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Standards of Accounting and Reporting
(ISAR)**

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**Agenda item 5 (b). Insights from recent implementation of
the Accounting Development Tool (ADT)**

Presented by

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**IMPORTANCE OF THE 13th TRANCHE PROJECT ENTITLED
«TOWARD INTEGRATED NATIONAL FINANCING FRAMEWORKS»
FOR THE KYRGYZ REPUBLIC**

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ACCOUNTING, REPORTING AND AUDITING REGULATOR

Service for Regulation and Supervision of the Financial market under the Ministry of Economy and Commerce of the Kyrgyz Republic.

Functions:

1. Develops and implements national development policies:
 - accounting and financial reporting systems (including for SMEs);
 - The audit activity.
2. Develops and implements the state policy on the development of the bond market, the activities of non-state pension funds, companies managing pension assets, the activities of commodity exchanges and stock trading, insurance, lottery and pawnshop activities.
3. Issues licenses and permits for the operation of bond market, non-governmental pension funds, pension asset management companies, commodity exchanges and stock trading, insurance, auditing, lottery and pawnbroking activities.
4. Conducts training and certification of non-banking financial market participants, certification of applicants for the right to obtain an auditor's qualification certificate, a qualification certificate of a professional securities market participant.
5. Carries out external control and supervision of the above-mentioned regulated entities.



ACCOUNTING AND AUDITING REGULATORY FRAMEWORK

In order to increase transparency in financial reporting and improve investment attractiveness in the Kyrgyz Republic, the following standards have been adopted as national:

Standard	Year of adoption	Translated into the national language
IFRS	28 September 2001.	IFRS, IFRS for SMEs (2016)
ISA	22 April 2003.	ISA (2016-2017)

Kyrgyzstan's basic laws on accounting and auditing:

Law	Year of adoption	A key aspect
Law on Accounting of the Kyrgyz Republic	29 April 2002 No. 76	Establishes IFRS as a uniform methodological framework for accounting and financial reporting.
Law of the Kyrgyz Republic "On auditing"	3 December 2021 No 147	Strengthens external audit quality control, establishes a Public Oversight Board to oversee the audit, requires membership of auditors and audit firms in the PAO, introduces a single three-level professional qualification for accountants and auditors (levels 1-2 are implemented by the PAO, level 3 is implemented by the regulator), consistent with the IES



BASIC DOCUMENTS

The National Sustainable Development Strategy of the Kyrgyz Republic 2018-2040 (provides Kyrgyzstan's indicators for 17 Sustainable Development Goals).

Draft Strategy for the Development of Corporate Financial Reporting and Auditing in the Kyrgyz Republic 2023-2027.

The objective is to create a favourable investment climate by improving quality of financial reporting and auditing and increasing accessibility to transparent and reliable financial information in the market.

Key aspects of the strategy:

1. Introduction of an updated regulatory framework for corporate financial reporting and auditing in the Kyrgyz Republic.
2. Strengthening institutional capacity to monitor compliance with financial reporting requirements and audit quality control.
3. Introducing a Public Depository for Financial Statements.
4. Modernisation of the education of accountants and auditors.



RETRAINING OF SPECIALISTS IN IFRS AND ISA

In order to successfully implement and apply IFRS, IFRS for SMEs and ISA, and to improve the skills of specialists for the period 2003 - 2022. The Regulator with the support of international donor organisations (WB, ADB, EU (TACIS), USAID, etc.) trained

Standard	Participants	Quantity
IFRS	Accountants,	785
	Auditors	70
	University lecturers in accounting and auditing	120
	STI specialists	16
	Journalists	62
IFRS for SMEs	SME accountants	170
	Accounting and auditing professors at higher	120
Accounting rules for small businesses	education institutions	11
	Accountants of SMEs	
ISA	Auditors,	166
	Accounting and auditing lecturers	83
	The Regulator's specialists	20
IFRS trainers trained	IFRS trainers	19



THE IMPORTANCE OF THE PROJECT

Importance of the 13th tranche Project :

- timeliness and relevance;
- establishing a basis for capacity-building;
- **Assistance required:**
 - in identifying risks to implementation of the country's sustainable development;
 - in assessing the regulatory, institutional and human capacity for high quality corporate reporting;
 - in successful implementation of the SDGs in Kyrgyzstan;
 - in improving investment climate.



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