**RUSSIAN FEDERATION**

**FEDERAL LAW**

**from December 6, 2011 № 402-FZ**

“ON ACCOUNTING”

Chapter 1. GENERAL PROVISIONS

**Article 1. Objectives and subject of this Federal Law**

1. The objectives of this Federal Law are to establish unified requirements for accounting, including financial statements, and to create a legal mechanism of accounting regulation.
2. Accounting – maintaining of documentary systematized information on elements, set forth in this Federal Law, in accordance with the requirements, established by this Federal Law, and preparation on its basis of financial statements.

**Article 2. Scope of this Federal Law**

1. This Federal Law shall apply to the following persons (hereinafter referred to as “business units”):
2. for-profit and not-for-profit organizations;
3. state bodies, local self-government bodies, governing bodies for state extra-budgetary funds of the Russian Federation and territorial state extra-budgetary funds;
4. the Central Bank of the Russian Federation;
5. sole proprietorships and also lawyers, who have founded lawyer offices, notaries and other persons, who are engaged in private practice (hereinafter referred to as “persons who are engaged in private practice”);
6. branches, representative offices and other structural divisions of entities, represented in the territory of the Russian Federation, created in accordance with the legislation of foreign states, international organizations, their branches and representative offices, represented in the territory of the Russian Federation, unless otherwise provided under international treaties of the Russian Federation.
7. This Federal Law shall be applied taking into account the budgetary legislation of the Russian Federation to keep budgetary records of non-financial and financial assets and liabilities of the Russian Federation, constituent entities of the Russian Federation and municipalities, transactions, changing these assets and liabilities, and also to prepare, file, consider and approve budgetary statements. Provisions of this Federal Law established in respect of public sector entities shall apply to other entities with regard to their powers on keeping of budgetary records and (or) preparation and filing of budgetary statements carried out in accordance with the budgetary legislation of the Russian Federation.
8. This Federal Law shall be applied by a trustee to keep accounting records of the property and related elements of accounting, transferred to him into entrusted management, and also to keep accounting records, including by one of participants of the legal persons’ partnership agreement, of the partners’ general property and related elements of accounting.
9. This Federal Law shall be applied to keep accounting records under implementation of the product sharing agreement, unless otherwise established by the Federal Law of December 30, 1995 № 225-FZ "On product sharing agreements".
10. This Federal Law shall not be applied to create information, necessary to prepare financial statements for the internal purposes by a business unit, financial statements for filing to the credit institution in accordance with its requirements, and also financial statements for other purposes, if the legislation of the Russian Federation and established in accordance with it rules of preparation of this financial statements do not provide application of this Federal Law.

**Article 3. Main definitions used in this Federal Law**

For the purposes of this Federal Law the following main definitions are used:

* 1. financial statements - information on the financial position of the business unit for the reporting date, finance results of its activity and cash flow for the reporting period, systematized in accordance with the requirements established by this Federal Law;
  2. authorized federal body - federal executive body authorized by the Government of the Russian Federation to carry out functions of the state policy-making and regulations on accounting and financial statements;
  3. accounting standard - document establishing minimum necessary requirements for accounting, and also appropriate methods of accounting;
  4. international standard - accounting standard, which is custom in international business, despite of the certain title of such standard;
  5. chart of accounts - systemized list of accounts;
  6. reporting period – period covered by financial statements;
  7. the head of the business unit - the person, who is single executive body of the business unit, or the person responsible for management of the business unit, or the managing director who is acting as a single executive body;
  8. fact of economic activity - operation, event, transaction which render or are capable to have impact on the financial position of the business unit, financial result of its activity and (or) cash flow;
  9. public sector entities - public (municipal) institutions, state academies of sciences, state bodies, local self-government bodies, bodies of local public administration, governing bodies for state extra-budgetary funds of the Russian Federation and territorial state extra-budgetary funds.

**Article 4. Legislation of the Russian Federation on accounting**

The legislation of the Russian Federation on accounting consists of this Federal Law, other federal laws and regulations adopted in accordance with them.

**Chapter 2. GENERAL REQUIREMENTS FOR ACCOUNTING**

**Article 5. Elements of accounting**

Elements of accounting of a business unit are:

1) facts of economic activity;

2) assets;

3) liabilities;

4) financial sources for its activity;

5) revenues;

6) expenses;

7) other elements in cases, established by the federal standards.

**Article 6. Duty to keep accounting records**

1. Business unit shall keep accounting records in accordance with this Federal Law unless otherwise established by this Federal Law.
2. In accordance with this Federal Law the following business units may not keep accounting records:
   1. the sole proprietorship, the person, who is engaged in private practice, in case when, in accordance with the legislation of the Russian Federation on taxation and levies, they keep records of income or of income and expenses and (or) of other elements of taxation or of physical indicators, characterizing certain forms of business activity;
   2. the branch, the representative office or other structural division of the entity, created in accordance with the legislation of the foreign state, located in the territory of the Russian Federation, in case when, in accordance with the legislation of the Russian Federation on taxation and levies, they keep records of income and expenses and (or) of other elements of the taxation in the order, established by this legislation.
3. Accounting records shall be kept constantly from the date of state registration to the date of termination of activity that is result of reorganization or liquidation.
4. Simplified methods of accounting, including simplified financial statements, could apply, unless otherwise established by this Article, the following business units:
   1. small-size enterprises;
   2. not-for-profit organizations;
   3. entities, obtained the status of the project participants on carrying out researches, developments and commercialization of their results, in accordance with the Federal Law of September 28, 2010 № 244-FZ “On the Skolkovo Innovation Center”.
5. Simplified methods of accounting, including simplified financial statements, could not apply the following business units:
6. entities, whose financial statements is subject to the statutory audit in accordance with the legislation of the Russian Federation;
7. housing and building cooperatives;
8. credit consumer cooperatives (including agricultural credit consumer cooperatives);
9. microfinance institutions;
10. public sector entities;
11. political parties, their regional offices or other structural branches;
12. collegiums of advocates;
13. bureaus of advocates;
14. juridical consultations;
15. bar chambers;
16. notary chambers;
17. not-for-profit organizations, acting as foreign agents, included in the register of not-for-profit organizations, set forth in point 10 of Article 13.1 of the Federal Law of January 12, 1996 № 7-FZ “On not-for-profit organizations”.

