

JURISDICTIONAL PROFILE: **Kazakhstan**

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

This Profile has been prepared by the IFRS Foundation based on information from various sources. The starting point was the answers provided by standard-setting and other relevant bodies in response to a survey that the Foundation conducted on the application of IFRS Standards around the world between August and December 2012. The Foundation drafted the profile and invited the respondents to the survey and others (including regulators and international audit firms) to review the drafts, and their comments are reflected.

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RELEVANT JURISDICTIONAL AUTHORITY

Organisation	Ministry of Finance (MoF) National Bank of Kazakhstan (NBK)
Role of the organisation	The MoF has statutory responsibility for accounting standards in Kazakhstan, except with respect to financial institutions. The NBK has statutory responsibility for financial accounting and reporting by financial institutions.
Website	MoF: www.minfin.gov.kz/irj/portal/anonymous NBK: www.nationalbank.kz/?docid=3321&switch=english
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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?	<p>Yes.</p> <p>The Law on Accounting and Financial Reporting of the Republic of Kazakhstan dated 28 February, 2007 No.234, as subsequently amended, provides:</p> <p>Article 16. International standards of financial reporting.</p> <p>Preparation of financial reporting shall be carried out by organizations in accordance with international standards and international standards for small and medium business, published in the Kazakh and Russian languages.</p> <p>An unofficial translation of the law is here.</p> <p>The regulations of the MoF and the National Bank of Kazakhstan (NBK) and the listing rules of the Kazakhstan Stock Exchange have adopted IFRS Standards for all listed companies, financial institutions, and large unlisted companies.</p> <p>The listing rules of the Kazakhstan Stock Exchange are available on the 'KASE Rules' page of their website.</p>
Has the jurisdiction made a public commitment towards IFRS Standards as that single set of high quality global accounting standards?	<p>Yes</p> <p>See above.</p>
What is the jurisdiction's status of adoption?	<p>Both full IFRS Standards and the <i>IFRS for SMEs</i> Standard have been adopted by The Law on Accounting and Financial Reporting of the Republic of Kazakhstan. Further, the listing rules of the Kazakhstan Stock Exchange require that all listed companies must use IFRS Standards.</p> <p>In addition to listed companies, full IFRS Standards are mandatory for financial statements of large business enterprises and public-interest companies, including all financial institutions. Medium-sized business enterprises and state enterprises are required to use either full IFRS Standards or the <i>IFRS for SMEs</i> Standard. Small enterprises must choose between the <i>IFRS for SMEs</i> Standard and a national standard developed by MoF.</p>
Additional comments provided on the adoption status?	<p>Public-interest and listed companies are required to publish financial statements through the web-site of DFO, an online financial reports depository created by the Government of the Republic of Kazakhstan.</p> <p>Listed companies also publish financial information in conformity with IFRS Standards on the website of the Kazakhstan Stock Exchange.</p>
If the jurisdiction has NOT made a public statement supporting the move towards a single set of accounting standards and/or towards IFRS Standards as that set of standards, explain the jurisdiction's general position towards the adoption of IFRS 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 Standards in their consolidated financial statements?

IFRS Standards.

If YES, are IFRS 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?

Not applicable.

Are IFRS 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 Standards required or permitted in separate company financial statements of companies whose securities trade in a public market?

Yes.

For instance, are IFRS Standards required or permitted for companies whose securities do not trade in a public market?

Yes. Full IFRS Standards are mandatory for financial statements of large business enterprises (more than 250 employees or annual revenue more than approximately US\$20 million) and public-interest companies, including all financial institutions. Medium-sized business enterprises and state enterprises are required to use either full IFRS Standards or the *IFRS for SMEs* Standard. Small enterprises must choose between full IFRS Standards, the *IFRS for SMEs* Standard, and a national standard developed by the MoF.

If the jurisdiction currently does NOT require or permit the use of IFRS Standards for domestic companies whose securities trade in a public market, are there any plans to permit or require IFRS 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 Standards in their consolidated financial statements?

Yes. IFRS Standards are permitted.

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

Permitted. Alternatively foreign companies are permitted to use US GAAP.

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

Not applicable.

IFRS ENDORSEMENT

Which IFRS 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 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 Standards and the jurisdiction's GAAP)?	No.
Are IFRS Standards incorporated into law or regulations?	Yes. See above.
If yes, how does that process work?	See above.
If no, how do IFRS 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 Standards (including Interpretations) in place?	No.
If yes, what is the process?	Not applicable.
If no, how do new or amended IFRS Standards become a requirement in the jurisdiction?	The MoF and NBK have adopted IFRS Standards for specified companies. Endorsement of individual new or amended IFRS Standards is not necessary.
Has the jurisdiction eliminated any accounting policy options permitted by IFRS Standards and/or made any modifications to any IFRS Standards?	No.
If yes, what are the changes?	Not applicable.
Other comments regarding the use of IFRS Standards in the jurisdiction?	None.

TRANSLATION OF IFRS STANDARDS

Are IFRS Standards translated into the local language?	Under the MoF regulations, financial statements of Kazakhstan companies may be published in either the Kazakh or Russian languages. IFRS Standards have been translated into both languages: Kazakh "Red Book" and Russian "Blue Book".
If they are translated, what is the translation process? In particular, does this process ensure an ongoing translation of the latest updates to IFRS Standards?	The translations follow the official IFRS Foundation translation process.

APPLICATION OF THE IFRS FOR SMEs STANDARD

Has the jurisdiction adopted the IFRS for SMEs Standard for at least some SMEs? Yes.

If no, is the adoption of the IFRS for SMEs Standard under consideration? Not applicable.

Did the jurisdiction make any modifications to the IFRS for SMEs Standard? No.

If the jurisdiction has made any modifications, what are those modifications? Not applicable.

Which SMEs use the IFRS for SMEs Standard in the jurisdiction, and are they required or permitted to do so? Full IFRS Standards are mandatory for financial statements of large business enterprises (more than 250 employees or annual revenue more than approximately US\$20 million) and public-interest companies, including all financial institutions, whether or not their securities are traded publicly. Medium-sized business enterprises and state enterprises are required to use either full IFRS Standards or the *IFRS for SMEs* Standard. Small enterprises must choose between full IFRS Standards, the *IFRS for SMEs* Standard, and a national standard developed by the MoF.

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

Other comments regarding use of the IFRS for SMEs Standard? None.