

## **DID EMBRAER SUCCEED IN ADOPTING THE INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) IN BRAZIL?**

**Murillo Dias, Andre Teles, Yann Duzert**

<sup>1</sup>Rennes School of Business, France

<sup>2</sup>Fundação Getulio Vargas, Brazil

<sup>3</sup>Fundação Getulio Vargas, Brazil

---

**ABSTRACT:** *This article investigates the challenges that the Brazilian Aeronautics Company Embraer (Empresa Brasileira de Aeronáutica), faced to adapt its accounting system to the IFRS standards, adopted in Brazil in 2010. International Financial Reporting Standards (IFRS) were created by the International Accounting Standards Board (IASB), and IFRS Foundation in 2001, with the objective of unifying different business accountability standards in European Union (EU). From 1973 to 2001, the International Accounting System (IAS) was issued by the Board of the International Accounting Standards Committee (IASC). On April 1st 2001, the International Accounting Standards Board (IASB) created the International Accounting Standards (IAS), through the adoption of the existing IAS and the Standing Interpretations Committee standards (SICs). The IASB, then gave birth to International Financial Reporting Standards (IFRS), which spread very fast through European Union, and then to the rest of the world. Brazilian Federal Government adopted its standards nine years later, in 2010. Since then, the major Brazilian and multinational companies are facing challenges to harmonize their accountability system to the IFRS standards. This article investigates how Embraer, the first company in the Brazilian aeronautics segment, adapted to the IFRS standards, since its implementation in 2010. We analyzed Embraer's IFRS demonstratives, in comparison to a European equivalent competitor, Airbus, throughout 2010-2015 periods. Finally, we brought managerial recommendations, as well as future research implications.*

**KEYWORDS:** International, Financial Reporting, Standards, Accounting systems, Embraer.

---

## **INTRODUCTION**

### **International Financial Reporting Standards (IFRS): Background**

One of the main pillars of the European Union Financial Services Action Plan, presented in 1999 (European Commission, 1999), was to unify standards for the business scenario. One of the objectives was to use the International Accounting Standards (IAS) model standardization of accounting standards. This in turn has been changed to International Financial Reporting Standards (IFRS).

IAS was issued between 1973 and 2001 by the International Accounting Standards Committee (IASC). On April 1, 2001, the International Accounting Standards Board (IASB) assumed responsibility from the IASC for establishing international accounting standards.

During its first meeting the new Board approved the existing IAS and the standards of the Standing Interpretative Technical Committee (Standing Interpretations Committee), as amended to the International Financial Reporting Interpretations Committee (IFRIC) in

December 2001. The IASB has continued to develop standards entitled “International Financial Reporting Standards” (Whittington G., 2005).

IFRS started as an attempt to harmonize accounting throughout the European Union, but the value of harmonization quickly made the concept become attractive around the world. However, such harmonization has been debated, since it was not a consensus that it might occur. Standards that were issued by the IASC (the predecessor of the IASB) are still in current use, known as International Accounting Standards (IAS), while the standards issued by the IASB are called IFRS.

The European Parliament (Legislative) and the Council of the European Union (Legislative) have approved the unification of the accounting guidelines of the EU members in the city of Brussels in Belgium on July 19, 2002, producing Regulation EC n° 1.606, obliging the consolidation of accounting in its Member States in accordance with IFRS standards. In that step, the European Commission (Executive of the European Union) then adopted international accounting standards on 29 September 2003 under Regulation EC n° 1725.

IFRS was adopted in the European Union in January 2005 for all European publicly-traded companies, adopting mandatory IFRS standards to publish their consolidated financial statements.

### **The European Union and its member countries**

The European Union has its offspring with the creation of the European Coal and Steel Community (ECSC), through the Schuman Plan in 1951, and later the European Economic Community (EEC). The ECSC was formally established by the Treaty of Paris, which was signed on 18 April 1951 by the countries: France, Belgium, West Germany (reunification of Germany occurred in 1990), Italy, Luxembourg and the Netherlands.

The EEC together with the European Atomic Energy Community (EAEC or Euratom) were established by the Treaty of Rome on 25 March 1957, which entered into force on 1 January 1958. The founding countries of the ECSC are the same as those of the EEC. Spain acceded to the EEC on 1 January 1986.

