

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



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# Financial Reporting

## Deadline for Publishing Statutory Financial Statements by Joint-Stock Companies Established

### Regulatory framework:

Directive of the Bank of Russia dated December 16, 2015 No. 3899-U, *On Introduction of Amendments to the Regulation of the Bank of Russia dated December 30, 2014 No. 454-P, On Disclosure Requirements for the Issuers.*

Information of the Bank of Russia dated March 30, 2016 No. IN-06-52/17, *On Disclosure Requirements for 2015 Annual Financial Statements of Joint-Stock Companies.*

### Summary:

Directive of the Central Bank No. 3899-U that became effective on March 14, 2016 establishes deadline for publishing statutory financial statements by joint-stock companies. It should be not later than three days after the auditor's opinion date but also not later than three days after March 31 of the next year.

## Recommendations on Audits of 2015 Financial Statements Issued

### Regulatory framework:

*Recommendations to Audit Firms and Auditors on Audits of 2015 Annual Financial Statements* (appendix to the Russian Ministry of Finance Letter dated January 22, 2016 No. 07-04-09/2355).

### Summary:

The Russian Ministry of Finance annually issues recommendations for auditors.

This year the document comprises six sections. The first relates to the general effects of the current Russian macroeconomic environment on audits. The second discusses practical aspects of performance of certain audit procedures. The remaining sections specify accounting for and disclosure of particular transactions, including the following:

- employee bonuses should be accrued in accordance with PBU 8/2010 in the periods when relevant KPIs, established by the corporate bonus policy, are achieved or expected to be achieved;

- if it is probable that an entity would incur expenses under issued guarantees due to principal's default, the entity should record a provision once the relevant criteria in para. 5 of PBU 8/2010 are met;
- the amounts of trade duty paid by retailers that decrease the amounts of income tax payable should be accounted for and disclosed within income tax expenses;
- social security payments ('payroll taxes') to the state funds should be presented in the line item "paid to employees" in the operating cash flows section of the cash flow statement.

### Comments:

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



# Accounting

## Full version of 'IFRS Endorsed in Russia 2015' Published

### Regulatory framework:

Order of the Russian Ministry of Finance dated December 28, 2015 No. 217n, *On Adoption of International Financial Reporting Standards Documents in Russia*.

### Summary:

The Ministry has published the Russian version of IFRS 'Blue Book', a full body of the 66 IFRS documents endorsed in Russia including 2015 updates.

