OECD AND NEW INDEPENDENT REPUBLICS OF FORMER SOVIET UNION
AGREE ON CO-ORDINATION FOR ECONOMIC REFORM

The OECD and eight newly independent republics of the former Soviet Union have agreed to combine efforts in a critical area of economic reform.

The agreement laid the foundation for the creation of a Co-ordinating Council on Accounting Methodology which will propose changes designed to modernise accounting practices in the eight republics and to introduce international accounting principles and practices in an attempt to boost the process of economic reform. The Council will be comprised of representatives from each of the republics including Belarus, Kazakhstan, Kyrgystan, Moldova, Russia, Turkmenistan, Ukraine and Uzbekistan, as well as several international organisations cooperating with the OECD in providing technical and practical assistance in the area of accounting.

The agreement came at the conclusion of an International Conference on Accounting Reform in the New Independent States, hosted by the Ukrainian Ministry of Finance in Kiev on 14-15 July. The Conference brought together, for the first time, high-level finance ministry officials from the republics, parliamentarians from the Supreme Soviet, professional accounting representatives and academics from East and West to try and find common solutions to the pressing problem of equipping the accounting system to handle effective transition to a market economy.

The Council will:

-- exchange information and experience on accounting reforms;
-- promote the harmonisation of accounting standards;
-- exchange information on technical assistance in accounting promoted by national and international bodies;
-- promote the development and organisation of the accounting profession and encourage accounting research and training;

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-- encourage publications on accounting and auditing trends and developments.

The OECD will provide information and advice to the Council in the implementation of these objectives. In addition, other international organisations backing this effort include the United Nations Transnational Corporation and Management Division, the European Commission and the World Bank who were also represented at the Conference.

The first organisational meeting of the Co-ordinating Council on Accounting Methodology is scheduled to take place in the Ukraine by year end.

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