OECD EXPERTS AND NEW INDEPENDENT REPUBLICS OF FORMER SOVIET UNION
DISCUSS ACCOUNTING REFORM

OECD and international experts recently met with representatives from eight newly independent republics of the former Soviet Union to discuss the modernisation of the accounting systems in the republics. This modernisation is required for the smooth transition to a market economy, for the development of international trade and investment, for the development of capital markets, and for the creation of a private sector.

This third meeting of the Council on Accounting Methodology, which was set up by the OECD in July 1992, was held in Tashkent on 25th-26th May and hosted by the Government of Uzbekistan. Chairmen were Professor Yuri Itkin, President of the Auditors and Accountants Association of Uzbekistan and Mr. Rainer Geiger, Deputy Director, OECD Directorate for Financial, Fiscal and Enterprise Affairs. The Council brings together representatives of finance ministries, academics and the accounting profession from eight NIS republics (Belarus, Kazakhstan, Kyrgyzstan, Moldovia, Russia, Turkmenistan, Ukraine and Uzbekistan) as well as the Association of Accountants and Auditors of the CIS. The Council includes also experts from OECD Member countries and international organisations (World Bank and the United Nations.)

Participants discussed the elements of a new accounting system for the NIS, the main principles of auditing legislation, as well as specific valuation and privatisation issues.

The Council agreed that each republic is responsible for developing its own accounting legislation, but that a document setting out the main elements of an accounting law and the assistance and advice of western experts would be highly desirable. There is a need to centralise and disseminate information on accounting and auditing legislation, as well as to share experience in the drafting of such legislation. Each republic will designate a national contact point and communicate information on its accounting and auditing rules and standards, including proposed legislation, to Prof. Itkin, Chairman of the Coordinating Council. Prof. Itkin was also mandated to contact other Republics not represented on the Council and to explore with them their interest in joining the Council.
The Co-ordinating Council requested international organisations to provide it with the texts of international standards and with comparative studies on accounting in market economies and to sponsor translations of the relevant material into Russian.

To assist the republics in their consideration of appropriate accounting and auditing legislation, OECD will prepare for the next meeting an analytical document on the main elements to be included in an accounting law, including issues concerning accounting standards, with particular relevance to the situation of the NIS countries. A special paper will cover questions concerning auditing law. The next Council meeting will also focus on the specific problem of inflation accounting and will propose practical methods for dealing with inflation accounting in the NIS.

Recognising the fundamental role played by accounting education and training in the development of the accounting profession, the international experts agreed to exchange proposals for suitable technical assistance co-operation with these republics. It was also proposed that international organisations should consider pooling their resources for joint activities in the field of accounting training.

In accordance with the Council’s agreed programme of work, the next meeting will be held in Tashkent, Uzbekistan, in the first week of November 1993. In 1994 the meetings of the Co-ordinating Council will be held in Minsk under the chairmanship of Belarus.

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