



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

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Geneva, 2024



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:

Standard	Year of adoption	Translated into the national language
IFRS	28 September 2001.	IFRS, IFRS for SMEs (2016)
ISA	22 April 2003.	ISA (2016-2017)

Kyrgyzstan's basic laws on accounting and auditing:

Law	Year of adoption	A key aspect
Law on Accounting of the Kyrgyz Republic	29 April 2002 No. 76	Establishes IFRS as a uniform methodological framework for accounting and financial reporting.
Law of the Kyrgyz Republic "On auditing"	3 December 2021 No 147	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

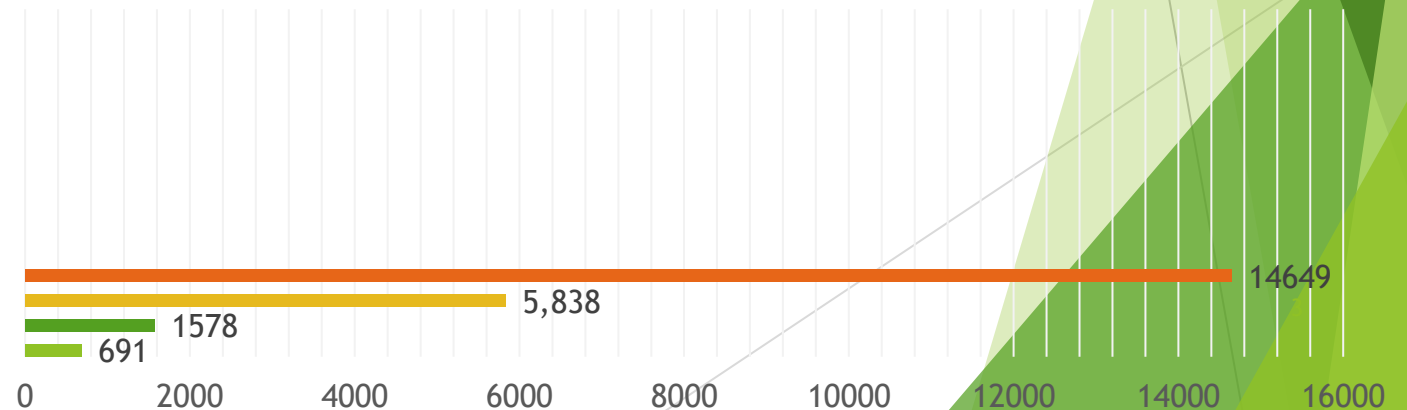


Accounting and reporting by SMEs

- ▶ Regulated by the Law of the Kyrgyz Republic «On accounting» (dated April 29 2002 #76).
- ▶ 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.

Total number of enterprises 22756

- Number of enterprises with IFRS accounting for SMEs
- Number of enterprises with IFRS accounting
- Number of enterprises with simplified accounting
- Number of enterprises with cash accounting





Basic documents

The National Sustainable Development Strategy of the Kyrgyz Republic 2018-2040 (provides Kyrgyzstan's indicators for 17 Sustainable Development Goals).

Draft Strategy for the Development of Corporate Financial Reporting and Auditing in the Kyrgyz Republic 2023-2027.

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:

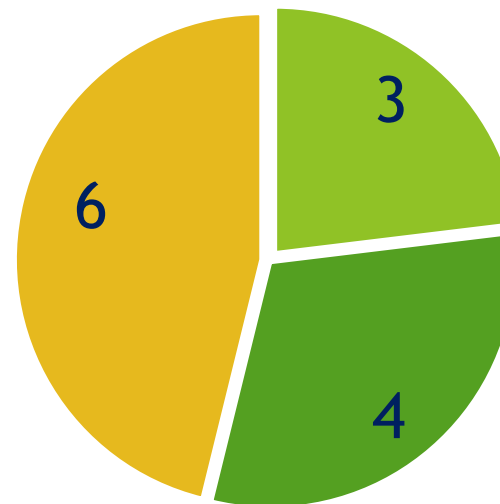
- Introduction of an updated regulatory framework for corporate financial reporting and auditing in the Kyrgyz Republic.
- Strengthening institutional capacity to monitor compliance with financial reporting requirements and audit quality control.
- Introducing a Public Depository for Financial Statements.
- 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