**Article 7. Organization of keeping of accounting records**

* 1. Keeping of accounting records and storage of accounting documents shall be organized by the head of the business unit with the exception of cases unless otherwise set forth in the budgetary legislation of the Russian Federation.
  2. In case when the sole proprietorship, the person who is engaged in private practice, keep accounting records in accordance with this Federal Law, they organize keeping of accounting records and storage of accounting documents themselves and fulfill other duties established by this Federal Law for the head of the business unit.
  3. The head of the business unit shall assign responsibility of keeping of accounting records to the chief accountant or other officer of this unit, or to make a contract on accounting outsourcing, unless otherwise set forth in this point. The head of the credit institution shall assign keeping of accounting records to the chief accountant. The head of the business unit that, in accordance with this Federal Law, could apply simplified methods of accounting, including simplified financial statements, and also the head of the medium-sized enterprise, except for business units, mentioned in point 5 of Article 6 of this Federal Law, could assume upon himself keeping of accounting records.

3.1. The order of delegation of powers on keeping of accounting records and filing of financial statements by public sector entities shall be established by the budgetary legislation of the Russian Federation.

* 1. In joint-stock companies (except for credit institutions), insurance companies and non-state pension funds, joint-stock funds, managing companies of unit trusts, in other business units, whose securities have been admitted to organized trading (except for credit institutions), in public sector entities preparing consolidated (aggregate) budgetary statements, consolidated statements of public (municipal) institutions the chief accountant or other officer, who is responsible for keeping of accounting records, must respond the following requirements:
  2. to have higher education;
  3. to have experience, related to accounting, preparation of financial statements or auditing, at least three years of the last five calendar years, and in the absence of higher education in accounting and auditing - at least five years of the last seven calendar years;
  4. not to have an unexpunged or unexpired conviction for economic crimes.
  5. Additional requirements for the chief accountant or other officer, who is responsible for keeping of accounting records, may be established by other federal laws.
  6. Natural person, with whom business unit makes a contract on accounting outsourcing, must respond the requirements established by point 4 of this Article. Legal person, with whom business unit makes a contract on accounting outsourcing, must have at least one employee with the employment contract, who respond the requirements, established by point 4 of this Article.
  7. The chief accountant of the credit institution and the chief accountant of the non-credit financial institution have to respond the requirements, established by the Central Bank of the Russian Federation.
  8. In case of disagreements concerning keeping of accounting records between the head of the business unit and the chief accountant or other officer, who is responsible for keeping of accounting records, or by the person, with whom the contract on accounting outsourcing was made:
  9. the data containing in accounting source documents, shall be accepted (not accepted) by the chief accountant or other officer, who is responsible for keeping of accounting records, or by the person, with whom the contract on accounting outsourcing was made, for recording and accumulation in accounting books, in accordance with the written order of the head of the business unit, who is solely responsible for generated information;
  10. the element of accounting shall be reflected (not reflected) by the chief accountant or other officer, who is responsible for keeping of accounting records, or by the person, with whom the contract on accounting outsourcing was made, in financial statements based on the written order of the head of the business unit, who is solely responsible for reliability of represented financial position of the business unit for the reporting date, financial result of its activity and cash flow for the reporting period.

**Article 8. Accounting policies**

* 1. Set of approaches to keeping of accounting records by a business unit makes its accounting policies.
  2. Business unit independently apply its accounting policies, in accordance with the legislation of the Russian Federation on accounting, federal and industry standards.
  3. Under applying of accounting policies, related to the certain element of accounting, the approach of keeping of accounting records shall be selected among the approaches allowed by the federal standards.
  4. In case when the federal standards have not established the approach of keeping of accounting records, related to the certain element of accounting, such approach shall be independently developed proceeding from the requirements, established by the legislation of the Russian Federation on accounting, federal and (or) industry standards.
  5. Accounting policies shall be applied consistently over the years.
  6. Changes in accounting policies could be made under the following conditions:
  7. changes of requirements, established by the legislation of the Russian Federation on accounting, federal and (or) industry standards;
  8. development or selection of a new approach of keeping of accounting records, application of which enhance the quality of information on element of accounting;
  9. significant changes in conditions of business unit’s activity.
  10. To ensure comparability of financial statements for several years, changes of accounting policies shall be made from the beginning of the reporting year, unless otherwise caused by the reason of such changes.