Subsequently, the European Union was established by the Maastricht Treaty (formally known as the Treaty on European Union - TEU) in 1993 and was signed on 7 February 1992 by the members of the European Community in the town of Maastricht, the Netherlands. (European Union, 2016). In December 1991, the same city hosted the Council of Europe which drew up such a treaty. With its entry into force on 1 November 1993, the European Union was created and the foundations for the creation of a single European currency, the euro, were laid.

The Treaty of Maastricht was amended by the Treaty of Amsterdam (signed on 2 October 1997) and Nice (signed on 26 February 2001) and the Treaty of Lisbon (signed on 13 December 2007), which entered into force on 2009, the latter being aimed at significantly revising the constitutional principles of the European Union. Brussels is the de facto capital of the European Union (European Union, 2016). It currently has 28 member states located in Europe.

## **METHODOLOGY**

This study is based on qualitative methodology, inductive reasoning, using as primary data the accounting documents of aeronautical manufacturing companies in the corresponding period between the years between 2010 and 2015. The analysis based on pillar is the percentage of tax superveniente to profit after reduction of operating revenues, operating income and other financial results. This single case study has one unit of analysis, the Brazilian aeronautic company Embraer (Yin, 1988).

This work is estimated to investigate the percentage ratio of the tax burden between similar companies, in this case Airbus Group SE and Embraer SA corresponding to the years between 2010 and 2015. The analysis carried out is on the penultimate calculation of net income, in this case the income tax or other tax applied in this point in the financial statements.

The consolidated financial statements were selected in this work instead of the individual financial statements, as both companies presented in this study have numerous subsidiaries in the country of origin and/or in another country that provide the best economic, financial, operational and tax strategy for each business conglomerate (holding company).

The financial statements of the companies already mentioned and that will be analyzed adopt international accounting standards. The survey is complemented using the Return on Equity (ROE) percentage financial indicator.

ROE was calculated using Net Income on Shareholders' Equity. This calculation evaluates the stability and potentiality of a company, being one of the tools usually used by financiers, shareholders and investors. In the meantime, the percentages referring to taxes on the fiscal year and ROEs will be considered in this survey until the second decimal place, and any numbering after this decimal place will be disregarded.

### **IFRS in Brazil**

The International Accounting Standards Model was adapted in Brazil with the advent of Federal Law nº 11.638, from December 28, 2007, created to regulate the activities of financial institutions and publicly traded companies (Pwc, 2015).

The aforementioned law amended and repealed provisions of Federal Law nº 6.404, from December 15, 1976, which governs open and closed capital companies, and Federal Law nº 6.385, from December 7, 1976. responsible for regulating the securities market and creating the Brazilian Securities and Exchange Commission, the regulatory and oversight agency of the Stock Exchange and other similar markets.

The Federal Law 11.638/2007 extended to large corporations, provisions regarding the preparation and disclosure of financial statements in accordance with international standards.

In 2005, the Federal Accounting Council of Brazil created, through Resolution 1.055, from October 7, 2005, the autonomous technical entity called the Accounting Pronouncements Committee (CPC), with the attributions of studying, prepare and exclusively disclose accounting procedures. Therefore, in practice, it marked the offspring of the implementation of the accounting standards in Brazil; among them, the adoption of the IFRS requirements for all companies in Brazil.

### Embraer adopts the IFRS standards in Brazil: challenges and pitfalls

On August 19, 1969, the Brazilian Aeronautical Company S.A. (Embraer S.A.) was created with the support of the Brazilian Government. The company is headquartered in the city of São José dos Campos, in the state of São Paulo. Currently Embraer S.A. has products and services in its four aviation sectors: Commercial Aviation, Executive Aviation, Defense & Security and Systems (Embraer, 2016).

The Board of Directors approved the Board's suggestion, on September 16, 2010, for the corporate name to be changed from Empresa Brasileira de Aeronáutica SA, to Embraer SA, a decision that was ratified by the Shareholders' General Meeting on November 19, 2010. The expansion of the area of activity of the company, which became not only the aerospace area, but also increased energy systems and the area of defense and security systems.

Embraer is the third largest world's commercial jets manufacturer, as depicted in Figure 1, has currently circa 18.000 employees, headquartered at São José dos Campos, São Paulo, Brazil, with more than 8.000 airplanes delivered, and the first company to adopt the IFRS standards in Brazil (Embraer, 2018).

