ASC 830, in conjunction with its internal controls over financial reporting to reach a conclusion on whether a country’s economy should be considered highly inflationary.

The Task Force compiled cumulative inflation data by country (for those countries for which the International Monetary Fund [IMF] publishes data), and then categorized the countries based on their cumulative inflation rates and the implementation guidance in ASC 830. (See the Appendix for a detailed description of how inflation rates are calculated.) In addition, the Task Force identified countries where projected cumulative inflation rates would have been categorized into categories considering the guidance in ASC 830 and in circumstances where there was not consistent reliable data.

The categories, the countries in each of the categories for this period, and reference to the page in this Document where inflation data is provided, are as follows:

1a. Countries with three-year cumulative inflation rates exceeding 100% (ASC 830, Case A):

Argentina	4
Burundi	4 Moved from Cat 4
Egypt	4
Ethiopia	5
Ghana	6
Haiti	6
Iran	6
Lao P.D.R.	6
Lebanon	7
Malawi	7
Myanmar	8 Moved from Cat 4
Nigeria	8
Sierra Leone	9
South Sudan	9 Moved from Cat 1.b
Sudan	9
Suriname	10
Turkey	10
Venezuela	10
Zimbabwe	11

1b. Countries with projected three-year cumulative inflation rates greater than 100% in the current year:

None

- 2. Countries with three-year cumulative inflation rates exceeding 100% in recent years, but with three-year cumulative inflation rates between 70% and 100% in the last calendar year (ASC 830, Case B)

None

- 3. Countries with recent three-year cumulative inflation rates exceeding 100% after a spike in inflation in a discrete period (ASC 830, Case C)

None

- 4. Countries with three-year cumulative inflation rates between 70% and 100% in the current year, or with a significant (25% or more) increase in inflation during the last calendar year, or a significant increase in projected inflation in the current year, or with projected three-year cumulative inflation rates greater than 100% in the next year

Angola	13
Yemen	13

Note when reviewing the April 2025 IMF WEO data and the local country data (where applicable) the data shows that Pakistan and Sri Lanka no longer fall within Cat 4 and therefore both countries have been removed from the list.

There may be additional countries with three-year cumulative inflation rates exceeding 100% or that should be monitored which are not included in the analysis because the sources used to compile this list do not include inflation data for all countries or current inflation data, for example, Afghanistan, Eritrea, and Syria. Numerous other countries that are not members of the IMF are not included in the WEO Reports.

The data referred to herein is derived from the IMF World Economic Outlook Report Database – April 2025 (“IMF WEO Report”), unless otherwise indicated. The IMF WEO Report presents inflation data on a calendar year basis unless otherwise noted. Data presented in the IMF WEO Report as estimated is identified with an “*”. The actual data & projected data is assumed to be for calendar year end unless otherwise noted. The countries are categorized according to the data from the IMF WEO Report as of December 31st, except in the case of a few countries that use their own fiscal years (e.g. Egypt & Iran) as noted below.

While the below data may be a useful resource for registrants, management should have adequate controls to independently verify and analyze any data on which they are basing a conclusion about an economy’s highly inflationary status.

Below is a discussion of the countries included in each of the above categories.

1a. Countries with three-year cumulative inflation rates exceeding 100%

Case A in ASC 830-10-55-24 provides an example when the three-year cumulative rate exceeds 100% requiring a company to classify the economy as highly inflationary.

According to data obtained from the IMF WEO Report and other sources identified below, the following countries have three-year cumulative inflation rates exceeding 100%:

Argentina

Calendar year	ACTUAL			PROJECTED	
	2022	2023	2024	2025	2026
Annual inflation rate	95%	211%	118%	20%	12%
Cumulative three-year rate	300%	816%	1221%	714%	193%

Burundi – Moved from Category 4

Calendar year	ACTUAL			PROJECTED	
	2022	2023	2024	2025	2026
Annual inflation rate	27%	20%	36%	36%	28%
Cumulative three-year rate	51%	67%	108%	123%	138%

Additional Information/Observations

Burundi moved from Cat 4 into Cat 1.a as the three-year cumulative inflation exceeded 100% at the end of 2024 and is projected to remain above 100% for 2025 and 2026.