**Article 9. Accounting source documents**

* 1. Each fact of economic activity shall be documented in accounting source documents. Documents reflecting non-existent facts of economic activity, including those that underline non-existent and inadequately identified transactions, could not be recognized in accounting.
  2. Statutory attributes of accounting source documents are:
  3. the title of the document;
  4. issuing date of the document;
  5. the name of the business unit which has issued the document;
  6. content of the fact of economic activity;
  7. the amount of natural and (or) money measurement of the fact of economic activity with indication of units of measurement;
  8. the position held by the person (persons), who has made (have made) an operation or a transaction and who is responsible (are responsible) for its documenting, or the position held by the person (persons), who is responsible (are responsible) for documenting of an accomplished fact of economic activity;
  9. signatures of persons, set forth in subpoint 6 of this point, with indication of their surnames and initials or other attributes necessary for identification of these persons.
  10. Accounting source documents shall be prepared while committing fact of economic activity and if it is not possible - immediately after its termination. The person, who is responsible for documenting of the fact of economic activity, ensures up to date submission of accounting source documents for registration of contained data in accounting books and also for reliability of such data. The person, who is responsible for accounting, and the person, with whom the contract on accounting outsourcing was made, are not responsible for conformity of accounting source documents, prepared by other persons, with accomplished fact of economic activity. Written requirements of the chief accountant or other officer, who is responsible for keeping of accounting records, or by the person, with whom the contract on accounting outsourcing was made, with regard to compliance with the established order for documenting facts of economic activity, submission of documents (data) necessary for keeping of accounting records to the officer, who is responsible for keeping of accounting records, or to the person, with whom the contract on accounting outsourcing was made, are mandatory for all employees of the business unit.
  11. Formats of accounting source documents shall be determined by the head of the business unit upon recommendation of the officer, who is responsible for accounting. Formats of accounting source documents for public sector entities shall be established in accordance with the budgetary legislation of the Russian Federation.
  12. Accounting source documents shall be prepared in a written form and (or) in the form of an electronic document signed by a digital signature.
  13. In case the legislation of the Russian Federation or the contract stipulates submission of accounting source documents to another person or to a state body in a written form, business unit on the request of another person or of a state body must at its own expense make a written copy of accounting source documents prepared in the form of an electronic document.
  14. Corrections in accounting source documents are allowed unless otherwise established by federal laws or regulations of the state accounting regulatory bodies. Correction in accounting source documents must contain correction date, and also signatures of persons which have prepared the document where correction was made, with indication of their surnames and initials or other attributes necessary for identification of these persons.
  15. In case when accounting source documents in the form of an electronic document, in accordance with the legislation of the Russian Federation, are withdrawn, copies of the withdrawn documents made in the order, established by the legislation of the Russian Federation, shall be included in accounting documents.

**Article 10. Accounting books**

* + 1. The data containing in accounting source document shall be promptly registered and recorded in accounting books.
    2. Omissions or withdrawals under recording of accounting elements in accounting books and recording of non-existent and inadequately identified elements of accounting in accounting books are prohibited. For the purposes of this Federal Law, non-existent element of accounting is a non-existent element, reflected in accounting records only for presentation (including unrealized expenditures, non-existent liabilities, unreal facts of economic activity), inadequately identified element of accounting is an element, reflected in accounting records instead of another element for the purpose to cover it (including inadequately identified transactions). Reserves and funds, set forth in the legislation of the Russian Federation, and their set-up costs, are not non-existent elements of accounting.
    3. Accounting records shall be kept by the means of double entry on accounts unless otherwise established by the federal standards. Off-the-books accounts, applied by a business unit, are prohibited.
    4. Statutory attributes of accounting books are:
  1. the title of accounting books;
  2. the name of the business unit which has prepared accounting books;
  3. the start and end dates of keeping of accounting books and (or) the period for which accounting books were prepared;
  4. chronological and (or) systematic group of elements of accounting;
  5. the amount of money measurement of accounting elements with indication of a unit of measurement;
  6. the position held by the person responsible for keeping of accounting books;
  7. signatures of persons responsible for keeping of accounting books, with indication of their surnames and initials or other attributes necessary for identification of these persons.
     1. Formats of accounting books shall be approved by the head of the business unit upon recommendation of the officer, who is responsible for accounting. Formats of accounting books for public sector entities shall be established in accordance with the budgetary legislation of the Russian Federation.
     2. Accounting books shall be prepared in a written form and (or) in the form of an electronic document signed by a digital signature.
     3. In case the legislation of the Russian Federation or the contract stipulates submission of accounting source documents to another person or to a state body in a written form, business unit on the request of another person or of a state body must at its own expense make a written copy of accounting books prepared in the form of an electronic document.
     4. Corrections in the accounting books, which have not been authorized by persons, responsible for keeping of accounting books, are prohibited. Corrections must contain correction date in accounting books, and also signatures of persons responsible for keeping of accounting books, with indication of their surnames and initials or other attributes necessary for identification of these persons.
     5. In case when accounting books, including accounting books in the form of an electronic document, in accordance with the legislation of the Russian Federation, are withdrawn, copies of the withdrawn accounting books prepared in the order, established by the legislation of the Russian Federation, shall be included in the complete set of accounting documents.

**Article 11. Inventory of assets and liabilities**

* + 1. Assets and liabilities are subject to inventory.
    2. During the course of inventory real existence of appropriate elements, which shall be verified against the data in accounting books, becomes known.
    3. Cases, timeframes and the order of inventory, and also the list of elements which are subject to inventory, shall be defined by the business unit, with the exception of statutory inventory. Statutory inventory shall be established by the legislation of the Russian Federation, federal and industry standards.
    4. Divergences revealed in the course of inventory between actual existence of elements and data in accounting books are subject to registration in accounting for the reporting period to which belongs the date when the inventory was carried out.

