

# IFRS APPLICATION AROUND THE WORLD

## JURISDICTIONAL PROFILE: **Ukraine**



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This Profile provides information about the application of IFRS Standards in Ukraine. 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	Ministry of Finance of Ukraine (MinFin)
Role of the organisation	By law, the Ministry of Finance is the official standard-setting body.
Website	<a href="http://www.minfin.gov.ua">www.minfin.gov.ua</a>
Email contact	<a href="mailto:krasnostup@minfin.gov.ua">krasnostup@minfin.gov.ua</a>

### 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?	Ukraine has already adopted IFRS Standards for all or some companies.

Additional comments provided on the adoption status?	IFRS Standards became mandatory for all companies whose securities trade in a public market effective 1 January 2012. Optionally, IFRS Standards was permitted starting 1 January 2011.  Banks were required to apply IFRS Standards in their annual financial statements starting 1 January 2011. Banks are required to prepare their quarterly financial statements in accordance with IFRS Standards starting with the first quarter of 2016. That requirement was adopted by the National Bank of Ukraine by Resolution No. 540 of 18 August 2015. That Resolution will mean full compliance with IAS 34 <i>Interim Financial Reporting</i> in banks' quarterly reports, including the formatting of quarterly financial statements and disclosures.
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If the jurisdiction has NOT made a public statement supporting the move towards a single set of accounting standards and/or towards IFRS 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?	All domestic companies whose securities trade in a public market are required to use IFRS Standards in their consolidated financial statements.
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If YES, are IFRS Standards REQUIRED or PERMITTED?	Required for banks starting 1 January 2011. Required for others starting 1 January 2012.
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Does that apply to ALL domestic companies whose securities trade in a public market, or only SOME? If some, which ones?	All.
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Are IFRS Standards also required or permitted for more than the consolidated financial statements of companies whose securities trade in a public market?	Yes.
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For instance, are IFRS Standards required or permitted in separate company financial statements of companies whose securities trade in a public market?	Separate company financial statements of all parent and subsidiary companies included in consolidated IFRS financial statements must be prepared in conformity with IFRS Standards.
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<p>For instance, are IFRS Standards required or permitted for companies whose securities do not trade in a public market?</p>	<p>Under the <i>Law on Accounting and Financial Reporting in Ukraine</i>, the following entities are required to use IFRS Standards whether or not their securities trade in a public market:</p> <ul style="list-style-type: none"> <li>• public Joint Stock companies;</li> <li>• banks;</li> <li>• insurance companies; and</li> <li>• other companies that operate in financial markets.</li> </ul> <p>All SMEs (as defined in the IFRS for SMEs Standard) are permitted to use the IFRS for SMEs Standard under paragraph 1, part 4, of National Standard N1. Alternatively they may use full IFRS Standards or Ukrainian Accounting Standards.</p>
<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?</p>	<p>Not applicable.</p>

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

<p>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?</p>	<p>Yes. All foreign companies whose securities trade in a public market are required to use IFRS Standards in their consolidated financial statements.</p>
<p>If YES, are IFRS Standards REQUIRED or PERMITTED in such cases?</p>	<p>Required.</p>
<p>Does that apply to ALL foreign companies whose securities trade in a public market, or only SOME? If some, which ones?</p>	<p>All.</p>

**IFRS ENDORSEMENT**

<p>Which IFRS Standards are required or permitted for domestic companies?</p>	<p>IFRS Standards as issued by the IASB, ie standards and amendments are adopted/endorsed as and when issued by the IASB.</p>
<p>The auditor's report and/or the basis of presentation footnotes states that financial statements have been prepared in conformity with:</p>	<p>IFRS Standards.</p>
<p>Does the auditor's report and/or the basis of preparation footnote allow for 'dual reporting' (conformity with both IFRS and the jurisdiction's GAAP)?</p>	<p>Yes.</p>
<p>Are IFRS Standards incorporated into law or regulations?</p>	<p>Yes.</p>

If yes, how does that process work? In June 2011, the *Law on Accounting and Financial Reporting in Ukraine* was amended to require the following types of companies to use IFRS Standards:

- public Joint Stock companies;
- banks;
- insurance companies; and
- other companies that operate in financial markets.

All SMEs (as defined in the IFRS for SMEs) are permitted to use the IFRS for SMEs under paragraph 1, part 4, of National Standard N1. Alternatively they may use full IFRS or Ukrainian Accounting Standards.

In December 2011, the National Bank of Ukraine, the Ministry of Finance, and the Ministry of Statistics issued a joint letter clarifying the adoption of IFRS Standards in Ukraine, as follows:

- Banks were required to use 1 January 2011 as their date of transition to IFRS Standards.
- All other entities required to adopt IFRS Standards were given a choice of either 1 January 2011 or 1 January 2012 as their date of transition to IFRS Standards. Those who chose a transition date of 1 January 2012 could prepare their 2011 financial statements based on Ukrainian Accounting Standards.

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.

If yes, what is the process? Under the terms of a Waiver of Copyright Agreement with the IFRS Foundation, the Ministry of Finance translates IFRS into Ukrainian and posts them on its website.

If no, how do new or amended IFRS Standards become a requirement in the jurisdiction? Not applicable.

Has the jurisdiction eliminated any accounting policy options permitted by IFRS Standards and/or made any modifications to any IFRS Standard? No.

If yes, what are the changes? Not applicable.

Other comments regarding the use of IFRS Standards in the jurisdiction? None.

## TRANSLATION OF IFRS STANDARDS

Are IFRS Standards translated into the local language? Yes, they are translated into Ukrainian.

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? The translation process is coordinated by the IFRS Foundation to ensure an on-going translation of the latest updates.

## APPLICATION OF THE IFRS FOR SMEs STANDARD

Has the jurisdiction adopted the IFRS for SMEs Standard for at least some SMEs?	While the IFRS for SMEs Standard has not been formally adopted, all SMEs (as defined in the IFRS for SMEs Standard) are permitted to use the IFRS for SMEs Standard under paragraph 1, part 4 of National Standard N1.
If no, is the adoption of the IFRS for SMEs Standard under consideration?	Yes, formal adoption of the IFRS for SMEs Standard is under active consideration.
Did the jurisdiction make any modifications to the IFRS for SMEs Standard?	Not applicable.
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?	All SMEs (as defined in the IFRS for SMEs Standard) are permitted to use the IFRS for SMEs Standard under paragraph 1, part 4, of National Standard N1. The IFRS for SMEs Standard has been translated into Ukrainian.
For those SMEs that are not required to use the IFRS for SMEs Standard, what other accounting framework do they use?	They may use full IFRS Standards or Ukrainian Accounting Standards.
Other comments regarding use of the IFRS for SMEs Standard?	None.