Egypt

Year	ACTUALS (June 30)			PROJECTED (June 30)	
	2022	2023	2024	2025	2026
Annual inflation rate	13%	36%	27%	13%	12%
Cumulative three-year rate	25%	61%	96%	95%	61%

Additional Information/Observations

We note that local data published by the Central Agency for Public Mobilization and Statistics (CAPMAS) and included in the Monthly Bulletin of Consumer Price Index (CPI) for December 2024 shows that the three-year cumulative inflation rate exceeded 100%, with the rate being 103.5%. CAPMAS published

three CPI series: (1) CPI-urban areas which includes Cairo, Alexandria, urban Lower Egypt, urban Upper Egypt, Canal cities and Frontier governorates, (2) CPI-rural areas, and (3) CPI-all areas. For the Monthly Bulletin of Consumer Price Index, CAPMAS utilizes the CPI-all areas data. This rate of 104% is based upon the December 2024 Consumer Price Index Actuals for all items using the Central Bank of Egypt calculations based upon the CPI-all areas data.

The table below shows the actual local inflation data as published by the Central Bank of Egypt based on the index reported by the CBE and the CAPMAS CPI-all data.

Index Considered annual periods start July 1	As of 6/30/23	As of 6/30/24	As of 9/30/24	As of 12/31/24	As of 03/31/25	As of 04/30/25
CBE - YTD Consumer Price Index	36%	27%	5%	7%	11%	13%
CBE - Cumulative three-year rate	61%	96%	101%	101%	101%	97%
CAPMAS - YTD Consumer Price Index	37%	27%	5%	6%	11%	13%
CAPMAS - Cumulative three-year rate	65%	99%	104%	104%	101%	97%

As presented above, the inflation data from the April 2025 IMF WEO Report shows the three-year cumulative inflation rate was 96% as of June 30, 2024, while also showing the three-year cumulative inflation is projected at 95% for June 30, 2025. We observe further that the local published CPI indexes noted above as of April 2025 shows that the three-year cumulative rate drops below 100% at 97%. Notwithstanding the recent decline, given that the three-year cumulative inflation exceeded 100% during 2024 and earlier part of 2025, Egypt still meets the Cat 1a criteria.

Ethiopia

Calendar year	ACTUAL			PROJECTED	
	2022	2023	2024	2025	2026
Annual inflation rate	34%	29%	21%	16%	10%
Cumulative three-year rate	114%	133%	109%	80%	54%

Additional Information/Observations

The April 2025 IMF WEO Report indicates that inflation data for Ethiopia post 2023 is based on estimates. We further note that no local data is made available.

Ghana

	ACTUAL			PROJECTED	
Calendar year	2022	2023	2024	2025	2026
Annual inflation rate	54%	23%	24%	12%	8%
Cumulative three-year rate	92%	114%	135%	71%	50%

Haiti

	ACTUAL			PROJECTED	
Calendar year	2022	2023	2024	2025	2026
Annual inflation rate	39%	32%	28%	30%	20%
Cumulative three-year rate	96%	107%	134%	119%	98%

Iran

	ACTUAL As of March 31				PROJECTED March 31
Year	2022	2023	2024	2025	2026
Annual inflation rate	54%	32%	38%	45%	35%
Cumulative three-year rate	208%	173%	182%	165%	171%

Lao P.D.R.

	ACTUAL			PROJECTED	
Calendar year	2022	2023	2024	2025	2026
Annual inflation rate	39%	24%	17%	7%	6%
Cumulative three-year rate	51%	82%	102%	56%	34%

Additional Information/Observations

Inflation data from the April 2025 IMF WEO Report shows the three-year cumulative inflation rate was 102% as of December 2024 while also showing the three-year cumulative inflation rate is expected to be under 60% for 2025 and continues to decrease in 2026 to 34%. We also note that local data from the Bank of Lao P.D.R shows that the three-year cumulative inflation rate exceeded 100% as of September 2024 and continued to exceed 100% in December 2024, while is below 100% as of March 2025. The table below shows the actual local inflation data:

Index Considered	As of 12/31/23	As of 09/30/24	As of 12/31/24	As of 03/31/25
YTD Consumer Price Index	24%	18%	17%	0%
Cumulative three-year rate	82%	105%	102%	96%

