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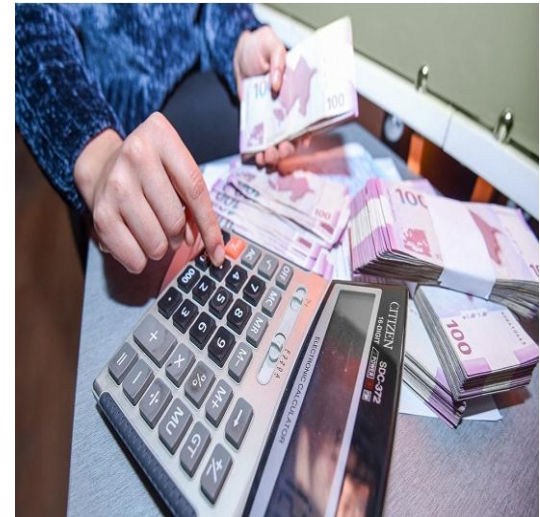


Situation on Institutional Issues and Achievements



Recent enhancement of the economic situation in the Republic of Azerbaijan, the attraction of foreign investors, as well as the establishment of economic relations with companies from EU member states necessitated drastic accounting reform, which in turn have led to the adoption of institutional measures to bring the relevant legislation of the Republic of Azerbaijan in line with modern requirements

Situation on Institutional Issues and Achievements



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Situation on Institutional Issues and Achievements

- The Accounting Law of 2004 regulates organization and maintenance of accounting by the accounting entities in the Republic of Azerbaijan, including elaboration and submission of financial statements.
- Upon the adoption, the relevant amendments were made to this Law on a regular basis to create a legal framework for transition to International Financial Reporting Standards. This process is still ongoing.
- Under the Improved Accounting Law, the key objective of state regulation of accounting in the Republic of Azerbaijan is to prepare financial statements and maintain accounting in the country based on International Financial Reporting Standards, International Financial Reporting Standards for Small and Medium Enterprises, International Public Sector Accounting Standards and Accounting Regulations. State regulation of accounting shall be carried out by the Ministry of Finance of the Republic of Azerbaijan



Practical Achievements





Practical Achievements

- Implementation of a unified state accounting policy in the Republic of Azerbaijan has led to drastic changes, as a result of which financial statements are compiled by the relevant accounting entities as follows:
- Public institutions and public legal entities – maintain accounting in accordance with accounting regulations approved by the Ministry of Finance based upon International Financial Reporting Standards, and prepare financial statements only in accordance with International Financial Reporting Standards;
- Commercial organizations (excluding public entities, public legal entities and small enterprises) - maintain accounting in those entities approved by the Ministry of Finance in accordance with the accounting regulations, and compile financial statements in accordance with International Accounting Standards for Commercial Organizations or International Financial Reporting Standards, at their option;
- Small enterprises – maintain accounting in those entities approved by the Ministry of Finance in accordance with the accounting regulations, and compile financial statements in accordance with International Financial Reporting Standards for Small and Medium Enterprises or International Financial Reporting Standards, at their option;
- Budget organizations, municipalities and extra-budgetary state funds - compile financial statements in accordance with National Accounting Standards for State-funded Entities developed in accordance with International Public Sector Accounting Standards;
- Non-Governmental Organizations - in accordance with National Accounting Standards for Non-Governmental Organizations.



Authorities for Accounting Profession

- “Regulations for Accreditation of Certified Accountant Organization” and “Regulations for Organization of a Process for Issuance of Certified Accountant Certificate, Examinations and State Registry of Persons who have received a Certified Accountant Certificate” were approved by the Government of Azerbaijan in 2019.
- According to the Accounting Law, the Ministry of Finance carries out cooperation with certified accounting organizations, maintenance of the State Register of Persons who have received a Certified Accountant Certificate and accreditation of Certified Accountant Organization with the aim of improving the national accounting system.
- The decisions of the Ministry of Finance of the Republic of Azerbaijan accredited 3 non-commercial organizations as certified accountant organization in 2019.



Accounting Education System and Higher Education System

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The candidates applied to obtain a certified accountant certificate on International Financial Reporting Standards or on International Financial Reporting Standards for Small and Medium Enterprises shall be exempted from the first stage of the examination if they have any of the relevant international certificates.

International Public Sector Accounting Standards - a candidate applying for a certificate of I or II level certified accountant shall be exempt from the first stage of the exam when he / she has a Certificate of the Chartered Institute of Public Finance & Accountancy (CIPFA).



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- Candidates who successfully pass the exams shall be given certified accountant certificates and may, depending on their type, hold the position of chief accountant in respective organizations.
- The validity term of the certified accountant certificate shall be five years. Upon expiry of this term, a holder of the certificate shall take the examinations conducted by the State Examination Center and re-qualify for a certified accountant certificate. When a certified accountant receives a second certificate of the same standard, the last certificate shall be issued for life.
- The state registry of persons who have received a certified accountant certificate shall be compiled by the Ministry of Finance on paper and electronic media and posted on the official website of the Ministry of Finance.



State Examination Center of the Republic of Azerbaijan



Ministry of Finance



Accounting education and higher education:

Certification



**Corporate and Budget
Sector Accountability”**

ACCA

Diploma in IFRS



Continued reform
agenda for further
development of
accounting
infrastructure:



Thanks for your attention