

Challenges to implementing UCA and IAS

1) The amount of time and effort required to ensure data compatibility

When preparing test accounting reports, each company needs to generate an opening balance as of 1 January 2016*. This means that the company needs to transfer the current chart of accounts to the new UCA, a process called mapping. Mapping is challenging and time-consuming, since 20-digit UCA account numbers need to be thoroughly analyzed.

2) Highly qualified specialists in IFRS need to be involved

Though the Central Bank of Russia has announced plans to train financial market participants in the new chart of accounts and industry accounting standards throughout 2016, participants will still encounter significant challenges when applying the new accounting rules in practice. Since the IAS is based on the IFRS, specialists who know this system need to be engaged to ensure reliability of the final reports.

3) The strategy for adjusting existing IT systems to the new requirements must be thorough

Participants in the financial market are considering using ready-made solutions (e.g. based on 1C) or improving their currently accounting systems. In either case, the process needs to be managed by highly skilled internal or external specialists who can draft technical specifications and provide full support in implementing the required changes.

4) Technology needs to be improved to generate XBRL reports

* Microfinance organizations, credit consumer cooperatives, building societies and professional participants of equity market will transition to the UCA and IAS starting from 1 January 2018; agricultural consumer credit cooperatives and pawnshops, starting from 1 January 2019.



Contacts



Pavel Balashov
Partner
+7 (495) 787 06 00, ext. 1165
pbalashov@deloitte.ru



Elena Kovalevich
Partner
+7 (495) 787 06 00, ext. 1828
ekovalevich@deloitte.ru



Sergei Neklyudov
Director
+7 (495) 787 06 00, ext. 2037
sneklyudov@deloitte.ru



Anna Zdanevych
Director
+7 (495) 787 06 00, ext. 1010
azdanevych@deloitte.ru



Svetlana Borisova
Director
+7 (495) 787 06 00, ext. 5153
sborisova@deloitte.ru

deloitte.ru

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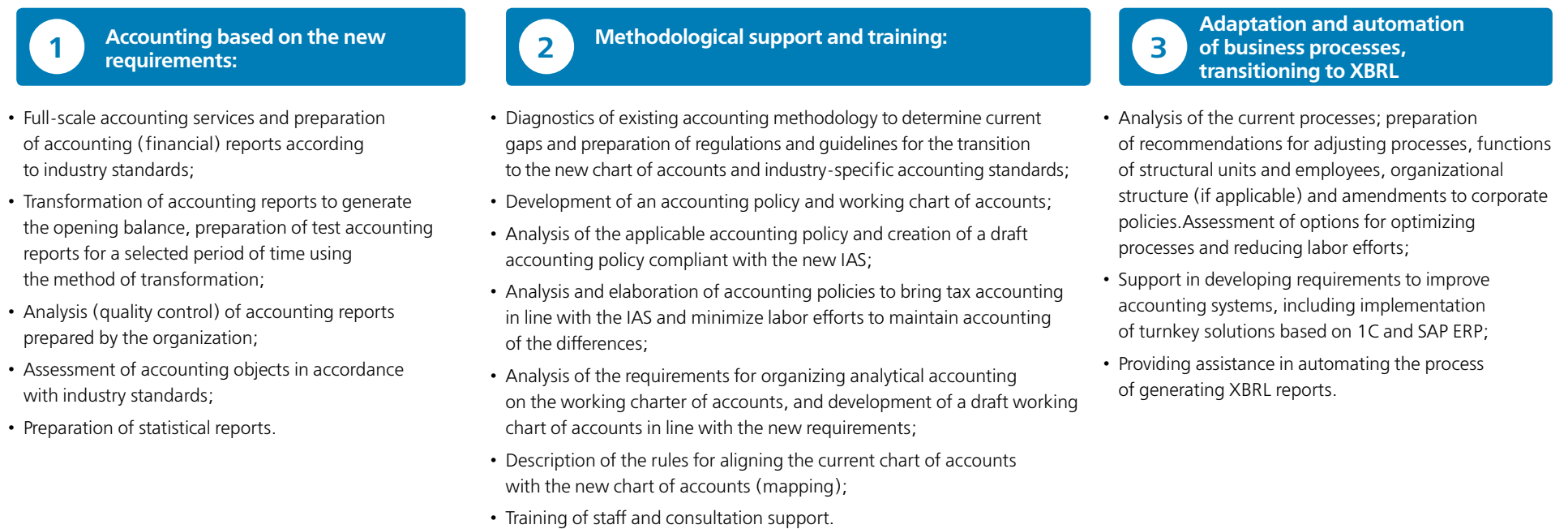