**Article 12. Money measurement of accounting** **elements**

1. Elements of accounting are subject to money measurement.
2. Money measurement of accounting elements shall be made in the currency of the Russian Federation.
3. The value of accounting elements, denominated in a foreign currency, is subject to translation into the currency of the Russian Federation, unless otherwise established by the legislation of the Russian Federation.

**Article 13. General requirements for financial statements**

* + 1. Financial statements shall give reliable information on the financial position of the business unit for the reporting date, on the financial result of its activity and on the cash flow for the reporting period, necessary for users of these statements for economic decision-making. Financial statements shall be prepared on the basis of the data, contained in accounting books, and on the basis of the data, defined by federal and industry standards.
    2. Business unit prepares its annual financial statements, unless otherwise established by other federal laws, regulations of the state accounting regulatory bodies.
    3. Annual financial statements shall be prepared for the reporting year.
    4. Interim financial statements shall be prepared by a business unit in cases when the duty to file it is established by the legislation of the Russian Federation, regulations of the state accounting regulatory bodies, contracts, business unit’s constituent documents, business unit’s proprietor decisions.
    5. Interim financial statements shall be prepared for the reporting period, which is less than the reporting year.
    6. Financial statements shall include indicators of activity of all divisions of the business unit, including its branches and representative offices, regardless of their location.
    7. Financial statements shall be presented in the currency of the Russian Federation.

7.1. Financial statements shall be prepared in hard copy and (or) in the form of an electronic document signed by an electronic signature. In case the legislation of the Russian Federation or the contract stipulates submission of financial statements to another person or to a state body in hard copy, business unit on the request of another person or of a state body must at its own expense make a hard copy of financial statements prepared in the form of an electronic document.

* + 1. Financial statements are recognized to be prepared after their signing as a hard copy by the head of the business unit.
    2. Approval and publication of financial statements shall be carried out in the order and cases established by other federal laws. In case when federal laws and (or) business unit’s constituent documents stipulates approval of business unit’s financial statements, corrections in such statements after their approval are prohibited.
    3. In case of publication of financial statements, which are subject to the statutory audit, such financial statements shall be published together with an audit report.
    4. The regime of commercial secret cannot be introduced in respect of financial statements.
    5. Legal regulation of consolidated financial statements shall be carried out in accordance with this Federal Law, unless otherwise established by other federal laws.

**Article 14. Complete set of financial statements**

1. Annual financial statements consist of the balance sheet, the statements on financial result and notes thereto, with the exception of cases established by this Federal Law.
2. Annual financial statements of not-for-profit organization consist of the balance sheet, the statements of the intended use of funds and notes thereto, with the exception of cases established by this Federal Law and other federal laws.
3. Complete set of interim financial statements shall be established by the federal standards, with the exception of cases established by this Federal Law.
4. Complete setoffinancial statements of public sector entities shall be established in accordance with the budgetary legislation of the Russian Federation.
5. Complete set of financial statements of the Central Bank of the Russian Federation shall be established by the Federal Law of July 10, 2002 № 86-FZ "On the Central Bank of the Russian Federation (Bank of Russia)".

**Article 15. Reporting period, reporting date**

1. The reporting period for annual financial statements (reporting year) is the calendar year from January 1 to December 31 inclusive, with the exception of cases of foundation, reorganization and liquidation of a legal person.
2. The first reporting year is the period from the date of the state registration of a business unit till December 31 of the same calendar year inclusive, unless otherwise set forth in this Federal Law and (or) in the federal standards.
3. In case the state registration of a business unit, except for credit institution, public sector entity, takes place after the September 30, the first reporting year is the period from the date of the state registration till December 31 of the calendar year following the year of its state registration inclusive, unless otherwise established by the business unit. The first reporting year for a newly established public sector entity is the period from the date of its establishment till December 31 of the same calendar year inclusive, unless otherwise set forth in this Federal Law and (or) in the federal public sector accounting standards.
4. The reporting period for interim financial statements is the period from January 1 to the reporting date of the period for which the interim financial statements were prepared inclusive.
5. The first reporting period for interim financial statements is the period from the date of the state registration of a business unit to the reporting date of the period for which the interim financial statements were prepared inclusive.
6. The date when financial statements were prepared (reporting date), is the last financial day of the reporting period, with the exception of cases of reorganization and liquidation of the legal person.

**Article 16. Features of financial statements under reorganization of a legal person**

* + 1. The last reporting year for the reorganized legal person, with the exception of cases of reorganization in the form of accession, is the period since January 1 of the year, when the state registration of the last of arisen legal entities was made, before the date of such state registration.
    2. Under reorganization of a legal person in the form of accession, the last reporting year for the legal person that accede other legal person is the period from January 1 of the year, when the entry in the Unified State Register of legal entities about termination of activity of the acceded legal person was made, till the date of its entry.
    3. Reorganized legal person prepares its last financial statements for the date preceding the date of the state registration of the last of arisen legal entities (the date of application in the Single State Register of legal entities of the entry about termination of activity of the affiliated legal person).
    4. The last financial statements must contain the data on the facts of economic activity which were taking place during the period from the date of approval of the transfer document (the division balance sheet) to the date of the state registration of the last of arisen legal entities (date of application in the Unified State Register of legal entities of the entry about termination of activity of the affiliated legal person).

