



Russian Legislation Update
Accounting, Financial Reporting and Audit

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Financial Accounting and Reporting

Russian IFRS Application Practices Summarised

Regulatory framework

Information of the Russian Ministry of Finance No. OP 10-2017, *Summary of IFRS Application Practices in Russia*.

Summary

The paper clarifies several matters on application of IFRS and related requirements in Russia:

- *preparation of the consolidated financial statements upon reorganisation*. It is noted that the approach to preparation of the consolidated financial statements of reorganised entities depends upon reorganisation terms and conditions. In particular,
 - if reorganisation is only a change of the entity's legal status, continuity of the entity's operations is presumed. IFRS 1, *First-time Adoption of IFRSs*, is not applied if the entity prepared its IFRS financials prior to the reorganisation;
 - if reorganisation is a merger or combination of two or more entities, accounting depends on the reorganisation terms, e. g. whether the reorganised entities were under common control, or whether their ownership structure changed in course of the reorganisation.

Also, the reorganised entities are not required to prepare consolidated financial statements immediately before and after the reorganisation. They are required however to appropriately disclose information on reorganisation in the financial statements.

- *disclosure of actuarial involvement*. If an actuary was involved in assessing post-employment benefits under IAS 19, *Employee Benefits*, the entity should not mention such involvement in its consolidated financial statements unless the actuary is certified in accordance with the Federal law No. 293-FZ, *On Actuarial Services in Russia*.
- *reviews of interim consolidated financial statements*. In accordance with part 2, par. 5 of the Federal law No. 208-FZ, *On Consolidated Financial Statements*, interim consolidated financial statements that are publicly disclosed should be audited or reviewed. The paper clarifies that such reviews should be performed under ISRE 2400 or 2410.

Comments

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

IFRS Document Adopted in Russia

Regulatory framework

Order of the Russian Ministry of Finance dated March 30, 2017 No. 50n, *On Adoption of an IFRS Document in Russia*.

Summary

Applying IFRS 9, Financial Instruments, with IFRS 4, Insurance Contracts, (Amendments to IFRS 4) was adopted in Russia. The amendments are intended to address concerns about the different effective dates of IFRS 9 and IFRS 17, the new standard on accounting for insurance contracts.

Comments

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





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