IMPORTANCE OF THE 13th TRANCHE PROJECT ENTITLED «TOWARD INTEGRATED NATIONAL FINANCING FRAMEWORKS» FOR THE KYRGYZ REPUBLIC

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Accounting and auditing regulatory framework

In order to increase transparency in financial reporting and improve investment attractiveness in the Kyrgyz Republic, the following standards have been adopted as national:

<table>
<thead>
<tr>
<th>Standard</th>
<th>Year of adoption</th>
<th>Translated into the national language</th>
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<tbody>
<tr>
<td>IFRS</td>
<td>28 September 2001.</td>
<td>IFRS, IFRS for SMEs (2016)</td>
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</tbody>
</table>

Kyrgyzstan's basic laws on accounting and auditing:

<table>
<thead>
<tr>
<th>Law</th>
<th>Year of adoption</th>
<th>A key aspect</th>
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<tbody>
<tr>
<td>Law on Accounting of the Kyrgyz Republic</td>
<td>29 April 2002 No. 76</td>
<td>Establishes IFRS as a uniform methodological framework for accounting and financial reporting.</td>
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<tr>
<td>Law of the Kyrgyz Republic &quot;On auditing&quot;</td>
<td>3 December 2021 No 147</td>
<td>Strengthens external audit quality control, establishes a Public Oversight Board to oversee the audit, requires membership of auditors and audit firms in the PAO, introduces a single three-level professional qualification for accountants and auditors (levels 1-2 are implemented by the PAO, level 3 is implemented by the regulator), consistent with the IES</td>
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Accounting and reporting by SMEs

- International Financial Reporting Standards (IFRS, IFRS for SMEs, IFRS OS) are defined as the methodological basis for accounting and financial reporting in the Kyrgyz Republic.
- Small business entities conduct accounting in accordance with simplified rules established by the Government of the Kyrgyz Republic.
- Small business entities have the right to prepare financial statements in accordance with IFRS for SMEs on a voluntary basis by decision of their governing bodies that have adopted accounting policies.

![Bar chart showing the total number of enterprises and the distribution of enterprises with different accounting methods.](chart.png)
Basic documents


The objective

➢ is to create a favourable investment climate by improving quality of financial reporting and auditing and increasing accessibility to transparent and reliable financial information in the market.

Key aspects of the strategy:

➢ Introduction of an updated regulatory framework for corporate financial reporting and auditing in the Kyrgyz Republic.
➢ Strengthening institutional capacity to monitor compliance with financial reporting requirements and audit quality control.
➢ Introducing a Public Depository for Financial Statements.
➢ Modernisation of the education of accountants and auditors.
Strategy for the Development of Corporate Financial Reporting and Audit in the Kyrgyz Republic for 2024-2028

Working Group for Strategy Development

- 6 Regulator
- 4 PAO
- 3 Academies
Activities within the ADT report
Financial Market Regulation and Supervision Service of the Ministry of Economy and Commerce of the Kyrgyz Republic (Regulator)

- The purpose of regulator activity is to create conditions for sustainable economic growth of the state, improvement of investment climate through the development of non-banking financial market, accounting and financial reporting system, as well as protection of rights and interests of non-banking financial market entities, consumers of services of non-banking financial market entities and securities holders;
- Carries out unified state policy in the field of supervision and regulation of the non-banking financial market, accounting and financial reporting;
- Participates and represents the interests of the Kyrgyz Republic at international forums in the field of accounting, financial reporting and audit, regulation and supervision in the non-banking financial market, virtual assets market;
- The Kyrgyz Republic is a member state of the Eurasian Economic Union EAEU;
- The Kyrgyz Republic, represented by regulator in the person of Pirnazarov M.T. is a member of Coordination Council on Accounting under the CIS Executive Committee;
- The Kyrgyz Republic, represented by regulator in the person of Pirnazarov M.T. is a member of ISAR.
Priority tasks and steps in the establishment and work of the regional partnership

- the establishment of a regional partnership;
- expanding the number of members, both from countries that are already joining the partnership and from other countries that have not yet joined;
- shaping the agenda of the regional partnership for the near future;
- discussing the standards being developed and already adopted in the area of sustainability reporting, a code of ethics in this area and other guidance documents.
Thank you!

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