4.1. Requirements of the Article 18 of this Federal Law shall not apply to the last financial statements mentioned in part 4 of this Article.

* + 1. The first reporting year for the legal person arising from reorganization, except for public sector entities, is the period from the date of its state registration till December 31 of the year, when reorganization was made, inclusive, unless otherwise established by the federal standards.
    2. The legal person arising from reorganization, except for budget-funded entities, shall make its first financial statements at the date of its state registration, unless otherwise established by the federal standards.
    3. The first financial statements shall be prepared on the basis of the approved transfer document (the division balance sheet) and the data on the facts of economic activity, which were taking place during the period from the date of approval of the transfer document (the division balance sheet) to the date of the state registration of legal entities arising from reorganization, except for public sector entities (from the date of application in the Single State Register of legal entities of the entry about termination of activity of the acceded legal person).
    4. The order of preparation of financial statements of the public sector entity arising from reorganization shall be established by the authorized federal body.

**Article 17. Features of financial statements at liquidation of a legal person**

* + 1. The reporting year for the liquidated legal person is the period since January 1 of the year of application in the Unified State Register of legal entities of the entry about liquidation to the date of application of such entry.
    2. The last financial statements of the liquidated legal person shall be prepared by the liquidating commission (liquidator) or by the court-appointed trustee if the legal person is liquidated in consequence of declaring it bankrupt.
    3. The last financial statements shall be prepared for the date preceding the date of application in the Unified State Register of legal entities of the entry about liquidation of the legal person.
    4. The last financial statements shall be prepared on the basis of approved liquidation balance sheet and the data on the facts of economic activity which were taking place during the period from the date of the approval of liquidation balance sheet to the date of application in the Unified State Register of legal entities of the entry about liquidation of the legal person.

4.1. The order of preparation of financial statements of the public sector entity under its liquidation (abolishment) shall be established by the authorized federal body.

* + 1. Requirements of the Article 18 of this Federal Law shall not apply to the last financial statements of the liquidated legal person.

**Article 18. Public financial statements database**

* + 1. The Public financial statements database (hereinafter referred to as “Public database”) is a complex of financial statements of business units that are obliged to prepare such statements, as well as of audit reports thereto in cases, when financial statements are subject to the statutory audit.
    2. The Public database shall be composed and maintained by the federal executive body authorized for control and oversight in taxation and levies.
    3. A business unit for the purposes of the Public database’s composition is obliged to file one copy of prepared financial statements (hereinafter referred to as “statutory copy of statements”) to the taxation body at the location of the business unit.
    4. The following are exempted from filing of the statutory copy of statements:
  1. public sector entities;
  2. the Central Bank of the Russian Federation;
  3. religious organization;
  4. entities filing financial statements to the Central Bank of the Russian Federation;
  5. entities whose annual financial statements contain data constituting a state secret in accordance with the legislation of the Russian Federation;
  6. entities in cases specified by the Government of the Russian Federation.
     1. The statutory copy of statements shall be filed by a business unit in the form of an electronic document via telecommunication channels through the operator of the electronic documents flow, being the Russian entity and complying with the requirements approved by the federal executive body authorized for control and oversight in taxation and levies, no later than three months after termination of the reporting period. While filing of the statutory copy of statements that are subject to the statutory audit, the audit report thereto shall be filed in the form of an electronic document together with such statements either within 10 business days from the day following the date of issuance of the audit report, but not later than December 31 of the year, following the reporting year. In case of correction of an error in financial statements by a business unit, statutory copy of which was filed in accordance with section 3 of this Article, the statutory copy of statements, where an error was corrected, shall be filed to the taxation body at the location of the business unit via telecommunication channels through the operator of the electronic documents not later than 10 business days from the day, following the date of financial statements’ correction or otherwise following the date of annual financial statements’ approval if federal laws and (or) business unit’s constituent documents stipulates approval of business unit’s financial statements.
     2. The Central Bank of the Russian Federation ensures deliverance to the federal executive body authorized for control and oversight in taxation and levies of data in electronic form containing annual financial statements of entities filed to the Central Bank of the Russian Federation, as well as of audit reports thereto in cases, when financial statements are subject to statutory audit, in accordance with formats, order and timeframes defined by the agreement between the Central Bank of the Russian Federation and mentioned federal executive body.
     3. Annual financial statements shall be filed by entities mentioned in points 5 and 6 of section 4 of this Article to the state statistics body at the location of the business unit within the timeframes specified in section 5 of this Article for filing of the statutory copy of statements.
     4. Formats for filing of the statutory copy of statements and audit reports thereto in the form of an electronic document, the order for filing of the statutory copy of statements and audit reports thereto, as well as the instructions for use of the Public database shall be approved by the federal executive body authorized for control and oversight in taxation and levies.
     5. Interested parties shall be guaranteed with the access to the information contained in the Public database.
     6. A fee for provision of information contained in the Public database shall be charged, unless otherwise provided by this Article. The cases, amount and the order for charging the mentioned fee shall be specified by the Government of the Russian Federation.
     7. Provision of information contained in the Public database to the state bodies, local self-government bodies, Central Bank of the Russian Federation shall be exercised without charging the fee.

