



Centre for Financial  
Reporting Reform



WORLD BANK GROUP  
Governance



**A&ACoP**

Accounting  
and Auditing  
Standards  
Community  
of Practice

# KEEPING FINANCIAL REPORTING RELEVANT: FOCUS ON MICRO, SMALL AND MEDIUM ENTERPRISES

26-27 April 2017  
Kyiv, Ukraine

# KEEPING FINANCIAL REPORTING RELEVANT: FOCUS ON MICRO, SMALL AND MEDIUM ENTERPRISES

26-27 April, 2017, Kyiv, Ukraine

## Context

This workshop builds on previous Accounting and Auditing Standards Communities of Practice (A&ACoP) workshops at which various topics related to the transposition of the accounting directive have already been discussed and explored.

These have included:

- **“Differentiated financial reporting requirements: From setting requirements to practical implementation”**, Warsaw, March 2016. This workshop addressed differentiated financial reporting requirements in countries covered by the *Strengthening Auditing and Reporting in the Countries of the Eastern Partnership* (STAREP) program: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. It aimed to support STAREP countries in their efforts to put in place the best and most appropriate accounting and financial reporting regime for small and medium-sized entities, as well as appropriate disclosure and transparency requirements for entities which are of public interest;
- **“Modernizing accounting and auditing legislation by transposing EU requirements and good international practices”**, Bucharest, April 2015, and **“Differentiated financial reporting requirements: EU *acquis communautaire* and international good practices”**, Chisinau, April 2014. These workshops addressed various challenges, issues and solutions related to transposing the Accounting Directive (2013/34/EC).

## Objectives

The overall objective of this event is to deepen knowledge and understanding of specific parts of the Accounting Directive (2013/34/EC) which pose particular challenges. A&ACoP members will receive useful and relevant insights into financial reporting and disclosure requirements for micro, small and medium sized entities (which are not classified as public interest entities (PIEs)) in line with the provisions of the Accounting Directive (2013/34/EC). The workshop will also consider specific provisions of the *acquis* that are of greatest interest to A&ACoP members in the context of developing improved legislation in the area of corporate financial reporting. These include:

- Accounting standards setting and adoption for entities other than PIEs;

- Financial reporting and disclosure requirements for micro, small and medium sized entities: challenges of transposition and implementation; and relevance of the optional provisions and exemptions for various categories of entities;
- Alternative measurement basis of fixed assets and financial instruments: the extent to which fair value measurement is suitable for micro- and small entities;
- Requirements for consolidated financial statements for entities other than PIEs and their practical application; and
- How to ensure a better connection between corporate financial reporting and tax reporting.

This A&ACoP will offer its members an excellent opportunity to learn from the experiences of Estonia and Croatia, where corporate financial reporting frameworks are aligned to the EU *acquis communautaire*, and to interact with experts involved in promoting similar reforms in their respective countries.

The **STAREP program** has been working with the countries mentioned above since October 2013. STAREP supports a regional Accounting and Auditing Standards Community of Practice to address shared challenges in corporate financial reporting and audit reform. The program also provides relevant knowledge and technical advice for the transposition of the accounting and auditing elements of the *acquis communautaire*.

## AGENDA | DAY 1 | WEDNESDAY, 26 APRIL 2017

**08:30** Registration and Welcome Coffee

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**09:00** Welcome Remarks

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**Jarett Decker** | Head, Centre for Financial Reporting Reform (CFRR), World Bank  
**Eugeny Kapinus** | Deputy Minister, State Secretary of the Ministry of Finance of Ukraine  
**Ludmilla Butenko** | Acting Country Director for Belarus, Ukraine and Moldova, World Bank

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**09:30** **Setting the Scene: Ice Breaking Exercise on Existing and Future Frameworks for the Financial Reporting of non-PIEs**

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This interactive session will set the scene for the workshop, outlining the existing landscape among participating countries in the financial reporting regime for entities that are not defined as public interest entities (non-PIEs). Each country representative will map his/her country's place on the existing frameworks used by such entities, and share a vision on where the legislation frameworks are moving for non-PIE reporting.