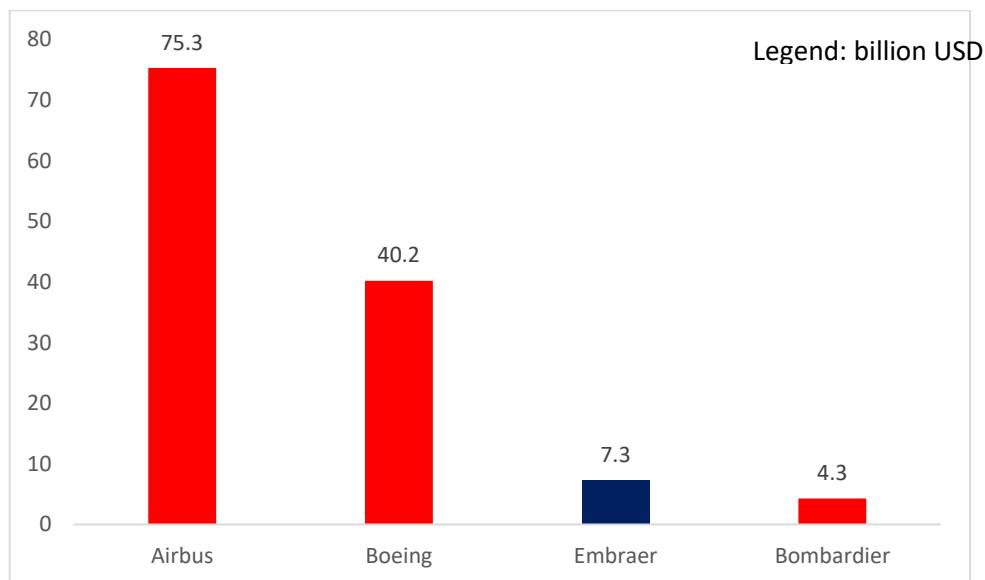


Figure 1 - Aircraft manufacturer ranking.

Source: CAPA - Centre for Aviation and aircraft manufacturers (2018).

The first IFRS standard adopted by Embraer was to change the currency from BRL (Brazilian Reais) into USD (US dollars), in its proceedings. According to Rodrigo Rosa, Embraer's Controller, the measure was taken to facilitate the transactions among companies within the sector: "The USD is the currency that reflects better Embraer's business and accounting position" (Embraer, 2011).

However, the IFRS adoption was not an easy process: according to Nelson Carvalho, accounting professor from USP (São Paulo University), and former director from CVM (Comissão de Valores Mobiliários – the Brazilian equivalent of the North American SEC) stated that the particularity of Embraer quite interesting, because "other exporting companies

tried to use USD as the functional currency and failed, while Embraer succeeded in getting the CVM's approval" (IG Economia, 2010).

Therefore, the first challenge faced by Embraer was to get a special permission to change its balance information from BRL to USD. The process was started on 2008 and took almost two years of duration (Embraer, 2010). The CVM authorized Embraer to adopt IFRS standards in 2008 through the Deliberation n° 534, from January 29, 2008, later altered by Deliberation n° 640 from January 28, 2010 (CVM, 2018). The first challenge, to obtain CVM's authorization, was overcome.

It represented a major challenge, since the Brazilian Central Bank does not allow regular companies to open and to keep bank accounts in foreign currency. Resolution n° 534/08 established a period not superior of three years to that IFRS standard to be adopted by Embraer, saet to the first quarter of 2011. Hence, the second challenge was to change all Embraer internal proceedings and company financial information into USD in three years period. Once more, Embraer turn all its financial information into the IFRS standards in 2010, almost one year before the deadline (CVM, 2018).

The USD, is not the local currency (BRL), and was called by the CVM deliberation as *functional currency*, defined in the deliberation CVM n° 534/08, articles 11 and 12, as follows:

11. (a) currency:

(i) which most influences the prices of goods and services (generally, it will be the currency in which the selling price of its products and services is expressed and accurate);

(ii) the country whose competitive forces and regulations most influence the determination of the selling price of its products or services;

(b) the currency that most influences labor, material and other costs for the supply of goods or services (generally it will be the currency in which such costs are expressed and settled).

12. The following factors may also provide evidence for determining the functional currency of an entity:

(a) the currency in which funds from financial activities (i.e., issuance of debt securities or shares) are substantially obtained.

