

IFRS APPLICATION AROUND THE WORLD

JURISDICTIONAL PROFILE: **Russia**



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This Profile provides information about the application of IFRS Standards in Russia. IFRS Standards are developed and issued in the public interest by the International Accounting Standards Board (the Board). The Board is the standard-setting body of the IFRS® Foundation, an independent, private sector, not-for-profit organisation.

This Profile was prepared by the IFRS Foundation based on information from various sources. The starting point was the answers provided by standard-setting and other relevant bodies in response to surveys that the IFRS Foundation conducted on the application of IFRS Standards around the world. The IFRS Foundation drafted the Profile and invited the respondents to the survey and others (including regulators and international audit firms) to review the drafts, and their comments are reflected.

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RELEVANT JURISDICTIONAL AUTHORITY

Organisation	The Ministry of Finance of the Russian Federation (MoF)
Role of the organisation	The MOF is both the official standard-setting body in accounting and financial reporting and the endorsement body for IFRS Standards.
Website	http://minfin.ru
Email contact	p1085_ve@minfin.ru

COMMITMENT TO GLOBAL FINANCIAL REPORTING STANDARDS

Has the jurisdiction made a public commitment in support of moving towards a single set of high quality global accounting standards?	Yes.
Has the jurisdiction made a public commitment towards IFRS Standards as that single set of high quality global accounting standards?	Yes.

What is the jurisdiction's status of adoption?	Russia has already adopted IFRS Standards for all or some companies
Additional comments provided on the adoption status?	<p>IFRS Standards were endorsed for use in the Russian Federation at the end of 2011 and became mandatory from 2012, in accordance with the Federal Law 208-FZ <i>On Consolidated Financial Statements</i>.</p> <p>IFRS Standards are mandatory for consolidated financial statements. Additionally, separate company financial statements must be prepared using Russian GAAP.</p>

If the jurisdiction has NOT made a public statement supporting the move towards a single set of accounting standards and/or towards IFRS Standards as that set of standards, explain the jurisdiction's general position towards the adoption of IFRS Standards in the jurisdiction.	Not applicable.
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EXTENT OF IFRS APPLICATION

For DOMESTIC companies whose debt or equity securities trade in a public market in the jurisdiction:

Are all or some domestic companies whose securities trade in a public market either required or permitted to use IFRS Standards in their consolidated financial statements?	Yes.
If YES, are IFRS Standards REQUIRED or PERMITTED?	Required.
Does that apply to ALL domestic companies whose securities trade in a public market, or only SOME? If some, which ones?	All.
Are IFRS Standards also required or permitted for more than the consolidated financial statements of companies whose securities trade in a public market?	Yes.
For instance, are IFRS Standards required or permitted in separate company financial statements of companies whose securities trade in a public market?	No.
For instance, are IFRS Standards required or permitted for companies whose securities do not trade in a public market?	<p>In addition to listed companies, the following companies are required to use IFRS Standards for consolidated financial statements:</p> <ul style="list-style-type: none"> • banks; • insurance companies; • non-state pension funds; • management companies of investment funds, investment unit trusts and non-state pension funds; • clearing organizations; • federal state-owned enterprises as well as joint-stock companies, whose shareholder is the Russian Federation (per the Russian Government decision); any other company that prepares consolidated financial statements due to requirements of other laws or its charter documents. <p>In addition, all non-listed companies that control subsidiaries are required to include the IFRS consolidated financial statements into a prospectus.</p>

If the jurisdiction currently does NOT require or permit the use of IFRS Standards for domestic companies whose securities trade in a public market, are there any plans to permit or require IFRS Standards for such companies in the future? Not applicable.

For FOREIGN companies whose debt or equity securities trade in a public market in the jurisdiction:

Are all or some foreign companies whose securities trade in a public market either REQUIRED or PERMITTED to use IFRS Standards in their consolidated financial statements? Yes.

If YES, are IFRS Standards REQUIRED or PERMITTED in such cases? Required.

Does that apply to ALL foreign companies whose securities trade in a public market, or only SOME? If some, which ones? All.

IFRS ENDORSEMENT

Which IFRS Standards are required or permitted for domestic companies? IFRS Standards as issued by the IASB.

The auditor's report and/or the basis of presentation footnotes states that financial statements have been prepared in conformity with: IFRS Standards.

Does the auditor's report and/or the basis of preparation footnote allow for 'dual reporting' (conformity with both IFRS Standards and the jurisdiction's GAAP)? No.

Are IFRS Standards incorporated into law or regulations? Yes.

If yes, how does that process work?

IFRS Standards are part of the Russian accounting and reporting regulation: Federal Laws 208-FZ *On Consolidated Financial Statements* and 402-FZ *On Accounting*. Law No. 208-FZ states that IFRS Standards and Interpretations of IFRS Standards issued by the IFRS Foundation and endorsed by the MoF in consultation with the Central Bank of the Russian Federation shall be applied in Russia.

