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**The relevance of  
international accounting  
and auditing standards**

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**Who cannot wait for IAS**

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**and when they will lose patience**

**and what they will do then**

# Who cannot wait for IAS

*Everybody who gives/controls money*

- **Financial managers**
- **Domestic investors**
- **Foreign investors**
- **International financial institutions**

**what they need**

## **Financial managers**

- **substance over form**
- **non-tax approach**
- **reports useful for management decisions**

**what they need**

## **Domestic investors**

- **portfolio friendly**
- **full picture**
- **international audit**

**what they need**

## **Foreign investors**

- **comparability**
- **strict rules for multi-currency accounting**
- **no transformation expenses**

**what they need**

# **International financial institutions**

- **conditionalities**
- **stability**
- **use of standard formulas**

# How long

**Financial managers**

**3 years**

**Domestic investors**

**3 years**

**Foreign investors**

**3-4 years**

**International financial  
institutions**

**3 years**

# Reaction to failure

<b>Financial managers</b>	<b><u>double workload, evasion from local jurisdiction</u></b>
<b>Domestic investors</b>	<b><u>competitive disadvantages, keeping funds offshore</u></b>
<b>Foreign investors</b>	<b><u>higher rates, lower ratings, other markets</u></b>
<b>International financial institutions</b>	<b><u>contractual terms, closing support programs</u></b>

# 2010: ex-USSR and IAS

- **IAS**
  - from 2005 IAS to be used by EU companies for consolidated statements
  - by 2010 IAS and US GAAP should be mostly the same
- **Caucasian and Central Asian countries of ex-USSR will accept IAS by 2002-2005**
- **Russia? Ukraine? Byelorussia? Kazakhstan?**
- **Difficulties for trade relations**
- **Complexity in economic cooperation**

# FIAR: mission

## To promote

- professional training
- research
- exchange
- knowledge dissemination

**in the area of the international accounting**

# FIAR: projects, products, numbers

- **'Practical application of IAS' - training for professional accountants (CPE), 10,000 trained**
- **Officially endorsed IAS textbook for universities, 1,000 books**
- **International Accounting Toolkit CD-ROM, 2,000 copies**
- **Internet-weekly, 230,000 visitors**
- **Network of universities, 120 universities**

# Contact info

- **Our web-site [WWW.FIAR.RU](http://WWW.FIAR.RU)**
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