(b) the currency in which amounts received from operating activities are normally accumulated (CVM, 2008, p.7).

Embraer's rationale was that all main competitors were multinational foreign companies, which by turn adopted IFRS standards. To be out of this market reality was not part of Embraer's plans (Embraer, 2011). Embraer's consolidated financial statements are depicted in table 1, as follows:

**Table 1: Consolidated Financial Statements of Embraer S.A.**

Analysis of Consolidated Financial Statements – Embraer S.A.						
Reference in millions of euros	Year Exercise					
Relational topics	2015	2014	2013	2012	2011	2010
- Profit before tax:	1.101.892	1.201.051	1.352.291	1.222.857	382.028	715.055
Taxes on income in the statement of income	-820.284	-374.451	-565.881	-523.849	-210.774	-114.877
Percentage of taxes on the year*	74,44%	31,17%	41,84%	42,83%	55,17%	16,06%
- Net profit:	281.608	826.600	786.410	699.008	171.254	600.178
- Net worth:	15.008.670	10.265.486	8.509.009	6.846.482	5.848.433	5.217.757
- Return On Equity (ROE)**:	1,87%	8,05%	9,24%	10,20%	2,92%	11,50%

Notes: \* Average Arithmetic of the tributes for the sexennium: 43,58%

\*\* Arithmetic mean of ROEs for the sexennium: 7,29%

### Embraer's main competitor: Airbus

One of the main Embraer's competitors in the aeronautics global market is the French company Airbus Group SE, which is a European multinational with operations in aerospace and defense corporation. Headquartered in Leiden in the Netherlands and head office in Blagnac in France. The group consists of three business divisions: Airbus, Airbus Defense and Space and Airbus Helicopters (Airbus Group, 2016).

The company was originally formed through the European Aeronautic Defense and Space Company NV (EADS) (Airbus Group, 2016) on 10 July 2000 as a result of the merger of Aérospatiale-Matra of France, DaimlerChrysler Aerospace AG (DASA) of Germany and Construcciones Aeronáuticas SA (CASA) of Spain.

On January 2, 2014 (Airbus Group, 2013), EADS was renamed Airbus Group NV, combining the civil and military aircraft development and commercialization divisions as well as communications systems, missiles, space rockets, helicopters, satellites and related systems.

On May 27, 2015, the company turn into corporation in accordance to the European Union (EU) legislation, becoming a European Company (Societas Europaeae - SE) through amendment at the annual General Assembly in 2015 (Airbus Group, 2015). Table 2 exhibits the Airbus 2010-2015 financial statements, as follows:



**Table 2 Consolidated Financial Statements of Airbus Group SE**

Analysis of Consolidated Financial Statements – Airbus Group SE						
Reference in millions of euros	Year Exercise					
Relational topics	2015	2014	2013	2012	2011	2010
- Profit before tax:	3.375.000	3.213.000	1.977.000	1.678.000	1.613.000	816.000
Taxes on income in the statement of income	-677.000	-863.000	-502.000	-449.000	-356.000	-244.000
Percentage of taxes on the year*	20,05%	26,85%	25,39%	26,75%	22,07%	29,90%
- Net profit:	2.698.000	2.350.000	1.475.000	1.229.000	1.037.000	572.000
- Net worth:	5.973.000	7.079.000	11.054.000	10.434.000	8.870.000	8.936.000
- Return On Equity (ROE)**:	45,16%	33,19%	13,34%	11,77%	11,69%	6,40%

Notes: \* Average Arithmetic of the tributes for the sexennium: 25,16%

\*\* Arithmetic mean of ROEs for the sexennium: 20,25%

### **Airbus versus Embraer: IFRS standards' adoption comparison**

Embraer still does not manufactures big comercial aircrafts, which carry 122 to 250 passengers, but only commercial jets, such as

the E-Jet family that carries from 88–122 passengers, and has sold approximately 1500 aircraft. Depending on the configuration, the E-Jets have a range between 1800–2300nmi - this isn't enough for a transcontinental flight in the US, but it covers the entire country from the central US, and would surely have a very useful operational range in European or Chinese flights too (Quora, 2018, p.1).

In 2018, both Embraer and Airbus adopted IFRS standards in full. However, Airbus adopted IFRS standards since 2002, almost eight years before the Brazilian aircraft manufacturer and competitor, Embraer.

