



JURISDICTIONAL PROFILE: **Ukraine**

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This Profile provides information about the application of IFRS® Accounting Standards (Standards) in Ukraine. 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.

Profile last updated: 26 July 2022

RELEVANT JURISDICTIONAL AUTHORITY

Organisation	Ministry of Finance of Ukraine (MinFin)
Role of the organisation	By law, the Ministry of Finance is the official standard-setting body.
Website	www.mof.gov.ua
Email contact	nikonova@minfin.gov.ua

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.
What is the jurisdiction's status of adoption?	Ukraine has adopted IFRS Accounting Standards for companies, meeting the criteria specified in legislation.
Additional comments provided on the adoption status?	<p>IFRS Accounting Standards became mandatory for all public joint stock companies, insurance companies and other entities engaged in the activities by types, list of which is defined by the Government effective 1 January 2012. Optionally, IFRS Accounting Standards were permitted starting 1 January 2011 for this type of companies.</p> <p>Banks were required to apply IFRS Accounting Standards in their annual financial statements starting 1 January 2011. Banks were required to prepare their quarterly financial statements in accordance with IAS 34 starting with the first quarter of 2016. That requirement was adopted by the National Bank of Ukraine by Resolution No. 540 of 18 August 2015.</p> <p>According to the law of 5 October 2017 "On amendments to the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" on the Improvement of some Provisions" IFRS Accounting Standards became mandatory for public interest entities, public joint-stock companies, business entities operating in the extractive industries, as well as enterprises engaged in economic activities by types, the list of which is determined by the Government.</p> <p>All other companies may voluntarily apply IFRS Accounting Standards for accounting.</p>
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	
<i>For DOMESTIC companies whose debt or equity securities trade in a public market in the jurisdiction:</i>	
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?	All domestic companies whose securities are traded in a public market are required to use IFRS Accounting Standards in their consolidated financial statements.
If YES, are IFRS Accounting Standards REQUIRED or PERMITTED?	Required for banks starting 1 January 2011. Required for public joint stock companies starting 1 January 2012 and for others starting 1 January 2018.
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	Yes.

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?

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

The separate financial statements of companies whose securities are traded in a public market are required to be prepared in conformity with IFRS Accounting Standards.

Under the *Law on Accounting and Financial Reporting in Ukraine*, the following entities are required to use IFRS Accounting Standards whether or not their securities are traded in a public market:

- public Joint Stock companies;
- banks;
- insurance companies;
- non-state pension funds and other financial institutions (except for non-state pension funds and other financial institutions that pertain to small and micro companies under the legislative criteria);
- business entities operating in the extractive industries;
- companies classified as large companies under criteria defined by the law; and
- enterprises engaged in economic activities by types, the list of which is determined by the Government.

All SMEs (as determined in the *Law*) are permitted to use the full IFRS Accounting Standards or they may use Ukrainian 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. All foreign companies whose securities trade in a public market are required to use IFRS Accounting Standards in their consolidated financial statements.

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 Accounting 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 Accounting 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)?	Auditors are required to state in the audit report whether the financial statements comply with the law. The law does not specifically forbid dual reporting, however, in practice dual reporting does not occur.
Are IFRS Accounting Standards incorporated into law or regulations?	Yes.
If yes, how does that process work?	<p>Under the Law on Accounting and Financial Reporting in Ukraine, the following entities are required to use IFRS Accounting Standards whether or not their securities trade in a public market:</p> <ul style="list-style-type: none"> • public Joint Stock companies; • banks; • insurance companies; • non-state pension funds and other financial institutions (except for non-state pension funds and other financial institutions that pertain to small and micro companies under the legislative criteria); • business entities operating in the extractive industries; • companies classified as large companies under criteria defined by legislation; and • enterprises engaged in economic activities by types, the list of which is determined by the Government.
If no, how do IFRS Accounting Standards become a requirement in the jurisdiction?	<p>The companies whose securities are traded in a public market are required to use IFRS Accounting Standards in their accounts under the Law on Accounting and Financial Reporting in Ukraine. All SMEs (as determined in the Law) are permitted to use the full IFRS Accounting Standards or they may use Ukrainian Accounting Standards. In December 2011, the National Bank of Ukraine, the Ministry of Finance, and the Ministry of Statistics issued a joint letter clarifying the adoption of IFRS Accounting Standards in Ukraine, as follows:</p> <ul style="list-style-type: none"> • Banks were required to use 1 January 2011 as their date of transition to IFRS Accounting Standards. • All other entities required to adopt IFRS Accounting Standards were given a choice of either 1 January 2011 or 1 January 2012 as their date of transition to IFRS Accounting Standards. Those who chose a transition date of 1 January 2012 could prepare their 2011 financial statements based on Ukrainian Accounting Standards.
Does the jurisdiction have a formal process for the 'endorsement' or 'adoption' of new or amended IFRS Accounting Standards (including Interpretations) in place?	Yes. The Law requires that for statutory financial statements entities use only those IFRSs standards that have been translated into Ukrainian and published on the website of the Ministry of Finance of Ukraine.
If yes, what is the process?	Under the terms of a Waiver of Copyright Agreement with the IFRS Foundation, the Ministry of Finance translates IFRS Accounting Standards into Ukrainian and posts them on its website.

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, they are translated into Ukrainian.

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 process is coordinated by the IFRS Foundation to ensure an on-going translation of the latest updates.

APPLICATION OF THE IFRS FOR SMEs ACCOUNTING STANDARD

Has the jurisdiction adopted the *IFRS for SMEs* Accounting Standard for at least some SMEs? No.

If no, is the adoption of the *IFRS for SMEs* Accounting Standard under consideration? No.

Did the jurisdiction make any modifications to the *IFRS for SMEs* Accounting Standard? Not applicable.

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

Which SMEs use the *IFRS for SMEs* 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 *IFRS for SMEs* Accounting Standard, what other accounting framework do they use? Not applicable.

Other comments regarding use of the *IFRS for SMEs* Accounting Standard? On 9 July 2021, the Ministry of Finance of Ukraine issued an order by which it disallowed use of the IFRS for SMEs Accounting Standard for the entities in scope of this standard in the Ukraine.