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# Converting to International Financial Reporting Standards

**Take the Lead**



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# Summary of the Law on Accounting

Effective dates for compliance with the law on accounting dated 29 June 2004 for different categories of organizations:

## Commercial Organizations

Organizations of public significance - 1 January 2008

Small entrepreneurship entities - 1 January 2006

Other commercial organizations - 1 January 2008

## Non Commercial Organizations

Municipal agencies, budget organizations, non-government organizations – 1 January 2009

# Commercial Organizations

## I. Organizations of Public Significance :

Credit organizations;

Insurance companies;

Investment funds;

Non-government (private) social funds;

Companies listed in stock exchange; and;

Companies that meet two or more of the criteria below at the date of preparation of financial statements:

- Annual income of AZN 120 millions;
- Average number of 1,500 employees during the year;
- Total assets of AZN 300 millions.

# Commercial Organizations

## II. Small entrepreneurship entities:

Companies meeting the following criteria:

Types of economic activity	Number of employees	Net Annual turnover, AZN
Industry and construction	< 50	<= 500,000
Agriculture	< 25	<= 250,000
Wholesale trade	< 15	<= 1,000,000
Retail trade, transportation, service and others	< 10	<= 250,000

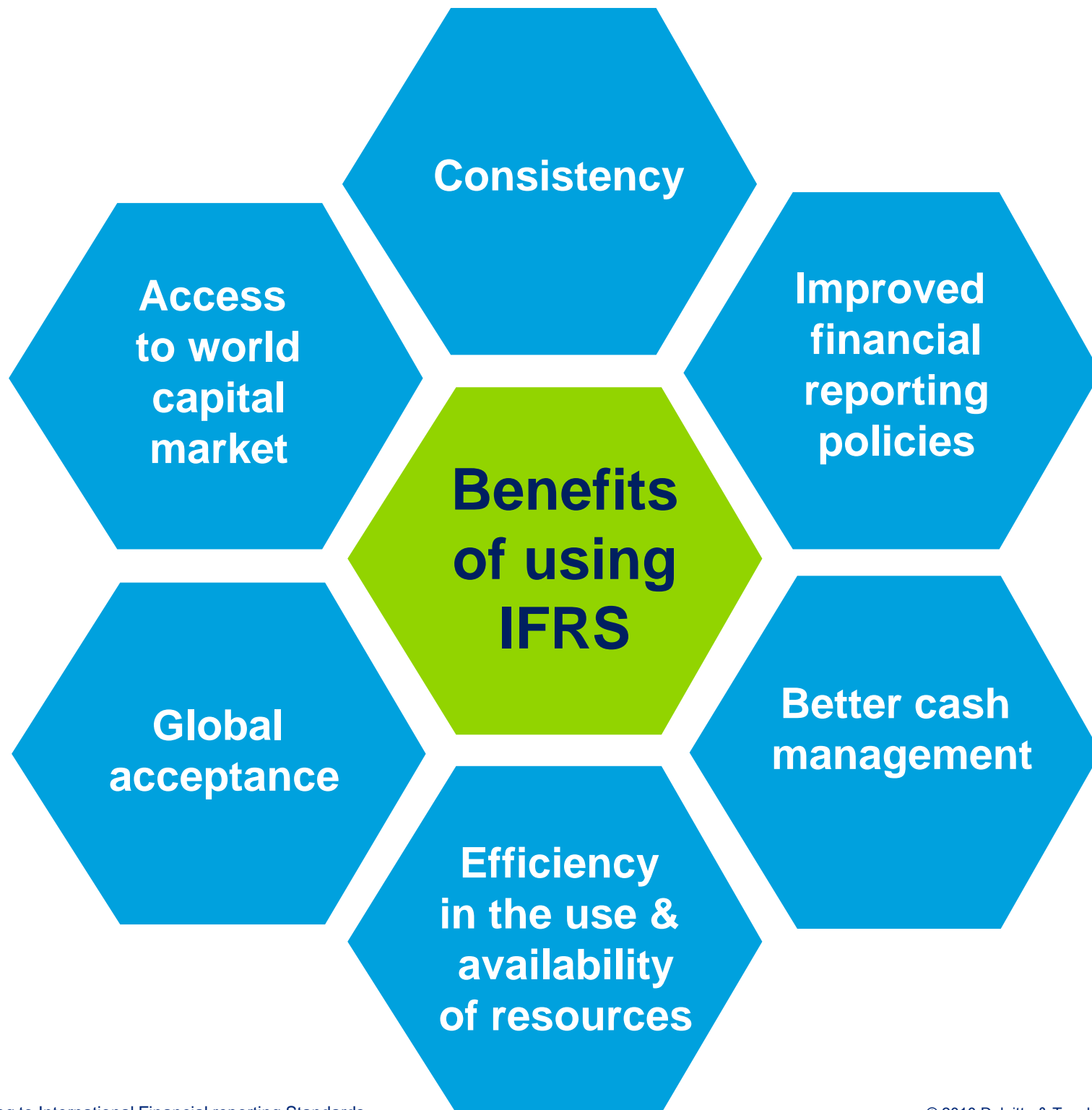
### **III. Other commercial organizations:**