## **DISCUSSION**

The first Embraer challenge was to persuade the Brazilian CVM that the IFRS adoption was crucial to Embraer's survival in the long term, since the other main competitors, such as the French Airbus and the North American Boeing have accomplished the adoption almost eight years earlier.

The first challenge was overcome in 2008, when CVM gave a full permission to Embraer change its currency system into functional currency, as described earlier in this paper, through Deliberation n° 534, from January 29, 2008.

Lessons learned with the Brazilian Embraer case, suggest the following recommendations for entrepreneurs and managers:

1. *Implementing IFRS standards need governmental approval.* If Embraer did not succeed in persuading/lobbying CVM before getting its deliberation approval, nothing would be done so far. Therefore, it is mandatory to have good Govern Relations department acting in harmonization with the other Embraer's departments and the overall direction (Dias, 2016; Dias & Navarro, 2017, 2018; Dias & Duzert, 2016).
2. *Get ready for competition.* If Embraer did take a position regarding the international competition against Airbus, maybe Embraer did not succeeded in the long term.
3. *Don't think that your standards are universal.* There are always new standards to be, at least, seriously investigated, to later be adopted.
4. *The IFRS adoption standards allow a far more accurate competition's segment analysis.* Since all companies moved to a new standard, it became easier to compare them, in terms of company performance, and therefore, to make more precise strategical decisions along time was easier, given the comparison parameters used are the same.
5. *To develop negotiation skills is mandatory to business survival.* Since all competitors adopt a new market strategy and your company still did not create a response to the new challenge, it is up to its company representatives to create new ways to persuade their superiors in eternally to provide a new solution to face the menace in question. It demands a great deal of negotiation soft skills to be developed (Dias, 2011, 2012, 2013; Dias & Duzert 2017; Dias et al. 2013, 2014, 2014a, 2014b).
6. *Consider using a sectoral strategy instead of an institutional strategy.* "Governments (and other key stakeholders) usually prefer to answer to a common" (Dias & Navarro, 2018, p. 31).
7. *Do not think that your organizational and national culture is superior to others.* In an each day more globalized and complex global competitive scenario, it is important to be more flexible regarding the sector, or company strategy, in comparison to global strategy.
8. *Be creative.* One major Embraer's critical success factors is the ability as a company to develop creative solutions to overcome competitive barriers, when decided not to fight Airbus directly through manufacturing big commercial aircrafts, but smaller jet liners, aligned to their customer's needs.

Finally, the Embraer success in the adoption of the IFRS standards was not one individual initiative, but an entire company engagement. These are aspects encouraged for future investigation, as well as case revisiting.



