



REPUBLIC OF ESTONIA
MINISTRY OF FINANCE

Why consolidation matters? Estonian experience

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Why?

- The purpose is to provide financial information [**from the past**] about the entity that is useful when making decisions about the [**future**] management of that entity.
- **The economic entity principle:** recorded activities of a business entity should be kept separate from the recorded activities of its owner(s) and any other business entities.
- **Comprehensiveness:** the scope of information should be adequate at any respective level of management – decisions should be made at the level which has the best information.
- **Materiality:** the benefits derived from information should exceed the cost of providing it.

Process

- Based on central chart of accounts and public sector accounting regulation (part of national GAAP)
- Monthly/quarterly reporting by all Group accounting entities, 25th day of next month,
- Quarterly reconciliation process and period for disputes, SSC authorised to resolve
- Consolidated balance sheet and income statement published by the end of next month
- Annual Report presented for audit by 30 June, audit completed and audited annual report presented to the Parliament by 31 August



Some views from the kitchen

- Consolidated Annual Report of the State:
<https://www.fin.ee/en/public-finances-and-taxes/state-accountancy/consolidated-annual-reports-state>
- Public monthly reporting: <https://saldo.rtk.ee/saldo-app/aruanded>
- Rulebook and Chart of Accounts:
<https://www.riigiteataja.ee/akt/103012025007>



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Thank You

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