Commercial organizations other than indicated in 1st and 2nd categories

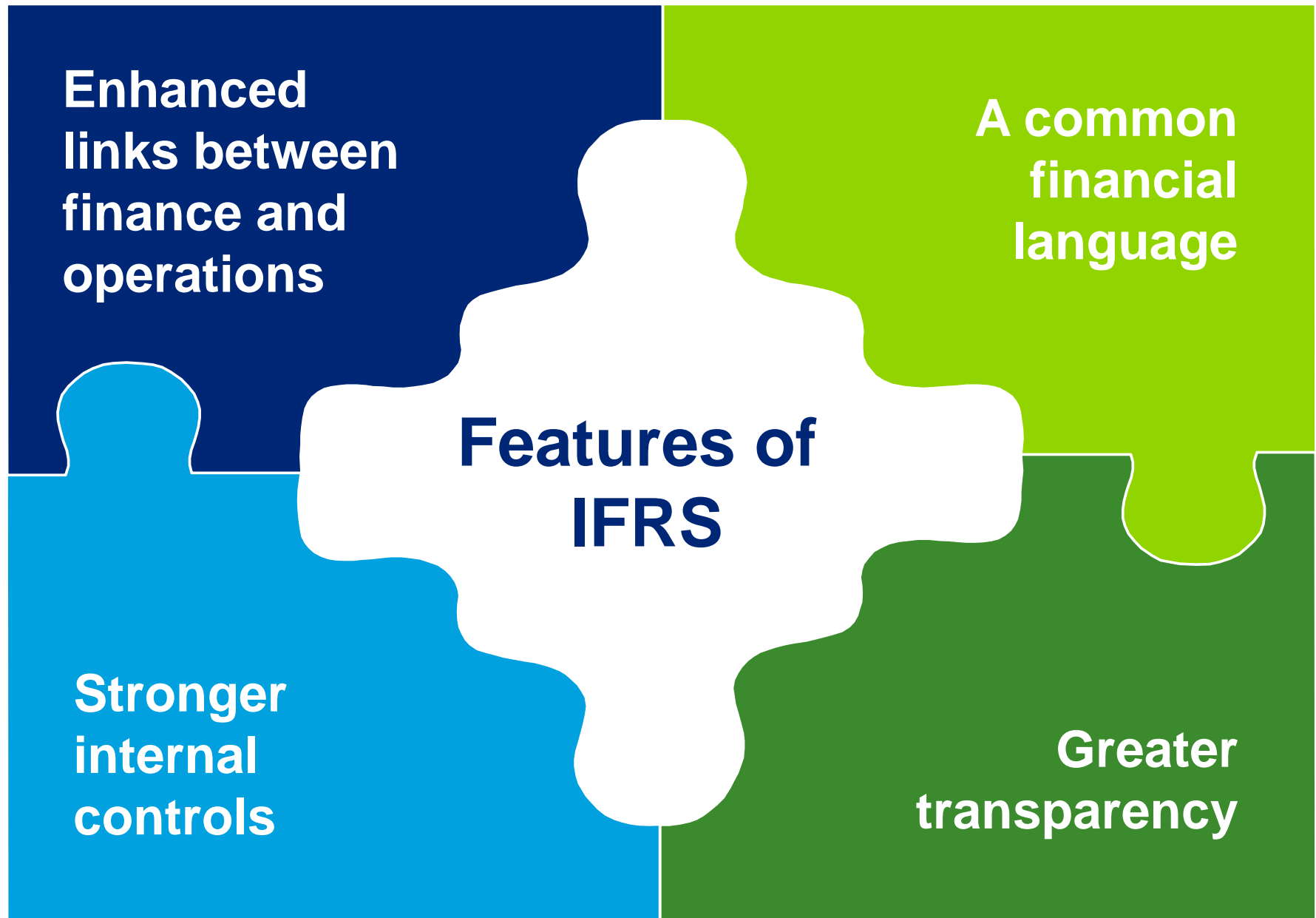
## **Non Commercial Organisations**

### **Municipal agencies, budget organizations & non-government organizations:**

Municipal agencies, budget organizations & non-government organizations are required to prepare financial reports in accordance with NAS.