**REFERENCES**

- Airbus Group (2010). *Investors & Shareholders. Publications Airbus Group. Annual reports and registration documents Airbus Group. Previous years 2010*. Financial Statements 2010. Retrieved on April, 5, 2016, from <http://www.airbusgroup.com/int/en/investors-shareholders/Annual-reports-and-registration-documents.html>.
- Airbus Group (2011). *Investors & Shareholders. Publications Airbus Group. Annual reports and registration documents Airbus Group. Annual report 2011*. Financial Statements 2011. Retrieved on April, 5, 2016, from <http://www.airbusgroup.com/int/en/investors-shareholders/Annual-reports-and-registration-documents.html>.
- Airbus Group (2012). *Investors & Shareholders. Publications Airbus Group. Annual reports and registration documents Airbus Group. Annual report 2012*. EADS Financial Statements 2012. Retrieved on April, 5, 2016, from <http://www.airbusgroup.com/int/en/investors-shareholders/Annual-reports-and-registration-documents.html>.
- Airbus Group (2013). *Investors & Shareholders. Publications Airbus Group. Annual reports and registration documents Airbus Group. Annual Report 2013*. Financial Statements 2013. Retrieved on April, 5, 2016, from <http://www.airbusgroup.com/int/en/investors-shareholders/Annual-reports-and-registration-documents.html>.
- Airbus Group (2014). *Investors & Shareholders. Publications Airbus Group. Annual reports and registration documents Airbus Group. Annual Report 2014*. Financial Statements 2014. Retrieved on April, 5, 2016, from <http://www.airbusgroup.com/int/en/investors-shareholders/Annual-reports-and-registration-documents.html>.
- Airbus Group (2015). *Investors & Shareholders. Publications Airbus Group. Financial Results. Full Year 2015 Financial Statements*. Retrieved on April, 5, 2016, from <http://www.airbusgroup.com/int/en/investors-shareholders/Annual-reports-and-registration-documents.html>.
- Airbus Group (2015). *Shareholders Approve All Resolutions At 2015 AGM*. Retrieved on April, 3, 2016, from [http://www.airbusgroup.com/int/en/news-media/press-releases/Airbus-Group/Financial\\_Communication/2015/05/20150527\\_airbus\\_group\\_agm.html](http://www.airbusgroup.com/int/en/news-media/press-releases/Airbus-Group/Financial_Communication/2015/05/20150527_airbus_group_agm.html).
- Airbus Group (2016). *Airbus Divisions. What we do*. Retrieved on April, 1<sup>o</sup>, 2016, from <http://www.airbusgroup.com/int/en/group-vision/what-we-do.html>.
- Airbus Group Share information (2016). Retrieved on April, 3, 2016, from <http://www.airbusgroup.com/airbusgroup/int/en/investors-shareholders/Share-information.html>.
- Annual reports and registration documents Airbus Group (2013). *Airbus Group Registration Document 2013*. Retrieved on April, 3, 2016, from <http://www.airbusgroup.com/int/en/investors-shareholders/Annual-reports-and-registration-documents.html>.
- Brasil (1976). Lei Federal n<sup>o</sup> 6.385, de 7 de dezembro de 1976. Dispõe sobre o mercado de valores mobiliários e cria a Comissão de Valores Mobiliários. Retrieved on April, 1<sup>o</sup>, 2016, from [http://www.planalto.gov.br/ccivil\\_03/LEIS/L6385.htm](http://www.planalto.gov.br/ccivil_03/LEIS/L6385.htm).
- Brasil (1976). Lei Federal n<sup>o</sup> 6.404, de 15 de dezembro de 1976 (Lei das Sociedades Anônimas). Retrieved on April, 1<sup>o</sup>, 2016, from [http://www.planalto.gov.br/ccivil\\_03/LEIS/L6404consol.htm](http://www.planalto.gov.br/ccivil_03/LEIS/L6404consol.htm).
- Brasil (2007). Lei Federal n<sup>o</sup> 11.638, de 28 de dezembro de 2007. Retrieved on April, 1<sup>o</sup>, 2016, from [http://www.planalto.gov.br/ccivil\\_03/\\_ato2007-2010/2007/lei/111638.htm](http://www.planalto.gov.br/ccivil_03/_ato2007-2010/2007/lei/111638.htm).

