

A Closer Link

News and views

March 2017



Welcome to the first edition of our newsletter that aims to build a closer link with our partners. In this newsletter, we include our business update and summary of recent developments in the market, including local update from Deloitte Georgia and Deloitte UK.



I am excited to be able to announce that we have won the global audit for BP and GSK. These wins together and many others are transformational audit win for our practice and our firm. With operations in both our markets this will no doubt enhance the level of co-operation between UK and Georgia practices.

Deloitte Georgia continues to send its staff on secondment to UK and we continue this tradition with Gocha Kharashvili now working from the office in Birmingham and Giga Meskhi in the London office.

Another exciting news to share with you is that Deloitte won at British Accountancy Awards in 2016. Why did we win? We were able to demonstrate how we are innovating our core audit business and disrupting our markets by investing in innovative services, as we transform our approach to audit.

One of the best news in this edition is that I am absolutely delighted to announce that Tamar Natsvlishvili and Giorgi Tavartkiladze have been promoted to Directors in Deloitte Georgia. We have also developed local Financial Advisory business line led by Daniyar Adigamov.

With this newsletter, we are beginning the process of communication with our partners to provide you information on our business practice updates and activities in the marketplace. Additionally, we will regularly include a range of accounting and regulatory developments. Of course, if there are any topics you would like us to specifically address please let me or one of the team member know. As always, we are pleased to help you.

John Robinson

Deloitte Georgia and Deloitte UK Cooperation

Deloitte Georgia and Deloitte UK established Georgia dedicated Working Group. The purpose of this Working Group is to enhance relationship between Georgia and UK firms and explore cross regional opportunities in the most effective way.

The Working Group is led by Adam Cichocki who is a Director based in London. Adam has supported development of Georgian Audit and Advisory practice over the past 4 years and has an exciting story to share with you.



Promotion news

Audit and Advisory

We are delighted to report that Tamar Natsvlishvili has been promoted to Director in Deloitte Georgia. This is a well-deserved promotion, reflecting her skills and experience in a range of banking and IPO matters, including many of the regulatory and compliance issues that continue to impact you.

Tax and Legal

Another exciting promotion is for Giorgi Tavartkiladze who serves as a Director of Tax and Legal Department of Deloitte Georgia.

As Head of the Tax and Legal Department Giorgi provides advice on corporate law issues, transfer pricing legislation, international taxation, customs regulations and investment planning for a number of foreign multinational companies in Georgia, including due diligence and acquisition planning for existing businesses.

Financial Advisory Services

Deloitte Georgia has grown its practice by developing Financial Advisory Service line. The leader of the FAS team is Daniyar Adigamov, who manages team of 15 people in Georgia and Azerbaijan. Daniyar has more than 17 years of professional experience in providing financial advisory services in the CIS. As part of the Financial Advisory practice, we are pleased to offer you Corporate Finance Advisory, Corporate Finance Transactions, Mergers & Acquisitions and Forensic services. The Advisory business is one that shows good growth opportunities and more staff additions are being planned.

We want to wish our team success in its future endeavors!



I have been working closely with our Georgian firm for four years, focused on developing our local audit and advisory practice and supporting the local banking market. As an experienced auditor and advisor of large banks based in The City of London, I have been impressed by the sophistication of the Georgian banking market.

In particular, the calibre and level of education of those that work in the Georgian banking industry is very high (both at our clients and our own internal audit practitioners) and the level of technological innovation is advanced.

I have travelled to Georgia twice in that time to meet with our clients and have sponsored UK secondments for two of our Georgian professionals (soon to be three). Those connections have developed my understanding of Georgian culture and professional services. I look forward to many more connections in the future as Deloitte UK and Deloitte Georgia continue to serve clients as one firm.

Adam Cichocki

Recent publications

Georgian Profit Tax Reform

In June 2016, the "Law of Georgia on Accounting, Reporting and Auditing" was signed into legislation. In addition to this, amendments to the tax code in relation to profit tax were introduced into legislation in 2016.

These two laws will have a significant effect on the business environment in Georgia specifically as it relates to IFRS financial statements and their use, publication and accessibility by the general public.

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The Deloitte CFO Survey

The general level of financial confidence among businesses in Georgia is 60 percent, suggesting that the majority of respondents are optimistic about the current situation. The economic expectations are generally optimistic: 80 percent of respondents forecast growth in operating profits for 2016.

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The Deloitte Enterprise Risk Management Survey

Financial institutions in Georgia have recognized that their risk management programs may need to expand beyond the traditional focus on market, credit and operational risk to encompass a broader range of risk types, such as liquidity, regulatory and reputational risk, among others.

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Accounting Plus

New and revised pronouncements:

Our popular summary of new and revised financial reporting requirements has been updated for financial reporting periods ending on 31 December 2016. This listing can be used to perform a quick check that new financial reporting requirements have been fully considered in the reporting close process.

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Areas of regulatory focus and developments in IFRSs

Deloitte's [Global Economic Outlook](#) provides views from Deloitte economists on the economic situation and outlook on the global economy. Special edition of IFRS in Focus highlights some of the above considerations, together with other issues relevant to December 2016 reporting such as potential areas of regulatory focus and developments in IFRSs.

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The IASB has published 'IFRS 9 and IFRS 15 – one year to go'

Basically, the recap offers a very general overview of the changes IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers will bring about and then links to the IASB's IFRS 9 implementation page and IFRS 15 implementation page.

IASB publishes proposals for amendments under its annual improvements project (cycle 2015-2017)

The International Accounting Standards Board (IASB) has published an exposure draft 'Annual Improvements to IFRS Standards 2015-2017 Cycle'. It contains proposed amendments to three International Financial Reporting Standards (IFRSs) as result of the IASB's annual improvements project.

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