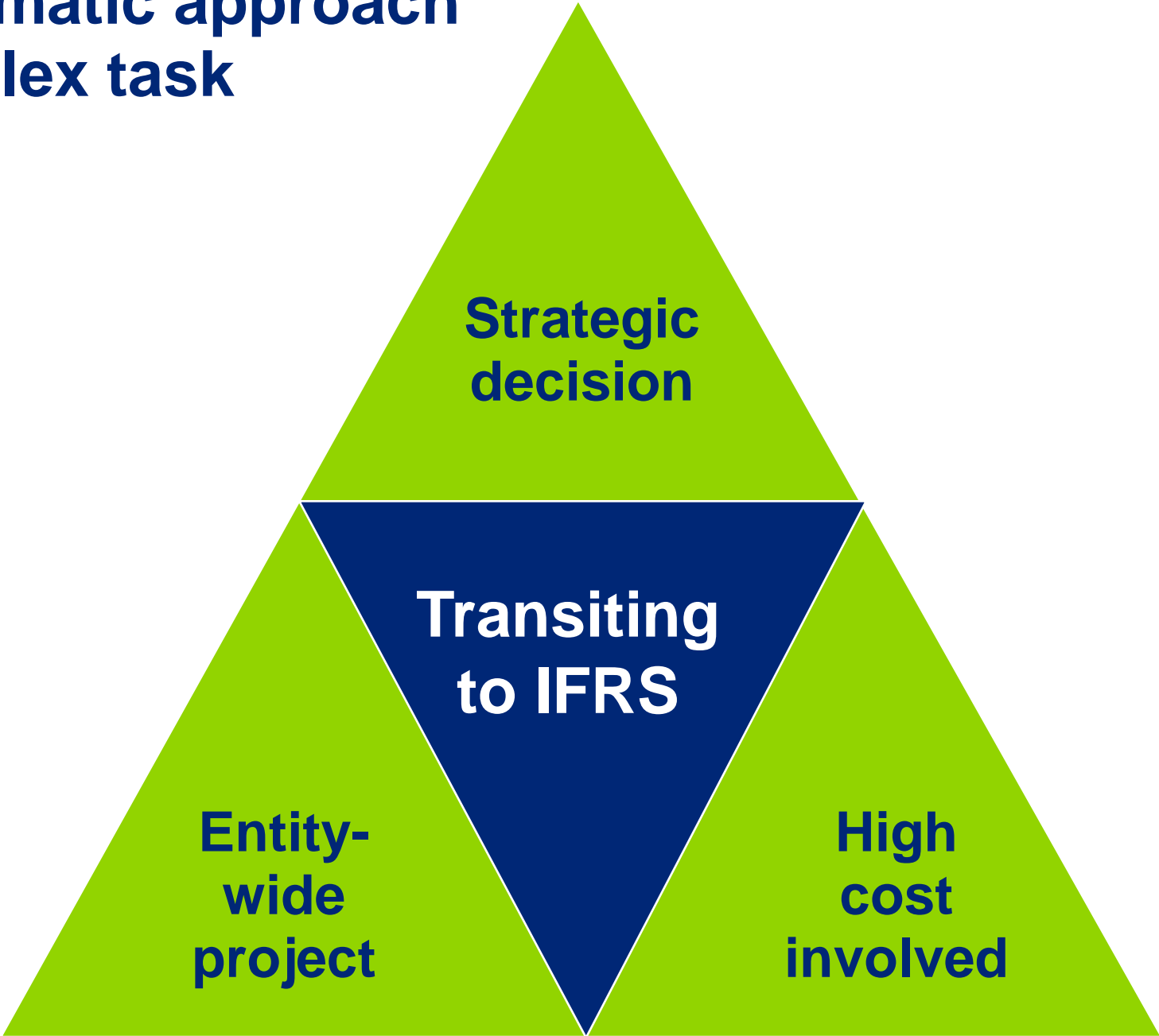


# What does IFRS result in?



# Systematic approach

## Complex task



# Difficulties in converting to IFRS

Availability of technical expertise

Appropriate methodology & related experience

Complexity of IFRS standards

Achievement of deadline

# Deloitte's offerings towards IFRS transition

## IFRS conversion

- Premium quality staff for IFRS conversion and post implementation issues

## Plan for sustainability

- Development of a plan for sustainability
- Address the implications of IFRS in all areas within an organization

## Internal controls & fast close

- Design and implement control frameworks
- Fast close methodologies

## IT architecture

- Efficient information technology architecture and data flow to make IFRS reporting efficient and reliable

## Post implementation support

- Evaluation of post implementation effects

## Staff training

- Training of the client staff for exact IFRS needs for the organization



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