Presenters: **Representatives from each of the six participating countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine)**

Moderator:

**Andrei Busuioc** | Senior Financial Management Specialist, CFRR, World Bank

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**10:45** Coffee Break

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**11:00** **Financial Reporting and Disclosure Requirements for non-PIEs: The Experiences of Croatia and Estonia**

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This session will discuss the experience of Croatia and Estonia in transposing the financial reporting and disclosure requirements for non-PIEs from the EU acquis communautaire, i.e. Accounting Directive (2013/34/EC). In particular, the speakers will highlight the key challenges in transposing both the mandatory and optional provisions of the accounting directive related to financial reporting and disclosures for micro and small entities. They will also share with the audience templates of financial statements for these categories of entities, as adopted in their respective countries. In addition, the speakers will outline the optional provisions for micro and small entities that were not transposed in their respective countries.

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The presentations will be followed by a Q&A session and feedback from the participants on what solutions are feasible for their countries (each country delegation will provide feedback).

**Ivan Čevizović** | Vice President of the Croatian Chamber of Tax Advisors; Member of the Working Group for the preparation of Croatian Financial Reporting Standards

**Ago Vilu** | Country Managing Partner, PwC Estonia; Vice-Chairman of the Estonian Accounting Standards Board

Moderator:

**Natalia Konovalenko** | STAREP Local Facilitator for Ukraine, CFRR, World Bank

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**12:30** Lunch

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**13:30**

**Measurement Basis of Fixed Assets and Financial Instruments for non-PIEs, Including the Linkage with Tax Accounting: The experience of Estonia and Croatia**

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During this session, the audience will learn about the experiences of Estonia and Croatia in transposing the optional provisions of the Accounting Directive (2013/34/EC) related to the alternative measurement basis of fixed assets and financial instruments, including the linkage with tax accounting, where relevant.

The presentations will be followed by a Q&A session and feedback from participants on which solutions are feasible for their countries (each country delegation will provide feedback).

**Ago Vilu** | Country Managing Partner, PwC Estonia; Vice-Chairman of the Estonian Accounting Standards Board

**Ivan Čevizović** | Vice President of the Croatian Chamber of Tax Advisors; Member of the Working Group for the preparation of Croatian Financial Reporting Standards

Moderator:

**Jonathan Hooper** | Consultant, CFRR, World Bank

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**15:00** Coffee Break

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15:30

## Requirements for Consolidated Financial Statements of non-PIEs: The Experiences of Estonia and Croatia in Adopting Provisions of Accounting Directive (2013/34/EC)

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The aim of this session is to share the experience in transposing the requirements for consolidated financial statements of non-PIEs, including optional provisions adopted by Estonia and Croatia for the scope of consolidation. In addition, the speakers will refer to the definition of a PIE, as adopted in their respective countries.

The presentations will be followed by a Q&A session and feedback from the participants on what solutions are feasible for their countries (each country delegation will provide feedback).

**Ago Vilu** | Country Managing Partner, PwC Estonia; Vice-Chairman of the Estonian Accounting Standards Board

**Ivan Čevizović** | Vice President of the Croatian Chamber of Tax Advisors; Member of the Working Group for the preparation of Croatian Financial Reporting Standards

Moderator:

**Svetlana Platon** | Consultant, CFRR, World Bank

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17:00

End of Day 1

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Group Dinner /details will be announced/

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## AGENDA | DAY 2 | THURSDAY, 27 APRIL 2017

**08:30** Morning Coffee

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**09:00** **Which Standards for non-PIEs? International Good Practice on Adapting and Adopting 'IFRS for SMEs'**

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Following on from presentations from Norway and the UK at a previous A&ACOP event, this session will consider setting accounting standards for entities other than PIEs. The session will explore international and EU good practice. It will address the compatibility of *IFRS for SMEs* with the EU Accounting Directive, particularly for small company disclosures and for micro companies.

The presentation will be followed by a Q&A session and feedback from the participants on what solutions are feasible for their countries (each country delegation will provide feedback).

[Jonathan Hooper](#) | Consultant, CFRR, World Bank

[Natalia Konovalenko](#) | STAREP Local Facilitator for Ukraine, CFRR, World Bank

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**10:30** Coffee Break

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**11:00** **Successfully Connecting Financial and Tax Reporting**

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This session will discuss the need for tax and accounting simplification and will outline the key messages that could be considered by policy makers to ensure a better connection between corporate financial reporting and tax reporting.

The presentation will be followed by a Q&A session.

[Andrei Busuioc](#) | Senior Financial Management Specialist, CFRR, World Bank

Moderator:

[Jonathan Hooper](#) | Consultant, CFRR, World Bank

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**12:30** Lunch

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**13:30**

### **International Practices Applied in Accounting Standards Setting and Adoption: The Experiences of Croatia and Estonia**

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During this session participants will learn about the Croatian and Estonian approach to “due process” in developing and adopting accounting standards, including the accountability of the body/institution responsible for adopting standards, details about the process itself, governance arrangements and financing. The presentation will be followed by a Q&A session.

