

IFRS® STANDARDS—APPLICATION AROUND THE WORLD

JURISDICTIONAL PROFILE: **Kyrgyzstan**

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This Profile provides information about the application of IFRS® Accounting Standards (Standards) in Kyrgyzstan. The Standards are developed and issued in the public interest by the International Accounting Standards Board (IASB). The IASB is the standard-setting body of the IFRS Foundation (Foundation), an independent, private sector, not-for-profit organisation.

The Foundation has prepared this Profile based on information from various sources. The starting point was the answers provided by standard-setting and other bodies in response to surveys the Foundation conducted on the application of the Standards around the world. The Foundation drafted the profile and invited the respondents to the survey. The Foundation also invited others (including regulators and international audit firms) to review the drafts. Their comments are reflected in this Profile.

The purpose of the Foundation's Jurisdictional Profiles is to illustrate only the extent of implementation of the Standards across the globe. The Profiles do not reflect the intellectual property licensing status of the Standards within any given jurisdiction. The Standards are protected by copyright and are subject to licensing arrangements agreed upon within their jurisdiction. For further information, please contact permissions@ifrs.org.

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RELEVANT JURISDICTIONAL AUTHORITY

Organisation	State Service for Regulation and Supervision of Financial Markets of the Kyrgyz Republic (SSRSFM) under the Ministry of Economy and Finance of the Kyrgyz Republic
Role of the organisation	<p>SSRSFM is the official standard setter in the Kyrgyz Republic.</p> <p>SSRSFM is an authorized state executive body under the government of the Kyrgyz Republic, responsible for the development and implementation of state policy in supervision and regulation of the non-bank financial market, accounting, financial reporting, and audit.</p> <p>The tasks of the SSRSFM are:</p> <ul style="list-style-type: none">• implementing a unified state policy, determination of the strategy and priorities for the development of the non-bank financial market, accounting, financial reporting, and audit systems;

The non-bank financial market is understood as a part of the financial market of the Kyrgyz Republic, which includes the securities market, insurance activities, activities of non-state pension funds, companies managing pension assets, as well as lottery and pawnshop activities in accordance with the laws of the Kyrgyz Republic regulating these types of activities, and this Regulation;

- developing a regulatory framework for the supervision and regulation of the non-bank financial market, accounting and financial reporting;
- regulating of the non-bank financial market, accounting and financial reporting systems;
- promoting the development of corporate governance principles in the Kyrgyz Republic;
- creating conditions for integration into the global financial market, as well as into the international accounting and auditing community;
- ensuring, in accordance with the established procedure, supervision of the subjects of the non-bank financial market in compliance with the legislation of the Kyrgyz Republic regulating their activities; and
- providing conditions for the implementation of international financial reporting standards, international standards on auditing and the creation of a mechanism for monitoring compliance with the requirements of financial reporting and auditing standards.

Website	https://fsa.gov.kg/#/home
Email contact	fsa@fsa.gov.kg

COMMITMENT TO GLOBAL FINANCIAL REPORTING STANDARDS

Has the jurisdiction made a public commitment in support of moving towards a single set of high quality global accounting standards?	Yes.
Has the jurisdiction made a public commitment towards IFRS Accounting Standards as that single set of high quality global accounting standards?	Yes.
What is the jurisdiction's status of adoption?	<p>The Kyrgyz Republic has adopted IFRS Standards.</p> <p>The unified methodological basis for accounting and preparation of financial statements used in the territory of the Kyrgyz Republic for public interest entities, regardless of the form of ownership, is IFRS Standards as issued by the International Accounting Standards Board (Board).</p> <p>As of June 2021, a public interest entity is an entity that is:</p> <ul style="list-style-type: none"> • an issuer whose securities are listed on the stock exchange; • a bank or other financial institution licensed by the National Bank of the Kyrgyz Republic; • an investment fund, an insurance company, a non-state pension fund. <p>Unless otherwise provided by the law, the unified methodological basis for the preparation of financial statements used in the territory of the Kyrgyz Republic for entities, except for entities of public interest, regardless of the form of ownership, is the <i>IFRS for SMEs</i> Standard, issued by the Board.</p>

Additional comments provided on the adoption status?	<p>The unified methodological basis for accounting and financial reporting, used by budgetary institutions in the territory of the Kyrgyz Republic, is the International Financial Reporting Standards for the Public Sector (IPSAS), developed by the IPSAS Board of the International Federation of Accountants.</p> <p>The law was passed on 29 April 2002, No. 76 'Accounting Law' of the Kyrgyz Republic and was published in the official journal 'Erkin Too' and on the website of SSRSFM.</p>
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If the jurisdiction has NOT made a public statement supporting the move towards a single set of accounting standards and/or towards IFRS Accounting Standards as that set of standards, explain the jurisdiction's general position towards the adoption of IFRS Accounting Standards in the jurisdiction.	Not applicable.
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EXTENT OF IFRS APPLICATION

For DOMESTIC companies whose debt or equity securities trade in a public market in the jurisdiction:

Are all or some domestic companies whose securities trade in a public market either required or permitted to use IFRS Accounting Standards in their consolidated financial statements?	Yes.
If YES, are IFRS Accounting Standards REQUIRED or PERMITTED?	Required.
Does that apply to ALL domestic companies whose securities trade in a public market, or only SOME? If some, which ones?	All.
Are IFRS Accounting Standards also required or permitted for more than the consolidated financial statements of companies whose securities trade in a public market?	IFRS Standards are required for more than the consolidated financial statements of companies whose securities trade in a public market.
For instance, are IFRS Accounting Standards required or permitted in separate company financial statements of companies whose securities trade in a public market?	Yes, IFRS Standards are required in separate company financial statements of companies whose securities trade in a public market.
For instance, are IFRS Accounting Standards required or permitted for companies whose securities do not trade in a public market?	Yes, IFRS Standards are required or permitted for companies whose securities do not trade in a public market.
If the jurisdiction currently does NOT require or permit the use of IFRS Accounting Standards for domestic companies whose securities trade in a public market, are there any plans to permit or require IFRS Accounting Standards for such companies in the future?	Not applicable.

