

SARAS – Comparison with other Financial Reporting and Audit Regulators

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Georgia's Legislation is Regionally Leading

- » The Law on Accounting, Reporting and Audit, enacted in June 2016, approximates to the EU legislation on financial reporting and audit
- » Builds on good international practice and is regionally leading
- » The requirements of the law are demanding – implementation will deliver transparency for reliable company financial information comparable across the borders
- » The Law implements most recommendations of WB 2015 ROSC A&A



SARAS is a comprehensive regulator

- » Service for Accounting, Reporting and Audit Supervision (SARAS) established by the Law within the MoF in September 2016
- » The responsibilities of SARAS are comprehensive, covering the whole process of corporate financial information, from reporting requirements and standards through to effective auditing
- » SARAS is an associate member of IFIAR, joining 50+ other leading countries that have established independent regulation of audit



SARAS compared to other country regulators

- » SARAS is more than just an audit regulator – it combines functions on reporting with audit. Many countries such as US, Japan and France have separate accounting and audit regulators
- » UK and Netherlands have combined regulators for all of company reporting as SARAS
- » For a smaller country such as Georgia, it makes sense to have one regulator responsible for all aspects of financial reporting, especially with close links to the MoF and Revenue Service



Challenges in delivering effective regulation

- » SARAS shares the challenge of fellow regulators worldwide in striking the right balance between costs and benefits of regulation
- » Implementation of the reporting requirements (which are not new) will be challenging for companies – SARAS must enforce but also assist where possible
- » Investors, internal and external, will benefit from reliable financial information, bringing economic and reputational benefits



Questions

- » Thank you for your attention!
- » Any questions?