**Article 19. Internal control**

1. Business unit shall organize and maintain internal control of facts of economic activity.
2. Business unit, whose financial statements are subject to the statutory audit, shall organize and maintain internal control on keeping of accounting records and financial reporting (with the exception of cases when the head of this business unit is responsible for keeping of accounting records).
3. The order of organizing and maintaining internal control of facts of economic activity by public sector entities shall be established in compliance with the budgetary legislation of the Russian Federation on the internal financial control.

**Chapter 3. ACCOUNTING REGULATION**

**Article 20. Principles of accounting regulation**

Regulation of accounting shall be carried out in accordance with the following principles:

* 1. compliance of federal and industry standards to the needs of users of financial statements, and also to the level of development in the science and practice of accounting;
  2. unity of requirements system for accounting;
  3. establishment of simplified methods of accounting, including simplified financial statements, for those business units who have a right to apply this methods in accordance with this Federal Law;
  4. application of international standards as a base for development of federal and industry standards;
  5. maintenance of conditions for uniform application of federal and industry standards;
  6. prohibition of merging of powers on approval of the federal standards and on the state control (oversight) over accounting.

**Article 21. Documents on accounting regulation**

* + 1. Documents on accounting regulation include:
  1. federal accounting standards, federal public sector accounting standards (hereinafter referred to jointly as “federal standards”);
  2. industry accounting standards, industry public sector accounting standards (hereinafter referred to jointly as “industry standards”);
  3. regulations of the Central Bank of the Russian Federation mentioned in section 6 of this Article;
  4. recommendations on accounting;
  5. business unit’s standards.
     1. Federal and industry standards are statutory unless otherwise established by these standards.

2.1. Federal accounting standards establish minimum necessary requirements for accounting, and also appropriate methods of accounting for business entities except for public sector entities. Federal public sector accounting standards establish minimum necessary requirements for accounting and also appropriate methods of accounting for public sector entities.

* + 1. The federal standards despite of the type of economic activity establish:
  1. definitions and criteria of elements of accounting, the order of their classification, conditions for their recognition and derecognition in accounting;
  2. valuation techniques allowed for measurement of elements of accounting;
  3. the order of the value translation of accounting elements, denominated in a foreign currency, to the currency of the Russian Federation for accounting purposes;
  4. requirements for accounting policies, including definition of terms of its change, for inventory of assets and liabilities, for accounting documents and for document flow in accounting, including types of digital signatures used for signing of accounting documents;
  5. the chart of accounts and the order of its application, except for the chart of accounts for credit institutions and non-credit financial institution and the order of their application;
  6. the composition, content and recording of information, disclosing in financial statements, including format of financial statements, and also composition of notes to the balance sheet and to the statement of financial result and composition of notes to the balance sheet and to the report on intended use of funds;
  7. conditions under which financial statements give a reliable information on the financial position of the business unit for the reporting date, financial result of its activity and cash flow for the reporting period;
  8. composition of the last and of the first financial statements under reorganization of a legal person, the order of its preparation and money measurement of its elements;
  9. composition of the last financial statements under liquidation of a legal person, the order of its preparation and money measurement of its elements;
  10. simplified methods of accounting, including simplified financial statements, for those business units who have the right to apply this methods in accordance with this Federal Law.
      1. The federal standards can establish requirements for accounting of certain types of economic activity.
      2. Industry standards establish features of application of the federal standards in certain types of economic activity.
      3. The charts of accounts for credit institutions and for non-credit financial institutions and the order of their application, the rules for recording of certain elements of accounting and classification of accounts for integration with items of financial statements of credit institutions and non-credit financial institutions, forms of disclosure in financial statements of credit institutions and non-credit financial institutions shall be established by the regulations of the Central Bank of the Russian Federation.
      4. Recommendations on accounting shall be accepted for purposes of accurate application of federal and industry standards, reducing of expenses for organization of accounting, and also for distribution of the best practices of organization and keeping of accounting records, results of researches and developments in the field of accounting.
      5. Recommendations on accounting could be applied on a voluntary basis.
      6. Recommendations on accounting could be adopted in respect of the order of application of federal and industry standards, formats of accounting documents (except for formats established by federal and industry standards), organizational forms of keeping of accounting records, organization of the business units’ accounting functions, procedures of keeping of accounting records, the order of organization and implementation of internal control over their activity and keeping of accounting records, and also the order of development of standards by these persons.
      7. Recommendations on accounting must not create obstacles to the business unit’s activity.
      8. Business unit’s standards are intended to harmonize organization and keeping of accounting records.
      9. Need for and the order of development, approval, changing and abolishment of business unit’s standards shall be established by this unit independently.
      10. Business unit’s standards shall be applied similarly and equally by all divisions of the business unit, including its branches and representative offices, despite of their location.
      11. Business unit having subsidiaries, have the right to develop and approve its standards, statutory for this subsidiaries. Standards of this unit are statutory for the main unit and its subsidiaries, must not create obstacles to the activity of this subsidiaries.
      12. Federal and industry standards and regulations of the Central Bank of the Russian Federation mentioned in section 6 of this Article shall not contradict to this Federal Law. Industry standards and regulations of the Central Bank of the Russian Federation mentioned in section 6 of this Article shall not contradict to the federal standards. Recommendations on accounting, and also business unit’s standards shall not contradict to federal, industry standards and regulations of the Central Bank of the Russian Federation mentioned in section 6 of this Article.
      13. Federal and industry standards, and also the federal standards development programs shall be approved by regulations in accordance with the established procedure taking into account provisions of this Federal Law.
      14. Documents for organization and keeping of accounting records by the Central Bank of the Russian Federation, including the chart of accounts and the order of its application, shall be approved in the order established by the Federal Law of July 10, 2002 № 86-FZ "On the Central Bank of the Russian Federation (Bank of Russia)".

