

# *Accounting Standards Setting and Adoption*

*Estonian experience*

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*Kyiv*

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# ***Estonian Accounting Standards Board (EASB)***

## **Accounting standards are written by the Estonian Accounting Standards Board**

- Appointed for 3 years by the Government of Estonia on the proposal of the Ministry of Finance
- Main objective - to issue accounting standards and guidelines explaining and specifying the Accounting Law ("Estonian GAAP")
- Financed from the budget of MoF
  - However, MoF should not interfere with its activities

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# ***Estonian Accounting Standards Board (EASB)***

- EASB has no full time members and no permanent technical staff
  - Administrative / support services are provided by the MoF
  - Drafting of new standards is either made by the Board members or outsourced (e.g. to audit firms).
- Consists of 7 members who are accounting specialists, experts in accounting theory of practicing accountants.
- Current composition:
  - 2 auditors
  - 1 regulator (Financial Supervisory Authority)
  - 1 public sector (Chief Accountant of the Ministry of Finance)
  - 1 Chamber of Commerce
  - 1 Association of Accountants
  - 1 university professor

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# ***Accounting Standards setting and adoption***

- Accounting Act sets general “quality requirements” for national standards
  - generally must be based on IFRS for SMEs or IFRS, but can include departures and simplified applications, if justified
  - any differences from IFRS for SMEs / IFRS must be explained and justified in the respective national standard
  - must be cross-referenced to applicable IFRS for SMEs paragraphs
  - draft standards must be available on the EASB’s website ([www.easb.ee](http://www.easb.ee)) for public discussion for at least six weeks before approval
- Since 2016, standards written by the EASB have to be approved and issued by the MoF
  - MoF can make improvements to the wording but shall not make any substantial changes to the standards

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*Any questions?*



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