OECD AND CIS REPUBLICS
DISCUSS COMMON APPROACH TO ACCOUNTING REFORM

Meeting in Minsk, Belarus, on 22nd-23rd September 1994, the Co-ordinating Council on Accounting Methodology for the NIS agreed to step up efforts to introduce urgently needed accounting reforms in the new independent states of the former Soviet Union. Mr. G. V. Tarasevich, Deputy Minister of the Ministry of Finance of Belarus, and Mr. Rainer Geiger, Deputy Director, OECD Financial, Fiscal and Enterprise Affairs Directorate, presided at the opening ceremonies. The meeting was chaired by Mr. V. E. Vankevich, Head of the Accounting Methodology Department of the Ministry of Finance of Belarus.

The Co-ordinating Council was set up in 1992 as a means of channeling assistance to the republics from OECD Member countries and international organisations such as the World Bank and the United Nations. It includes representatives of the association of accountants and auditors of the CIS, finance ministries, the accounting profession, and academics from Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Turkmenistan, Ukraine and Uzbekistan.

The meeting discussed recent developments in auditing and accounting in the NIS, the interrelation between tax and financial reporting, training needs in the NIS, and a project to develop an information network on accounting. It identified the most critical problems in accounting, including:

-- creating a conceptual framework for accounting reform in the absence of a developed market infrastructure;

-- a general lack of co-ordinated information-sharing among CIS about accounting reform leading to inconsistent and conflicting accounting practices and obstacles to trade and investment within the CIS;

-- the development of financial reporting standards which not only satisfy taxation authorities but meet the needs of new groups of users, including domestic and foreign investors;
-- ensuring the reliability and availability of financial statements and
developing an independent auditing profession;

-- lack of trained accounting personnel capable of implementing the reforms
that have been introduced;

-- lack of professional standards for accountants and auditors.

The Co-ordinating Council adopted a set of conclusions which address the
specific issues raised. In an effort to increase the availability and
circulation of accounting and auditing information, the group agreed to create
an information network to collect information on accounting legislation and
standards both in the NIS and western market economies. It was agreed to
disseminate this information rapidly to all interested users, including
governments, educational institutions, businesses and the public. The
information network would be a collaborative effort between the participating
NIS states on the one hand and international organisations, associations and
businesses on the other. The OECD would be responsible for co-ordinating the
initial funding and set up a management committee.

The Council agreed that its fifth meeting will be chaired by Kazakhstan
and will take place in Almaty in September 1995. Future topics will include
the development of management accounting systems, accounting and business
evaluation in the context of privatisation, and specific accounting issues for
financial institutions.

The OECD will publish the proceedings of this meeting. Further
information, including the full conclusions of the meeting, are available from:

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