Lebanon

Calendar year	ACTUAL			PROJECTED	
	2022	2023	2024	2025	2026
Annual inflation rate	122%	192%	18%	N/A	N/A
Cumulative three-year rate	1671%	2005%	666%	N/A	N/A

Additional Information/Observations

The April 2025 IMF WEO Report does not provide projected annual inflation or the cumulative three-year inflation data for 2025 and beyond. However, given the actual historical annual inflation and cumulative three-year inflation data for 2024 which was updated in the April IMF WEO Report, the annual inflation decreased 18% and cumulative three-year rate decreased to 666%. We also note that local data from the Lebanese Republic Central Administration of Statistics shows that the three-year cumulative inflation rate as of December 2024 was at 666% and the three-year cumulative inflation rate slightly decreasing to 607% through March 2025.

Malawi

Calendar year	ACTUAL			PROJECTED	
	2022	2023	2024	2025	2026
Annual inflation rate	25%	34%	28%	17%	10%
Cumulative three-year rate	51%	88%	116%	102%	66%

Additional Information/Observations

The April 2025 WEO Report shows historical three-year cumulative inflation for 2024 at 116% and projects the 2025 three-year cumulative inflation to be over 100%. Inflation data published by the National Statistical Office of Malawi indicates that three-year cumulative inflation rate as of December 2024 was 116% and the three-year cumulative inflation rate as of March 2025 is approximately 118%. Although the data in the April 2025 IMF WEO Report shows a declining trend in inflation rates in 2025 and 2026, the local data continues to show the three-year cumulative rate exceeding 100%.

The table below shows the actual local inflation data:

Index Considered	As of 12/31/23	As of 09/30/24	As of 12/31/24	As of 03/31/25
YTD Consumer Price Index	29%	16%	28%	10%
Cumulative three-year rate	85%	113%	116%	118%

Myanmar – Moved from Category 4

	ACTUAL			PROJECTED	
Calendar year	2022	2023	2024	2025	2026
Annual inflation rate	29%	25%	28%	33%	15%
Cumulative three-year rate	55%	89%	106%	113%	96%

Additional Information/Observations

Myanmar moved from Cat 4 to Cat 1a per the April 2025 IMF WEO data. The actual three-year cumulative inflation exceeded 100% in 2024 and is projected to exceed 110% in 2025 before it's expected to drop slightly below 100% in 2026. Note the IMF WEO data is based on estimates as the last actual data for the country is from 2021 so the previous information in the October 2024 data put them in Category 4. Based on the updated estimates for April 2025, the country is moved to Cat 1a.

Nigeria

	ACTUAL			PROJECTED	
Calendar year	2022	2023	2024	2025	2026
Annual inflation rate	21%	29%	35%	30%	25%
Cumulative three-year rate	62%	81%	111%	126%	119%

Additional Information/Observations

The April 2025 IMF WEO Report shows that the three-year cumulative inflation rate is projected to remain above 100% in 2025 and 2026. Data published by the National Statistical Office of Nigeria indicates that three-year cumulative inflation rate as of December 2024, was 111% before the country did a rebaseline beginning in January 2025. Nigeria used a rebaseline of 100 as of December 2024 to calculate the new index. We converted the old index into the new index using the rebaseline information to calculate a comparable three-year cumulative rate to the historical information and noted that the rate continued to exceed 100% as of March 2025.

The table below shows the actual local inflation data.

Index Considered	As of 12/31/23	As of 09/30/24	As of 12/31/24	As of 03/31/25
YTD Consumer Price Index	26%	23%	30%	1%
Cumulative three-year rate	81%	103%	111%	102%

Sierra Leone

Calendar year	ACTUAL			PROJECTED	
	2022	2023	2024	2025	2026
Annual inflation rate	37%	52%	14%	12%	9%
Cumulative three-year rate	79%	146%	137%	94%	40%

South Sudan – Moved from Category 1b

Calendar year	ACTUAL			PROJECTED	
	2022	2023	2024	2025	2026
Annual inflation rate	-13%	67%	217%	12%	9%
Cumulative three-year rate	67%	49%	360%	492%	285%

Additional Information/Observations

Please note that there is no published/reliable local data for South Sudan as the local government does not report such information. Additionally, note that the information published by the IMF through their WEO Report is based on estimates rather than actual data. The published data per the April 2025 IMF WEO Report shows the current actual and projected three-year cumulative inflation rates for 2024 and 2025 to be 360% and 492%, respectively. The published data per the April 2025 IMF WEO Report shows the current projected 2026 cumulative three-year inflation rate is 285%.