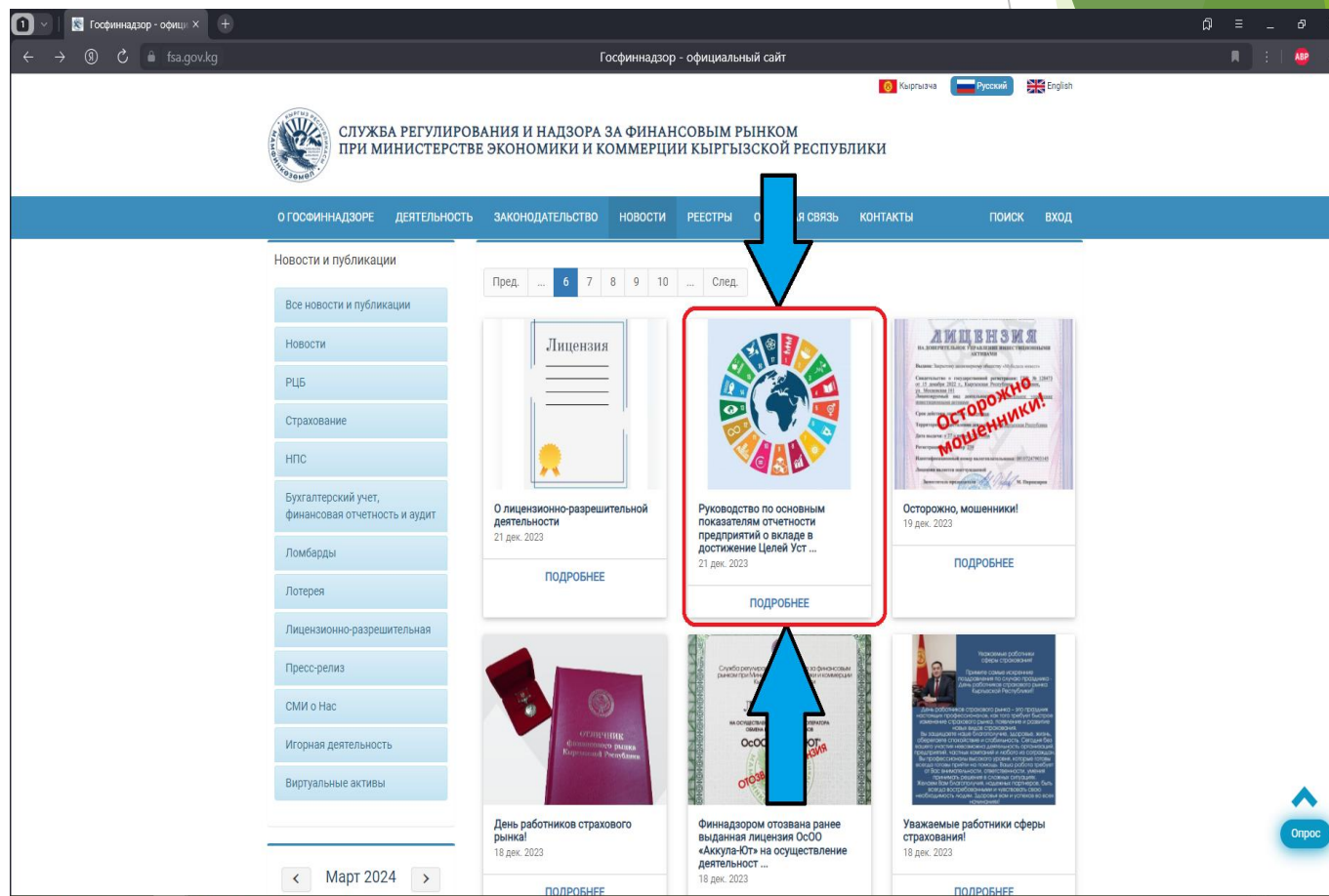
Working Group for Strategy Development



■ Regulator ■ PAO ■ 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.



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Thank you!