



**Russian Legislation Update**  
Accounting, Financial Reporting and Audit

Q1 2017

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# Notable Reminders

## Results of Mandatory Audits to Become Public

### Regulatory framework

Information Letter of the Russian Ministry of Finance dated July 6, 2016 No. IS-Audit-4, *On Mandatory Audits*.

### Summary

We remind that the entities subject to mandatory audits should submit information on results of these audits (including auditor's name, type and date of the auditor's report) to the United Federal Register of Significant Information on Legal Entities. The requirement was set by new par. 5:6 of Federal Law, *On Auditing*, and applies to mandatory audits for 2016 and going forward.

### Comments

The full text of the document is available on the [website](#) of the Russian Ministry of Finance.

## Reporting Compliance with the Corporate Governance Code

### Regulatory framework

Letter of the Bank of Russia dated February 17, 2016 No. IN-06-52/8, *On Reporting Compliance with the Corporate Governance Code by Public Joint-Stock Companies*.

### Summary

In accordance with the Regulation of the Central Bank dated December 30, 2014 No. 454-P, *Disclosure Requirements for Issuers*, public joint-stock companies should disclose compliance with the Corporate Governance Code (par. 70.3 and 70.4) in their annual reports. Disclosure is based on 'comply-or-explain' principle.

In particular, issuers should provide clear explanations of the key reasons of any (complete or partial) non-compliance with the Code requirements.

The Letter summarises guidelines on the structure and content of the required disclosures, including description of the entity's corporate governance practices and how they conform to the Code requirements.

### Comments

The full text of the document is available on the [website](#) of the Bank of Russia.

# Financial Reporting in Financial Organisations

## Requirements to Disclose Interim Financial Statements of Credit Organisations Became More Rigorous

### Regulatory framework

Bank of Russia's Regulations dated 19.12.2016 No. 4236-U and 16.01.2017 No. 4265-U, *On Submission and Disclosure of Financial Statements of Credit Organisations*.

### Summary

Credit organisations are required to submit their interim financial statements (starting from those for the 1st half of 2017) to the Bank of Russia, irrespective of whether disclosure is required by the entity's articles of associations, as it was the case previously.

For the six months of 2018 and afterwards, such financials should be audited or reviewed.

The same requirements apply to the interim consolidated financial statements of banking groups. In this case, both the requirement to disclose the financials and have them audited or reviewed apply for the six months of 2018 and afterwards.

# Audit

## Mandatory Audit Requirements Summarised

### Regulatory framework

Paper by the Russian Ministry of Finance, *Requirements for Mandatory Audits of Financial Statements in 2016*.

Information Letter of the Russian Ministry of Finance dated January 11, 2017  
No. IS-audit-13.

### Summary

In accordance with the Russian legislation, mandatory audit criteria include the legal status of the entity, type of its business, quantitative indicators, etc. The document provides a comprehensive and up-to-date list of the mandatory audit requirements.

### Comments

The full text of the document is available on the [website](#) of the Russian Ministry of Finance.





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