**Article 22. Accounting regulatory bodies**

* + 1. State accounting regulatory bodies in the Russian Federation are the authorized federal body and the Central Bank of the Russian Federation.
    2. Regulation of accounting in the Russian Federation also could be carried out by self-regulating organizations, including self-regulating organizations of entrepreneurs, other users of financial statements, auditors, interested to assist accounting regulation, and also their associations and unions and other not-for-profit organizations seeking for accounting development (hereinafter referred to as “non-state accounting regulatory body”).

**Article 23. Functions of the state accounting regulatory bodies**

* + 1. Authorized federal body:
  1. approves federal standards development programs in the order established by this Federal Law;
  2. approves federal standards and, within the limits of its competence, industry standards and generalizes practice of their application;
  3. organize expertise of draft accounting standards;
  4. approves requirements for registration of draft accounting standards;
  5. participates, under the established procedure, in development of international standards;
  6. represents the Russian Federation in the international organizations which are carrying out activity in the field of accounting and financial statements;
  7. carries out other functions, set forth in this Federal Law and other federal laws.
     1. The Central Bank of the Russian Federation, within its competence:
  8. develops, approves industry standards and regulations of the Central Bank of the Russian Federation mentioned in section 6 of this Article and generalizes practice for application of the mentioned standards and regulations;
  9. participates in preparation and coordinates the federal standards development programs;
  10. participates in expertise of draft federal standards;
  11. participates together with the authorized federal body, under the established procedure, in development of international standards;
  12. carries out other functions, set forth in this Federal Law and other federal laws.

**Article 24. Functions of the non-state accounting regulatory body**

Non-state accounting regulatory body, unless otherwise set forth in this Federal Law:

* 1. develops draft federal standards, carries out public discussion of these drafts and submits them to the authorized federal body;
  2. participates in preparation of the federal standards development programs;
  3. participates in expertise of draft accounting standards;
  4. ensures compliance of the draft federal standard with the international standard, on the base of which the draft federal standard was developed;
  5. develops and adopts recommendations for accounting;
  6. develops proposals for improvement of accounting standards;
  7. participates in development of international standards.

**Article 25. Accounting standards council**

* + 1. The Accounting standards council shall be created under the authorized federal body for carrying out expertise of draft federal accounting standards and industry accounting standards.
    2. The Accounting standards council carries out expertise of draft federal accounting standards and industry accounting standards concerning:
  1. compliance to the legislation of the Russian Federation on accounting;
  2. compliance with the needs of users of financial statements and also to the development level of science and practice of accounting;
  3. harmonization of the requirements system for accounting;
  4. maintenance of conditions for uniform application of federal accounting standards and industry accounting standards.
     1. [expired]
     2. [expired]
     3. The Accounting standards council consists of:
  5. 10 representatives from the non-state accounting regulatory bodies and from the scientific community, among which not less than three members are subject to rotation once in three years;
  6. five representatives from the state accounting regulatory bodies.
     1. Composition of the Accounting standards council shall be approved by the head of the authorized federal body. Proposal on candidates in members of the Accounting standards council, except for representatives of the authorized federal body, shall be brought to the authorized federal body by the non-state accounting regulatory bodies, the Central Bank of the Russian Federation, scientific organizations and higher educational institutions.
     2. Candidates in members of the Accounting standards council must have higher education, impeccable business (professional) reputation and experience of professional activity related to finance, accounting or auditing.
     3. The chairman of the Accounting standards council shall be elected at the first meeting of the council from representatives of the non-state accounting regulatory bodies – members of the council. The chairman of the Accounting standards council must have not less than two deputies.
     4. The secretary of the Accounting standards council shall be the representative of the authorized federal body from the council members.
     5. The meeting of the Accounting standards council shall be convoked by its chairman and in the absence of the chairman by the authorized vice-chairman as required, but not less than once in three months. Meeting is considered to be competent, if not less than two thirds of members of the Accounting standards council attend it.
     6. Decisions of the Accounting standards council shall be taken by a simple majority of votes of members participating in the council meeting.
     7. Meetings of the Accounting standards council are public.
     8. Information on the Accounting standards council’s activity must be open and public.
     9. Statute on the Accounting standards council shall be approved by the authorized federal body. Regulations on the Accounting standards council shall be approved by this council independently at the first meeting.

