

IFRS® STANDARDS—APPLICATION AROUND THE WORLD



JURISDICTIONAL PROFILE: **Moldova**

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This Profile provides information about the application of IFRS® Accounting Standards (Standards) in Moldova. 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	Ministry of Finance of the Republic of Moldova.
Role of the organisation	The Ministry of Finance is the official accounting standard-setting body in the Republic of Moldova.
Website	www.mf.gov.md/en/
Email contact	natalia.tonu@mf.gov.md

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.
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Has the jurisdiction made a public commitment towards IFRS Accounting Standards as that single set of high quality global accounting standards?

Yes.

Moldova made a commitment to IFRS Standards in Government Decision No. 238 dated 29 February 2008. That Decision requires the use of IFRS Standards by all public interest entities in the Republic of Moldova.

Article 47(2) of the Accountant Act No. 113 of 27 April 2007 requires public interest entities to apply IFRS Standards effective 1 January 2011. Other entities are encouraged to apply under IFRS Standards. Public interest entities are financial entities, investment funds, insurance companies, private pension funds, and entities whose shares are traded on the stock exchange.

Decision No. 238 authorises the Minister of Finance to (a) negotiate contractual details with the IFRS Foundation and (b) adopt procedures for endorsing and implementing individual IFRS Standards.

Endorsement of IFRS Standards by the Minister of Finance involves approval of an Order specifically identifying the standards that are adopted in Moldova. Three such Orders have been issued to date adopting all IFRS Standards through IFRS 13 Fair Value Measurement and IFRIC Interpretations through IFRIC 21:

1. Order No. 109 issued 19 December 2008 (available here) covers IAS and IFRS issued through 15 July 2008 (through IFRS 8 *Operating Segments*). Title of Order No. 109: *Ordinul Ministerului Finanțelor 109 din 19.12.2008 privind acceptarea și publicarea Standardelor Internaționale de Raportare Financiară*.
2. The Minister of Finance updated Order No. 109 by issuing Order No. 44 on 1 April 2013 (available here). Order No. 44 covers IFRS issued through IFRS 13. Title of Order No. 44: *Ordinul Ministrului Finanțelor nr.44 din 01.04.2013 privind acceptarea și publicarea Standardelor Internaționale de Raportare Financiară*.
3. Order No. 105 issued 17 July 2015 covers IFRIC Interpretations 13 through 21 (available here). Title of Order No. 105: *Ordinul Ministerului Finanțelor 105 din 17.07.2015 privind acceptarea și publicarea Standardelor Internaționale de Raportare Financiară*.

What is the jurisdiction's status of adoption?

The Republic of Moldova has adopted IFRS Standards.

Additional comments provided on the adoption status?

None.

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.

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

Yes.

Accounting Standards in their consolidated financial statements?

If YES, are IFRS Accounting Standards REQUIRED or PERMITTED?

Required for all public interest entities. Permitted for others.

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?

Yes.

For instance, are IFRS Accounting Standards required or permitted in separate company financial statements of companies whose securities trade in a public market?

IFRS Standards are required in the separate financial statements of public interest entities, including 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?

IFRS Standards are required for all public interest entities even if their securities do not trade in a public market. Public interest entities are financial entities, investment funds, insurance companies, private pension funds, and entities whose shares are traded on the stock exchange. IFRS Standards are permitted for other entities whose securities do not trade in a public market. Alternatively, the other entities whose securities do not trade in a public market may use Moldovan National Accounting Standards.

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.

The auditor's report and/or the basis of presentation footnote states that financial

IFRS Standards.

statements have been prepared in conformity with:

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?	Yes.
If yes, how does that process work?	On 29 February 2008 the Government of Moldova adopted the Decision No. 238/29.02.2008 requiring the use of IFRS Standards in the Republic of Moldova. That Decision authorises the Minister of Finance to (a) negotiate contractual details with the IFRS Foundation and (b) adopt procedures for endorsing and implementing individual IFRS Standards. Endorsement of IFRS Standards by the Minister of Finance involves approval of specific standards as adopted in Moldova.
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?	Yes.
If yes, what is the process?	Adoption of an Order by the Minister of Finance. IFRS Standards updates received from the IFRS Foundation are posted on the Ministry of Finance web site within 15 days of when they are received. See details above.
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?	Yes. The Romanian translation is used in Moldova.
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 Romanian translation is prepared under the direction of the IFRS Foundation. The standards may be downloaded here.

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?	No.
If no, is the adoption of the <i>IFRS for SMEs</i> Accounting Standard under consideration?	No.
Did the jurisdiction make any modifications to the <i>IFRS for SMEs</i> Accounting Standard?	Not applicable.
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?	Not applicable.
For those SMEs that are not required to use the <i>IFRS for SMEs</i> Accounting Standard, what other accounting framework do they use?	SMEs that are not public interest entities may use full IFRS Standards or they may choose to follow Moldovan National Accounting Standards, which may be downloaded here.
Other comments regarding use of the <i>IFRS for SMEs</i> Accounting Standard?	None.