Transition of non-credit financial organizations to Unified Chart of Accounts and Industry Accounting Standards

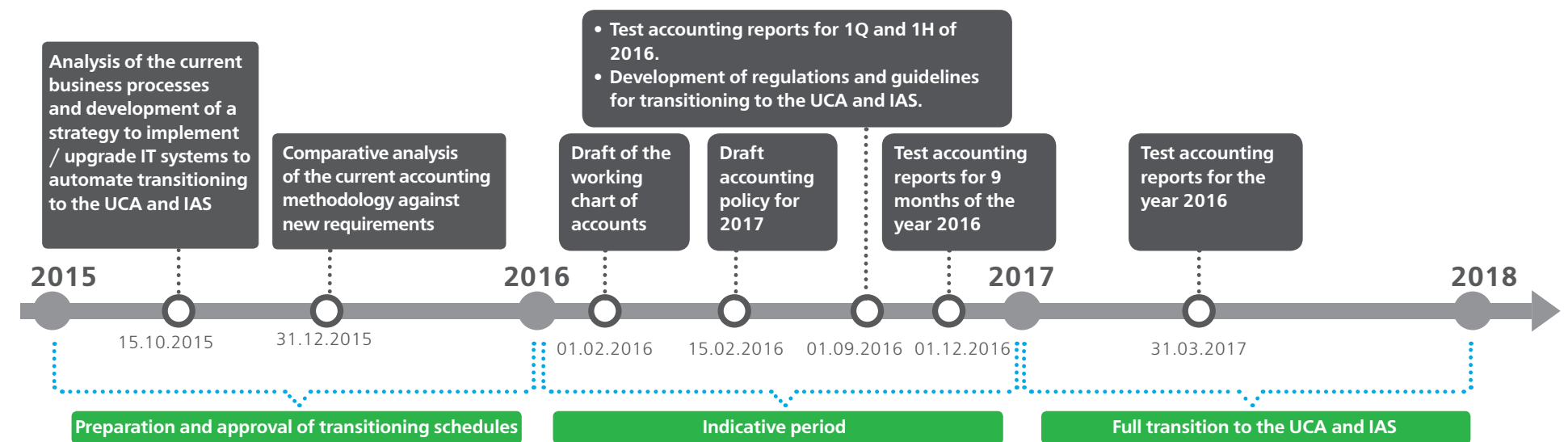
What Deloitte Can Offer

A new Unified Chart of Accounts (UCA) and new industry-specific accounting standards (IAS) based on IFRS for non-credit financial organizations have been developed, and their implementation schedules announced.

These changes are a result of policies the Central Bank is currently implementing within the financial industry to align accounting systems with RAS and IFRS standards, following the adoption of Federal Law No. 251-FZ of 23 July 2013, which expanded the role of the Central Bank.



UCA and IAS transition schedules for non-credit financial organizations



* Microfinance organizations, credit consumer cooperatives, building societies and professional participants of equity market will transition to the UCA and IAS starting from 1 January 2018; agricultural consumer credit cooperatives and pawnshops, starting from 1 January 2019.
 ** Deadlines indicated in schedule may vary depending on type of activity of non-credit financial organization.