Sudan

Calendar year	ACTUAL			PROJECTED	
	2022	2023	2024	2025	2026
Annual inflation rate	87%	113%	151%	76%	51%
Cumulative three-year rate	2793%	1571%	903%	840%	566%

Suriname

Calendar year	ACTUAL			PROJECTED	
	2022	2023	2024	2025	2026
Annual inflation rate	55%	33%	10%	7%	7%
Cumulative three-year rate	299%	229%	126%	57%	26%

Additional Information/Observations

The April 2025 IMF WEO data above shows the cumulative three-year rate decreasing below 100% to 57% in the 2025 projection and then continuing to decrease in 2026 to 26%. However, per the local data from the Bureau of Statistics the three-year cumulative inflation rate has been consistently above 100% through March 2025.

The table below shows the local data:

Index Considered	As of 12/31/23	As of 09/30/24	As of 12/31/24	As of 03/31/25
YTD Consumer Price Index	33%	9%	10%	1%
Cumulative three-year rate	229%	136%	126%	114%

Turkey

Calendar year	ACTUAL			PROJECTED	
	2022	2023	2024	2025	2026
Annual inflation rate	64%	65%	44%	31%	19%
Cumulative three-year rate	156%	268%	291%	212%	125%

Venezuela

Calendar year	ACTUAL			PROJECTED	
	2022	2023	2024	2025	2026
Annual inflation rate	234%	190%	47%	254%	218%
Cumulative three-year rate	80K%	7516%	1325%	1412%	1560%

Zimbabwe

Calendar year	ACTUAL			PROJECTED	
	2022	2023	2024	2025	2025
Annual inflation rate	244%	779%	687%	26%	8%
Cumulative three-year rate	2379%	4756%	24K%	8261%	971%

1b. Countries with projected three-year cumulative inflation rates greater than 100% in the current year

According to data obtained from the IMF WEO Report, the following countries have a projected three-year cumulative inflation rate greater than 100% in the current year but have not yet exceeded 100% as of the most recent year-end and any subsequent comparable monthly data available as of the date of this document. Under ASC 830-10-45-12, an economy must be classified as highly inflationary when the cumulative three-year rate exceeds 100%. However, if that calculation results in the cumulative rate being less than 100%, historical inflation rate trends (increasing or decreasing) and other pertinent economic factors should be considered to determine whether such information suggests that classification of the economy as highly inflationary is appropriate sooner. ASC 830-10-45-13 states that the definition of a highly inflationary economy is necessarily an arbitrary decision requiring judgment and in some instances, the trend of inflation might be as important as the absolute rate.

Registrants should have appropriate controls in place to monitor more current reported inflation data and consider other pertinent economic indicators to determine if and when the following countries should be considered highly inflationary:

There are no counties in this category per the April 2025 IMF WEO Report.

2. Countries with three-year cumulative inflation rates exceeding 100% in recent years, but with three-year cumulative inflation rates between 70% and 100% in the last calendar year

Case B in ASC 830-10-55-25 provides an illustrative example of a country where an economy continues to be classified as highly inflationary even though the three-year cumulative rate is below 100% because there is no evidence to suggest that the drop below 100% is other than temporary and annual inflation has been high on a consistent basis.

Countries in this category should be monitored by management, who should apply judgment in determining when there is sufficient evidence to conclude the country should no longer be classified as highly inflationary.

There are no countries in this category per the April 2025 IMF WEO Report.

3. Countries with recent three-year cumulative inflation rates exceeding 100% after a spike in inflation in a discrete period

Case C in ASC 830-10-55-26 provides an illustrative example where a country's economy no longer exceeds 100% for the cumulative three-year rate and the classification as highly inflationary resulted from an isolated spike in annual inflation. ASC 830-10-55-26 states that this country's economy should no longer be classified as highly inflationary.

