

Need advice on Russian accounting principles and financial reporting?

*Let's discuss how to
resolve your concerns
on Russian financial
reporting.*



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Many Finnish companies are active in the Russian market through their subsidiaries. The business in Russia is complicated due to cultural, language and historical differences. Accounting adds additional layer of complexity to this.

Establishing financial reporting processes in Russia

The level of complexity related to the preparation of IFRS / Finnish GAAP / any foreign GAAP group reports demonstrates itself particularly well in the situation of new acquisition. New reporting routines have to be introduced to the newly acquired Russian legal entity or its group within a short period of time, while key resources (e.g. local controller) might be still missing. What procedures should be introduced to make sure that closing happens within the timeframe expected by the new foreign parent? If transformation as a method of preparation of Group reports is chosen, how Russian accounting information can be processed to be able to generate proper Group reporting format? What IFRS adjustments should be done and how to calculate them? How to account for differences between Finnish and Russian closing?

Some common concerns

Even in established Russian subsidiaries there are accounting questions about Group reporting that are raised on regular basis. Triggering events include changes in the organisation (e.g. transfer of activities from representative office to company, from one to several companies or from several to one, etc.), changes in the scope of business (e.g. startup of the production, expansion into new sphere) or change of key employees either in Finland or in Russia. Even normal activities can generate Group accounting questions on either side of the border. Are our accounting routines working right? Is Russian subsidiary providing the fair information to Finnish or other foreign parent? Why are the differences between

Russian and Finnish accounting so big? Are there accounting or internal control weaknesses? Can we introduce Finnish accounting systems in Russia and what might it mean to Russia and for Finland?

Sometimes there are more serious concerns

The expected profitability is never realized or the profitability fluctuations from month to month are high. Are the issues accounting driven or are they real and related to the business? What needs to be done?

Let's discuss

Experienced professionals from PwC Finland can help you with these and many other Russian issues. Understanding of the accounting and how it works on both sides of the border combined with native Russian language skills and working experience in Russia. We can help to solve many items, which puzzle you.

Contact us!



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