- CAPA – Centre for Aviation and Aircraft Manufacturers (2018). Retrieved from <https://centreforaviation.com/insights/analysis/aircraft-manufacturers-revel-in-another-likely-record-year-of-orders-after-strong-farnborough-183446>, on February 16, 2018.
- CVM – Comissão de Valores Mobiliários. *Deliberation CVM n° 534*. Retrieved from <http://www.cvm.gov.br/legislacao/deliberacoes/deli0500/deli534.html>, on February, 18, 2018.
- Commission Regulation (EC) n° 1.725 of 29 September 2003, adopting certain international accounting standards in accordance with Regulation (EC) n° 1.606 of the European Parliament and of the Council. Official Journal of the European Union, JO L 261, 13/10/2003 P. 1 – 420. Retrieved on April, 1°, 2016, from <http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=OJ:L:2003:261:TOC>.
- Dias, M. & Navarro, R. (2018). Is Netflix Dominating Brazil? In: International Journal of Business and Management Review. Vol. 6, n° 1, pp.19-32, January 2018.
- Dias, M., (2016). São Francisco River Transposition Civil Work: Challenges to the Brazilian Economy. In: The International Journal of Business & Management. Vol. 4, Issue 12, pp. 65-70.
- Dias, M.; Duzert, Y. (2017). Teaching Materials: Role Play Simulation on E-Business Negotiation. In: European Journal of Training and Development Studies, Vol.4, n° 3, pp.1-15, August 2017.
- Dias, M.; Duzert, Y. (2016). Fiat Chrysler Automobiles in Brazil: Alliance Consolidated. In: The International Journal Of Business & Management. ISSN 2321-8916. Volume IV, issue 2, February 2016, pp. 160-166.
- Dias, M. & Navarro, R. (2017). O Fator Confiança em Relações Governamentais e sua importância para o futuro da atividade. In: Revista Brasileira de Relações Institucionais e Governamentais. 3a. Edição comemorativa, agosto de 2017, pp.38-41.
- Dias, Murillo (2012). Two Case Studies on how to Deal Effectively with Fixed plus Variable Costs Contracts. In: International Journal of Business and Management Studies 2012, volume 01, number 03, ISSN 2158-147, pp. 505-515.
- Dias, Murillo et al. (2014). Dudalina S/A: Case Study on How to Overcome Succession Barriers on a Brazilian Family Business. In: Business and Management Review, vol 3, no. 12, special issue Brazil, ISSN 2047 – 0398, pp. 217-229.
- Dias, Murillo et al. (2015). Brazilian Fashion Business Dudalina S/A: Case Revisited. In: International Journal of Business and Management Studies. ISSN: 2158-1479. Vol 04(01); p. 11-24.
- Dias, Murillo et. al. (2014a). Domestic Workers' Rights in Brazil: Improvement of Labor Regulation. In: Humanities and Social Sciences Review, vol.3(2), , ISSN 2165-6258, pp. 9-21.
- Dias, Murillo et. al. (2014b). FIAT and Chrysler in Brazil: Anatomy of an Alliance. In: International Journal of Business and Management Studies, vol.3(1), ISSN 2158-1479, pp 1-13.
- Dias, Murillo, Navarro, R.; Valle, A. (2013). BMW and Brazilian Federal Government: Enhancing the Automotive Industry Regulatory Environment. In: International Journal of Arts and Sciences, 2013, volume 06, number 02, pp.551-567.
- Dias, Murillo; Alves, H.; Marcchesini, F.; Pezzella, M. São Francisco Valley: Vitiviniculture Activities in the Brazilian Unthinkable Semiarid Climate and its Challenges. In: International Journal of Business and Management Review Vol.4, No.10, pp.1-13, December 2016.

- Dias, Murillo; Navarro, Rodrigo; Barros, J., Valle, A. (2016). Negotiating with the Brazilian Government: Five Short Cases. In: *The International Journal Of Business & Management*, Vol. 4, Issue 11, pp. 181-189.
- Exonomia Ig. *Embraer é a primeira a adotar dólar como base da contabilidade*. Retrieved from <http://economia.ig.com.br/mercados/embraer-e-a-primeira-a-adotar-dolar-como-base-da-contabilidade/n1237561607800.html>, on February 18, 2018.
- Embraer (2010). *Informações divulgadas ao mercado. Central de Resultados. Divulgação dos Resultados 2010. DFP. DFP 2010*. Retrieved on April, 5, 2016, from <http://ri.embraer.com.br/listresultados.aspx?idCanal=GHSVkh17Mf9OzMsR3YK6wg>.
- Embraer (2011). *Informações divulgadas ao mercado. Central de Resultados. Divulgação dos Resultados 2011. DFP. DFP 2011*. Retrieved on April, 5, 2016, from <http://ri.embraer.com.br/listresultados.aspx?idCanal=GHSVkh17Mf9OzMsR3YK6wg>.
- Embraer (2012). *Informações divulgadas ao mercado. Central de Resultados. Divulgação dos Resultados 2012. DFP. DFP 2012*. Retrieved on April, 5, 2016, from <http://ri.embraer.com.br/listresultados.aspx?idCanal=GHSVkh17Mf9OzMsR3YK6wg>.
- Embraer (2013). *Informações divulgadas ao mercado. Central de Resultados. Divulgação dos Resultados 2013. DFP. DFP 2013*. Retrieved on April, 5, 2016, from <http://ri.embraer.com.br/listresultados.aspx?idCanal=GHSVkh17Mf9OzMsR3YK6wg>.
- Embraer (2014). *Information Released to the market. Results Center. 2014 Disclosure and Results. DFP. DFP 2014*. Retrieved on April, 5, 2016, from <http://ri.embraer.com.br/listresultados.aspx?idCanal=GHSVkh17Mf9OzMsR3YK6wg> (English version).
- Embraer (2015). *Information Released to the market. Results Center. 2015 Disclosure and Results. DFP. DFP 2015*. Retrieved on April, 5, 2016, from <http://ri.embraer.com.br/listresultados.aspx?idCanal=GHSVkh17Mf9OzMsR3YK6wg> (English version).
- Embraer (2016). *Our story. Who we are. Our history*. Retrieved on April, 3, 2016, from <http://www.embraer.com.br/en-US/ConhecaEmbraer/TradicaoHistoria/Pages/default.aspx>
- Embraer (2018). *Essence*. Retrieved from <https://embraer.com/global/en/essence>, on February 16, 2018.
- European Commission (1999). *Financial Services Action Plan*. Retrieved on April, 1<sup>o</sup>, 2016, from [http://ec.europa.eu/finance/general-policy/actionplan/index\\_en.htm](http://ec.europa.eu/finance/general-policy/actionplan/index_en.htm).
- European Union (2016). *EU treaties*. Retrieved on April, 1<sup>o</sup>, 2016, from [http://europa.eu/eu-law/decision-making/treaties/index\\_en.htm](http://europa.eu/eu-law/decision-making/treaties/index_en.htm).
- European Union (2016). *The history of the European Union: 1990-1999*. Retrieved on April, 1<sup>o</sup>, 2016, from [http://europa.eu/about-eu/eu-history/1990-1999/index\\_en.htm](http://europa.eu/about-eu/eu-history/1990-1999/index_en.htm).
- Italy Company Law and Regulations Handbook - Strategic Information and Basic Regulations (2015). Edition Updated Reprint International Business Publications, USA, Washington DC, USA-Italy, page 184.
- Pwc (2015). *IFRS adoption by country 2015*. Retrieved on April, 1<sup>o</sup>, 2016, from <http://www.pwc.com/us/en/issues/ifrs-reporting/publications/ifrs-status-country.html>.
- Quora (2018). *Can Embraer, one day, compete with Boeing and Airbus?* Retrieved from <https://www.quora.com/Can-Embraer-one-day-compete-with-Boeing-and-Airbus>, on February 18, 2018.
- Regulation (EC) n<sup>o</sup> 1.606 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. Official Journal L 243,