### Comments:

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

# Financial Accounting and Reporting in Financial Organisations

## Standard for Hedge Accounting by Credit Institutions Approved

### Regulatory framework:

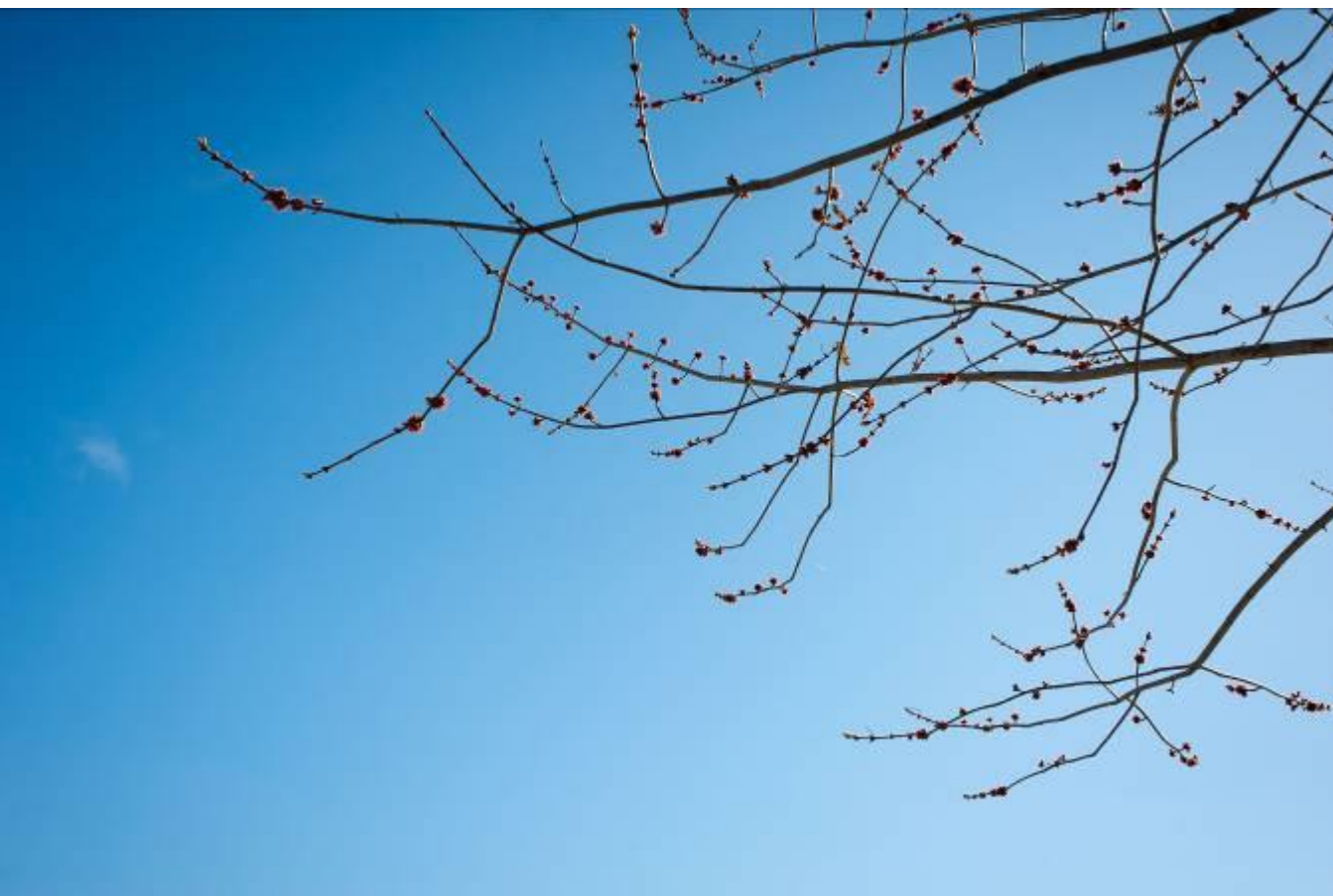
*Industry Standard on Hedge Accounting by Credit Institutions* (approved by the Bank of Russia on December 28, 2015 No. 525-P).

### Summary:

The document establishes requirements for hedge accounting in the statutory standalone financial statements of credit institutions, including fair value and cash flow hedges, as well as hedges of net investments in foreign operations.

### Comments:

The regulation became effective on March 17, 2016. The full text of the document is available on the [website](#) of the Bank of Russia.



## Industry Standards on Reporting by Non-Credit Financial Organisations Issued

### Regulatory framework:

Regulations of the Bank of Russia dated December 28, 2015 No. 526-P and 527-P and dated February 3, 2016 No. 532-P, *Industry Standards on Preparation of Financial Statements by Non-Credit Financial Organisations*.

### Summary:

The documents establish requirements for preparation of the statutory standalone financial statements by the most types of non-credit financial organisations, including the structure of the financials and procedures for their preparation and publishing.

### Comments:

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

# Audit

## Mandatory Audit Requirements Summarised

### Regulatory framework:

Paper by the Russian Ministry of Finance dated January 19, 2016, *Requirements for Mandatory Audits of Financial Statements in 2015*.

### Summary:

In accordance with the Russian legislation, mandatory audit criteria include the legal status of the entity, type of its business and quantitative indicators. 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.





# Corporate Governance

## Recommendations on Reporting Compliance with the Corporate Governance Code Published

### Regulatory framework:

Letter of the Bank of Russia dated February 17, 2016 No. IN-06-52/8, *On Reporting on 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, *On Disclosure Requirements for Issuers*, public joint-stock companies (PAO) should disclose in their annual reports information on compliance with the Corporate Governance Code (par. 70.3 and 70.4). The document summarises guidelines on structure and content of the required disclosures, including description of the corporate governance practices established by the entity and its conformity with the Code requirements.

### Comments:

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

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