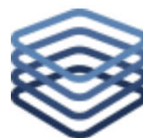




Reform assistance
to Georgia

საქართველოში რეფორმების
განხორციელებაში დახმარება



SERVICE FOR ACCOUNTING,
REPORTING AND AUDITING
SUPERVISION

Tbilisi
19 June 2018

Improved Financial Reporting for Category IV Enterprises for Easier Access to Finance

Working Meeting with Major Local and International Banks and Financial Institutions in Georgia

TBILISI – On 19 June, the [Service for Accounting, Reporting and Auditing Supervision](#) (SARAS) of the Ministry of Finance of Georgia, supported by the UK Good Governance Fund (GGF), hosted a working meeting to present the draft financial reporting and accounting standard for

Category IV enterprises. Head of SARAS **Yuri Dolidze** and GGF's Economic Projects Manager **Givi Chanukvadze** welcomed the audience with the opening remarks.

The aim of the meeting was to inform the local and international banks and financial institutions on the new financial reporting standard and open floor for discussion at the final stage of the standard development, including about perspectives of increasing access to finance for Category IV enterprise as one of the major benefits of the new standard.

David Mchedlidze, Head of Accounting and Reporting Supervision Department, SARAS: “The key objective of the simplified financial accounting standard is to

increase access to finance for enterprises and reduce tax administrative burden. It [the Standard] is fully recognizes the minimum EU requirements and international best practice.”

The process of standard development envisaged the analysis of the Generally Accepted Accounting Principles (GAAP) of Georgia, Estonia UK, Poland, Ireland and Singapore. Online survey of Category IV entities and in-depth interviews with accountants were conducted. In addition, SARAS has formed a Consultative Group composed of accountants, legislators, and representatives from Revenue Service, banks and professional associations, which highly contributed to the development of the simplified financial accounting standard for Category IV enterprises.

Yuri Dolidze, Head of SARAS: “Financial accounting reform implemented by our Service fully responds to Georgia’s social and economic development Strategy. One of the key objectives of the reform is to improve corporate governance and accounting discipline and significantly increase trustworthiness of financial reporting. I would like to take this opportunity and thank



all members of the Consultative Group for their professionalism and high level of engagement in the standard elaboration process, as well as express my gratitude to the Project team and the donor for their continuous support. We expect that the enforcement will be as successful as the process of standard development itself.”



Measures taken by the Government to simplify the financial accounting standard was positively appraised by representatives of commercial banks and international financial institutions stating that the complete and trusted accounting information will help easier access to finance for Category IV enterprises and simplify the loan approval process.

As required by the procedure, the new Standard, developed through wider consultative process, has been submitted to the SARAS [Board](#) for approval. In the next phase,

the Project will pilot financial statements and host a set of meetings and events as part of the awareness raising campaign.

* * *

The Meeting was organized within the framework of the Technical Assistance Project for SARAS – **“Improving Financial Accounting and Reporting for Category IV Enterprises”**, implemented through the support of the UK’s Good Governance Fund (GGF). The Project envisages elaboration of a new, simplified financial reporting and accounting standard to be introduced by SARAS before 1 July 2018, in compliance with the [Law of Georgia “On Accounting, Reporting and Audit”](#).