11/09/2002 P. 0001-0004. Retrieved on April, 1<sup>o</sup>, 2016, from <http://eur-lex.europa.eu/eli/reg/2002/1606/oj>.

Resolução CFC nº 1.055, de 7 de outubro de 2005. Publicada no Diário Oficial da União (DOU) - Seção 1, Edição nº 204, segunda-feira, 24/10/2005, Página 70. Retrieved on April, 1<sup>o</sup>, 2016, from

<http://pesquisa.in.gov.br/imprensa/jsp/visualiza/index.jsp?data=24/10/2005&jornal=1&pagina=70&totalArquivos=72>.

The Treaty of Rome (Rome, 25 March 1957). Retrieved on April, 5, 2016, from

[http://ec.europa.eu/archives/emu\\_history/documents/treaties/rometreaty2.pdf](http://ec.europa.eu/archives/emu_history/documents/treaties/rometreaty2.pdf).

Treaty establishing the European Coal and Steel Community (Paris, 18 April 1951).

Retrieved on April, 5, 2016, from

[http://www.cvce.eu/en/obj/treaty\\_establishing\\_the\\_european\\_coal\\_and\\_steel\\_community\\_paris\\_18\\_april\\_1951-en-11a21305-941e-49d7-a171-ed5be548cd58.html](http://www.cvce.eu/en/obj/treaty_establishing_the_european_coal_and_steel_community_paris_18_april_1951-en-11a21305-941e-49d7-a171-ed5be548cd58.html).

Treaty on European Union (Maastricht, 7 February 1992). Retrieved on April, 1<sup>o</sup>, 2016, from

[http://www.cvce.eu/obj/treaty\\_on\\_european\\_union\\_maastricht\\_7\\_february\\_1992-en-2c2f2b8514bb-4488-9ded-13f3cd04de05.html](http://www.cvce.eu/obj/treaty_on_european_union_maastricht_7_february_1992-en-2c2f2b8514bb-4488-9ded-13f3cd04de05.html).

Whittington G. (2005). *The Adoption of Internacional Accounting Standards in the European Union*. European Accounting Review, Vol. 14, nº 1, 127-153.

Yin, R. (1988) Case Study Research: Design and Methods. Newbury Park, CA: Sage Publications.