For FOREIGN companies whose debt or equity securities trade in a public market in the jurisdiction:

Are all or some foreign companies whose securities trade in a public market either REQUIRED or PERMITTED to use IFRS Accounting Standards in their consolidated financial statements?

Yes.

If YES, are IFRS Accounting Standards REQUIRED or PERMITTED in such cases?

Required.

Does that apply to ALL foreign companies whose securities trade in a public market, or only SOME? If some, which ones?

All.

IFRS ENDORSEMENT

Which IFRS Accounting Standards are required or permitted for domestic companies?

IFRS Standards as issued by the Board, ie Standards and amendments are adopted/endorsed as and when issued by the Board.

The auditor's report and/or the basis of presentation footnote states that financial statements have been prepared in conformity with:

IFRS Standards.

Does the auditor's report and/or the basis of preparation footnote allow for 'dual reporting' (conformity with both IFRS Accounting Standards and the jurisdiction's GAAP)?

No.

Are IFRS Accounting Standards incorporated into law or regulations?

No. IFRS Standards are adopted into law by reference and are made publicly available on the SSRSFM website <https://fsa.gov.kg/#/home>.

If yes, how does that process work?

Not applicable.

If no, how do IFRS Accounting Standards become a requirement in the jurisdiction?

Not applicable.

Does the jurisdiction have a formal process for the 'endorsement' or 'adoption' of new or amended IFRS Accounting Standards (including Interpretations) in place?

No, separate regulations for each IFRS Standard are not issued.

If yes, what is the process?

Not applicable.

If no, how do new or amended IFRS Accounting Standards become a requirement in the jurisdiction?

Not applicable.

Has the jurisdiction eliminated any accounting policy options permitted by IFRS Accounting Standards and/or made any modifications to any IFRS Accounting Standards?

No.

If yes, what are the changes?

Not applicable.

Other comments regarding the use of IFRS Accounting Standards in the jurisdiction?

None.

TRANSLATION OF IFRS ACCOUNTING STANDARDS

Are IFRS Accounting Standards translated into the local language?	No. The translation of IFRS Standards and <i>IFRS for SMEs</i> Standard into Kyrgyz is in progress. The Russian translation is published by the SSRSFM on the website and used in the Kyrgyz Republic. Entities currently use Russian and/or English.
If they are translated, what is the translation process? In particular, does this process ensure an ongoing translation of the latest updates to IFRS Accounting Standards?	The translation is in progress and will be prepared by a professional translator. A review committee appointed by the IFRS Foundation will approve the Kyrgyz translation. Once the <i>IFRS for SMEs</i> Standard translation and the IFRS Standards consolidation are ready, they will be published on the SSRSFM website. Updates to the Standards will be then translated as part of an ongoing process.

APPLICATION OF THE IFRS FOR SMEs ACCOUNTING STANDARD

Has the jurisdiction adopted the <i>IFRS for SMEs</i> Accounting Standard for at least some SMEs?	Yes, Kyrgyz Republic has adopted the <i>IFRS for SMEs</i> Standard.
If no, is the adoption of the <i>IFRS for SMEs</i> Accounting Standard under consideration?	Not applicable.
Did the jurisdiction make any modifications to the <i>IFRS for SMEs</i> Accounting Standard?	No.
If the jurisdiction has made any modifications, what are those modifications?	Not applicable.
Which SMEs use the <i>IFRS for SMEs</i> Accounting Standard in the jurisdiction, and are they required or permitted to do so?	<p>Some SMEs are required, others are permitted.</p> <p>Small and medium-sized businesses may, on a voluntary basis, by decision of their governing bodies that have approved the accounting policy, prepare financial statements in accordance with IFRS Standards or <i>IFRS for SMEs</i> Standard.</p> <p>As of June 2021, for the purposes of the Law of the Kyrgyz Republic 'Accounting', a small business entity is an entity defined as such in accordance with the tax legislation of the Kyrgyz Republic.</p> <p>In accordance with the tax legislation of the Kyrgyz Republic: A small business entity is an organization or individual entrepreneur whose annual revenue does not exceed the VAT registration threshold. For the purposes of submitting tax reports and paying tax, if the entity's annual revenue exceeds the amount established by this paragraph, the entity is considered a small business entity until the end of the calendar year.</p> <p>A medium-sized business entity is an organization or individual entrepreneur whose annual revenue is equal to or exceeds the VAT registration threshold but amounts to no more than SOMS 30.0 million. For the purposes of submitting tax reports and paying tax, if the entity's annual revenue exceeds the amount established by this paragraph, the entity is considered a medium-sized business entity until the end of the calendar year.</p>

For those SMEs that are not required to use the *IFRS for SMEs* Accounting Standard, what other accounting framework do they use?

SMEs that do not use the *IFRS for SMEs* Standard are not required to prepare general purpose financial statements. Small businesses carry out accounting and financial reporting in accordance with simplified rules established by the Government of the Kyrgyz Republic.

Small businesses have the right, by decision of their governing bodies that approved the accounting policy, to draw up financial statements in accordance with IFRS Standards or *IFRS for SMEs* Standard.

Other comments regarding use of the *IFRS for SMEs* Accounting Standard?

None.