Links to the Federal Laws 208-FZ *On Consolidated Financial Statements* and 402-FZ *On Accounting*:

http://old.minfin.ru/common/upload/library/2015/09/main/Federal_Law_On_Consolidated_Financial_Statements.doc

http://old.minfin.ru/common/upload/library/2015/10/main/Federal_Law_On_Accounting.docx

Links to the Orders of the MoF on the IFRS incorporation:

http://minfin.ru/ru/performance/accounting/mej_standart_fo/legalframework/index.php?id_38=105067&page_id=1190&popup=Y&area_id=38

http://minfin.ru/ru/performance/accounting/mej_standart_fo/legalframework/index.php?id_38=74557&page_id=1190&popup=Y&area_id=38

http://minfin.ru/ru/performance/accounting/mej_standart_fo/legalframework/index.php?id_38=65673&page_id=1190&popup=Y&area_id=38

http://minfin.ru/ru/performance/accounting/mej_standart_fo/legalframework/index.php?id_38=64943&page_id=1190&popup=Y&area_id=38

http://minfin.ru/ru/performance/accounting/mej_standart_fo/legalframework/index.php?id_38=64600&page_id=1190&popup=Y&area_id=38

http://minfin.ru/ru/performance/accounting/mej_standart_fo/legalframework/index.php?id_38=58260&page_id=1190&popup=Y&area_id=38

http://minfin.ru/ru/performance/accounting/mej_standart_fo/legalframework/index.php?id_38=33952&page_id=1190&popup=Y&area_id=38

http://minfin.ru/ru/performance/accounting/mej_standart_fo/legalframework/index.php?id_38=27104&page_id=1190&popup=Y&area_id=38

http://minfin.ru/ru/performance/accounting/mej_standart_fo/legalframework/index.php?id_38=19389&page_id=1190&popup=Y&area_id=38

Individual IFRS Standards are subject to the endorsement process described below.

If no, how do IFRS Standards become a requirement in the jurisdiction?

Not applicable.

Does the jurisdiction have a formal process for the 'endorsement' or 'adoption' of new or amended IFRS Standards (including Interpretations) in place?

Yes.

<p>If yes, what is the process?</p>	<p>The first stage of the endorsement process is a technical assessment of the IFRS Standard made by the National organization for financial accounting and reporting standards (NOFA), which is the independent organisation designated by the Ministry of Finance. The decision on endorsement of an IFRS Standard into force in the territory of the Russian Federation shall be based on the report of NOFA.</p> <p>The second stage of the endorsement process is administrative: the issuance of the regulation on endorsement of the IFRS Standard by the MoF in cooperation with the Central Bank of Russia as well as with the Russian Ministry of Justice.</p> <p>To date endorsement has been completed through IFRS 13 and IFRIC 21.</p> <p>Link to the Russian Governmental Decree on the endorsement process for IFRS Standards:</p> <p>http://old.minfin.ru/common/upload/library/2015/09/main/Resolution_107_engl.doc</p> <p>Below is a link to the individually endorsed IFRS Standards in Russian on the MoF website:</p> <p>http://www.minfin.ru/ru/accounting/mej_standart_fo/kons_msfo/index.php?&from_4=3</p>
<p>If no, how do new or amended IFRS Standards become a requirement in the jurisdiction?</p>	<p>Not applicable.</p>

<p>Has the jurisdiction eliminated any accounting policy options permitted by IFRS Standards and/or made any modifications to any IFRS Standards?</p>	<p>No.</p>
<p>If yes, what are the changes?</p>	<p>Not applicable.</p>
<p>Other comments regarding the use of IFRS Standards in the jurisdiction?</p>	<p>None.</p>

TRANSLATION OF IFRS STANDARDS

<p>Are IFRS Standards translated into the local language?</p>	<p>Yes, they are translated and the translation is provided / coordinated by the IFRS Foundation.</p>
<p>If they are translated, what is the translation process? In particular, does this process ensure an ongoing translation of the latest updates to IFRS Standards?</p>	<p>The translation process is coordinated by the IFRS Foundation. This process ensures an ongoing translation of the continuous updates to the standards.</p>

APPLICATION OF THE IFRS FOR SMEs STANDARD

<p>Has the jurisdiction adopted the IFRS for SMEs Standard for at least some SMEs?</p>	<p>No.</p>
<p>If no, is the adoption of the IFRS for SMEs Standard under consideration?</p>	<p>The MoF has conducted a public discussion and is considering whether to permit or require the IFRS for SMEs Standard.</p>
<p>Did the jurisdiction make any modifications to the IFRS for SMEs Standard?</p>	<p>Not applicable.</p>

If the jurisdiction has made any modifications, what are those modifications?	Not applicable.
Which SMEs use the IFRS for SMEs Standard in the jurisdiction, and are they required or permitted to do so?	Not applicable.
For those SMEs that are not required to use the IFRS for SMEs Standard, what other accounting framework do they use?	Accounting standards issued by the MoF.
Other comments regarding use of the IFRS for SMEs Standard?	<p>The MoF has said that recent public discussions on the use of the IFRS for SMEs Standard in the Russian Federation suggest that cost of transition to the IFRS for SMEs Standard are considered much greater than the benefits gained by the entities and users.</p> <p>The IFRS for SMEs Standard has been translated into Russian.</p>