According to data obtained from the IMF WEO Report, the following countries three-year cumulative inflation rates have exceeded 100% after a spike in inflation in a discrete period. Countries in this category should be monitored by management, who should apply judgment in determining when there is sufficient evidence to conclude whether the country should be, or should no longer be, classified as highly inflationary:

There are no countries in this category per the April 2025 IMF WEO Report.

4. Countries with a) projected three-year cumulative inflation rates between 70% and 100% in the current year, b) with a significant (25% or more) increase in inflation during the last calendar year, c) a significant increase in projected inflation in the current year, d) with projected three-year cumulative inflation rates greater than 100% in the next year, or e) included in the prior edition of this report and has not experienced a significant decrease

According to data obtained from the IMF WEO Report, the following countries have projected three-year cumulative inflation rates between 70% and 100% in the current year, or a significant (25% or more) increase in inflation during the last calendar year, or a significant increase in projected inflation in the current year, or projected three-year cumulative inflation rates greater than 100% in the next year.

Registrants should have appropriate controls in place to monitor more current reported inflation data and consider other pertinent economic indicators to determine if and when the following countries should be considered highly inflationary:

Angola

	ACTUAL			PROJECTED	
Calendar year	2022	2023	2024	2025	2026
Annual inflation rate	14%	20%	28%	20%	13%
Cumulative three-year rate	81%	74%	74%	84%	74%

Yemen

	ACTUAL			PROJECTED	
Calendar year	2022	2023	2024	2025	2026
Annual inflation rate	-3%	24%	9%	31%	9%
Cumulative three-year rate	110%	81%	31%	77%	56%

Additional Information/Observations

The published data per the April 2025 IMF WEO Report shows the current actual and projected three-year cumulative inflation rates for 2024 and 2025, respectively, to be 31% and 77%, respectively. However, we caution registrants when assessing whether and when Yemen should or should not be considered a highly inflationary economy in 2024 and 2025 given the lack of published/reliable local data and due to the material revisions made to the published 2022 and 2023 inflation data per IMF WEO Reports.

Appendix: Description of how inflation rates are calculated

For all countries, data is extracted from the International Monetary Fund (“IMF”) website. IMF data is extracted from www.imf.org as follows:

- On the home page, select the “Data” tab, and then click “World Economic Outlook Databases” link.
 - Select the [World Economic Outlook Database, April 2025](http://www.imf.org) (imf.org).
- Select “By Countries (country-level data)”.
- Select “All Countries”, then click the “continue” button.
- Under the “Monetary” subject header, select “Inflation”, “end of period consumer prices” (both the index and percent change); then click the “continue” button.
- Select a date range (e.g., 2018-2025); click “prepare report” and a table is produced with the data; click the “download” link to export to excel. The data table includes the actual and estimated end of period price indices for each country.

The IMF World Economic Outlook (WEO) report estimates inflation when actual inflation data has not been obtained. The text of the report describes the assumptions and conventions used for the

projections in the WEO. The data that are estimated are highlighted. While the IMF data has limitations (projected inflation data and varying dates through which actual data is included in the table), the calculated three-year cumulative inflation allows us to determine which country's calculations require further analysis.

Note: From time to time the WEO refines or updates previously reported actual Consumer Price Index (herein referred to as "Index" or "CPI") data for certain countries.

Using the downloaded table, the three-year cumulative inflation rate is calculated as follows (assuming the current year is end of year 2024): $(2024 \text{ End of Year CPI} - 2021 \text{ End of Year CPI}) / 2021 \text{ End of Year CPI}$.

It should be noted that the IMF inflation data used to summarize inflation could be different from the inflation data reported by the respective countries' central banks or governments. The Task Force has not performed procedures to identify any potential differences. Accordingly, this summarized IMF information should be supplemented, to the extent considered necessary, with other pertinent information that may be available.

For registrants that need additional information to monitor inflation for operations in certain countries, it should be noted that annual or month-end CPI information can be obtained from some countries' central bank or government websites or other publicly available information but that data may differ from the inflation data reported by the IMF and may need to be converted because of differences in presentation or other reasons (for example, some countries have reset their base index back to 100 during recent years). While inflation data published by a central bank or government is often more current than the IMF data, each country releases its inflation data at different times and inflation data for some countries may not be otherwise publicly available.

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