**Ivan Čevizović** | Vice President of the Croatian Chamber of Tax Advisors; Member of the Working Group for the preparation of Croatian Financial Reporting Standards

Moderator:

**Svetlana Platon** | Consultant, CFRR, World Bank

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**15:00**

Coffee Break

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**15:30**

### **Summary of the Workshop, Next Steps and Closing Remarks**

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This session will draw together the key takeaways for the community and the team. It will also invite feedback on the workshop against the stated objectives to help shape the agenda for the next workshop.

Each country will be invited to present its proposals and priority areas for the next A&ACoP activities, at both the national and regional levels.

Moderator:

**Andrei Busuioc** | Senior Financial Management Specialist, CFRR, World Bank

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**17:00**

End of the Workshop

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## Bios of the Keynote Speakers



### AGO VILU

Country Managing Partner, PwC Estonia

Lead partner for the Baltics and Belarus

Vice-Chairman of the Estonian Accounting Standards Board

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Ago Vilu graduated from the University of Karlsruhe (Germany) in 1994, specializing in business administration. He became an Estonian certified auditor in 1995 and joined PwC the same year.

Mr. Vilu has extensive expertise in the field of International Financial Reporting Standards (IFRS). He worked for two years (1997-1999) in the Global Corporate Reporting Group of PwC London office, where he advised companies around the world on IFRS matters.

From 2005 until 2008 he led the PwC IFRS technical function ('Accounting Consulting Services') for Russia and Commonwealth of Independent States (CIS) countries. In this role, he advised a number of large clients in Russia, Ukraine, Belarus and other CIS countries.

In 2008 Mr. Vilu assumed the role of Country Managing Partner for PwC Estonia. He has also served as the lead partner for PwC Baltics and Belarus since 2015. At the same time, he leads the PwC Accounting Consulting Services function for the Baltic countries and Belarus. He is a member of the PwC Global Accounting Consulting Services ("IFRS Technical") network and a co-author of the PwC global IFRS handbook, Manual of Accounting. He has extensive experience in auditing and advising high profile companies, not only in Estonia but also in Latvia, Lithuania and other countries of the CEE region.

From 2001 to 2007 and from 2010 to 2016, Mr. Vilu served as the Chairman of the Estonian Accounting Standards Board (since November 2016, he has been the Vice-Chairman of the Accounting Standards Board). He is one of the main authors of the Estonian Accounting Law and Estonian Accounting Standards.

He is also a member of the Accounting Regulatory Committee of the European Commission, which is the body responsible for the endorsement of IFRS standards in the European Union. Since July 2016, he has been a member of the SME Implementation Group, which advises the IASB on the global implementation of IFRS for SMEs.



## IVAN ČEVIZOVIĆ

Vice President of the Croatian Chamber of Tax Advisors  
Member of the Working Group for preparation of the Croatian  
Financial Reporting Standards

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Ivan Čevizović graduated from the Faculty of Economics, University of Zagreb in 2002 in accounting. He earned his Master's degree in 2007 and his PhD in 2012 at the Faculty of Economics, University of Osijek. In 2014 he became a certified tax advisor.

After graduation Mr. Čevizović worked for four years as an auditor at Reconsult Ltd. In 2006 he joined the Accounting Department of the Faculty of Economics, University of Zagreb, as a teaching and research assistant.

From 2012 he worked as an accounting and tax consultant at the Croatian Association of Accountants and Financial Experts and in 2013, he joined BDO Croatia as a tax partner and country leader for financial reporting. In 2016 he founded a tax advisory firm.

Mr. Čevizović is a member of the Working Group for the preparation of Croatian Financial Reporting Standards. Previously, he was a member (2009 –2015) and president (2012–2013) of the Croatian Audit Public Oversight Committee. In addition, he was a member of the editorial board of the professional journal "Accounting and Finance". He currently serves as Vice President of the Croatian Chamber of Tax Advisors.

Mr. Čevizović is the author and coauthor of many scientific and professional articles related to financial reporting and taxation. He is a lecturer at the Zagreb School of Economics and Management on the graduate and undergraduate programs where he teaches financial reporting, accounting information systems and direct and indirect taxes.

# CFRR»

**Centre for Financial  
Reporting Reform**



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## STAREP is co-funded by

 Austrian  
Development Cooperation

 **BMF**  
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