



REPARIS
FOR SMEs

THE STAREP AND REPARIS FOR SMEs
PROGRAMS ARE MANAGED BY

CFRR»

Centre for Financial
Reporting Reform



WORLD BANK GROUP

1TH
ANNIVERSARY

THE STAREP PROGRAM
IS CO-FUNDED BY

THE REPARIS FOR SMEs
PROGRAM IS FUNDED BY



Austrian
Development
Cooperation



European Union



Federal Ministry
Republic of Austria
Finance

Joint STAREP/REPARIS for SMEs Community of Practice

STAREP: Lessons learned and beneficiary countries' experience

**Firuz Abdullaieva – chief of Accounting Policy unit
of the Azerbaijan Republic Finance Ministry**

01 December 2022

Key achievements

- » Accounting in Azerbaijan Republic is regulated by the Law of Azerbaijan Republic on accounting.
- » To continue reforms and transformations the Law of 4 May 2018 on additions and amendments to the Law of Azerbaijan Republic on Accounting was adopted.
- » This Law stipulates the full transition to the International Financial Reporting Standards and adoption of accounting rules based on international standards.
- » According to this Law, since 2019 IFRS and IPSAS are applied and since 2020 IFRS for SMEs are applied.
- » The articles setting forth requirements to chief accountants were added to the Law.
- » According to this Law, accountants of legal entities with the majority stake managed by the state, public interest entities (except for the listed legal entities), big and medium enterprises, budgetary institutions and public legal entities publishing their annual and consolidated financial statements on their official websites or in the press of the Republic must be professional accountants.
- » In addition, the Azerbaijan Republic Finance Ministry arranges the official translation of the International Standards. At present, the Ministry's website has published the official texts of IFRS, IPSAS and IFRS for SMEs.

Remaining challenges

- » According to the Law of Azerbaijan Republic on accounting, the public interest entities, commercial organizations preparing consolidated financial statements and organizations receiving loans under the public guarantees or participating in the projects related to spending of the public debt or receiving funds from the state budget publish their financial reporting or consolidated financial reporting together with the audit opinion on the websites of these organizations and in the press of the Republic.
- » According to the Law of Azerbaijan Republic on audit service, audit is mandatory for the entities which are obliged by the law to publish their financial reporting as well as in the cases directly set forth in the law. In other cases, the audit is voluntary.
- » According to the Azerbaijan Republic Civil Code requirements, limited liability companies and joint stock companies, except for microbusiness and small business entities, are obliged to engage the independent auditor on the annual basis to audit their annual financial reporting.

Remaining challenges

4

- » According to the Azerbaijan Republic Code on Administrative Offences, administrative sanctions are stipulated for the organizations which do not publish their financial statements and avoid statutory audits.
- » According to the Azerbaijan Republic Law on access to information, the information on annual financial activity of the budgetary organizations, public law legal entities established on behalf of the state, extra-budgetary state funds, commercial entities in which at least 30% of shares are owned by the state, including state information related to the use of funds allocated from the budget or information related to their property, shall be disclosed on the information resources of the Internet.

»Thank you for your attention