**Article 25.1. Public sector accounting standards council**

* + 1. The Public sectoraccounting standards council shall be created under the authorized federal body for carrying out expertise of draft federal public sectoraccounting standards and industry public sectoraccounting standards.
    2. The Public sectoraccounting standards council carries out expertise of draft federal public sectoraccounting standards and industry public sectoraccounting standards concerning:

1. compliance to the legislation of the Russian Federation on accounting and budgetary legislation of the Russian Federation;
2. compliance with the needs of users of public sector entities’ financial statements and also to the development level of science and practice of accounting;
3. harmonization of the requirements system for accounting in public sector entities;
4. maintenance of conditions for uniform application of federal and industry public sectoraccounting standards.
   * 1. The Public sectoraccounting standards council consists of:
   1. five representatives from the state accounting regulatory bodies, among which not less than three members are representatives of the authorized federal body;
   2. twelve representatives from the financial bodies of the constituent entities of the Russian Federation, municipalities, state financial control bodies, public sector entities and from the scientific community, among which not less than three members are subject to rotation once in three years.
      1. Composition of the Public sectoraccounting standards council shall be approved by the head of the authorized federal body. Proposal on candidates in members of the Public sectoraccounting standards council, except for representatives of the authorized federal body, shall be brought to the authorized federal body by the Central Bank of the Russian Federation, financial bodies of the constituent entities of the Russian Federation, municipalities, state financial control bodies and public sector entities.
      2. Candidates in members of the Public sectoraccounting standards council must have higher education, impeccable business (professional) reputation and experience of professional activity related to state administration and finance, accounting, state financial control and (or) auditing.
      3. The chairman of the Public sectoraccounting standards council and his deputy shall be appointed by the head of the authorized federal body.
      4. The secretary of the Public sectoraccounting standards council shall be the representative of the authorized federal body from the council members.
      5. The meeting of the Public sectoraccounting standards council shall be convoked by its chairman and in the absence of the chairman by his deputy as required, but not less than once in three months. Meeting is considered to be competent, if not less than two thirds of members of the Public sectoraccounting standards council attend it.
      6. Decisions of the Public sectoraccounting standards council shall be taken by a simple majority of votes of members participating in the council meeting.
      7. Meetings of the Public sectoraccounting standards council are public.
      8. Information on the Public sectoraccounting standards council’s activity must be open and public.
      9. Statute on the Public sectoraccounting standards council shall be approved by the authorized federal body. Regulations on the Public sectoraccounting standards council shall be approved by this council independently at the first meeting.

**Article 26. Federal standards development program**

1. Federal accounting standards shall be developed and approved in accordance with the federal accounting standards development program. Federal public sector accounting standards shall be developed and approved in accordance with the federal public sector accounting standards development program (hereinafter referred to jointly as “federal standards development programs”).
2. State accounting regulatory bodies and non-state accounting regulatory bodies shall bring proposals regarding the federal standards development programs to the authorized federal body.
3. The authorized federal body approves the federal standards development programs on agreement with the Central Bank of the Russian Federation.
4. The federal standards development programs shall be refined as required to ensure compliance of the federal standards to the needs of users of financial statements, to the international standards, to the development level of science and practice of accounting.
5. The authorized federal body ensures availability of the federal standards development program to the Central Bank of the Russian Federation, to the non-state accounting regulatory bodies and other interested parties (hereinafter referred to as “interested parties”) for acquaintance.
6. Rules of preparation and specification of the federal standards development program shall be approved by the authorized federal body.

**Article 27. Development and approval of federal standards**

* + 1. Any non-state accounting regulatory body can be the developer of the federal standard (hereinafter referred to as “developer”), unless otherwise set forth in this Federal Law.
    2. The notification on development of the federal standard shall be submitted by the developer to the authorized federal body and shall be published on the official websites of the authorized federal body and of the developer. In case when the developer of a federal standard is the authorized federal body, the notification on development of the federal standard and notification on termination of the public discussion of the draft federal standard shall be published on the official website of the authorized federal body.
    3. No later than 10 business days after the day of publication of the notification on development of the federal standard on the developer’s official website, the developer shall publish the draft on the official website. The draft federal standard published on the official website of the developer shall be available for free acquaintance. The developer shall submit, on the request of the interested party, the draft federal standard’s written copy. Payments, charged by the developer for submission of this written copy, cannot exceed costs for its manufactoring and mailing. Payments for submission of this copy to the state accounting regulatory body and to the non-state accounting regulatory body could not be charged.
    4. From the date of publication of the draft federal standard on the developer’s official website, the developer carries out public discussion of the draft federal standard. Duration of the public discussion of the draft federal standard cannot be less than three months after the day of publication of this draft on the developer’s official website. The notification on termination of the public discussion of the draft federal standard shall be submitted by the developer to the authorized federal body and shall be published on the official websites of the authorized federal body and of the developer.
    5. Under the public discussion of the draft federal standard the developer:
  1. adopts written remarks from the interested parties. The developer cannot refuse to adopt written remarks;
  2. carries out discussion of the draft federal standard and of the received written remarks;
  3. makes the list of the received written remarks with a brief summary of contents of this remarks and results of their discussion;
  4. updates the draft federal standard taking into account received written remarks.
     1. The developer shall keep received written remarks until the federal standard will be approved and submit them on the request of the authorized federal body.
     2. The updated draft federal standard and the list of the received written remarks from the interested parties shall be published by the developer on its official website not later than 10 business days after the day of publication of the notification on termination of the public discussion of the draft federal standard on the official websites of the authorized federal body and of the developer. These documents, published on the official website of the developer, shall be available for free acquaintance.
     3. [expired]
     4. The updated draft federal standard together with the list of the received written remarks from the interested parties shall be submitted by the developer to the authorized federal body, which will organize expertise of this draft.
     5. The Accounting standards council shall prepare a motivated proposal on adoption of such draft for approval or for its rejection on the basis of the documents mentioned in point 9 of this Article and taking into account results of the expertise within two months from the date of submission by the developer of the draft federal standard. Such proposal together with the documents mentioned in point 9 of this Article and results of expertise shall be submitted to the authorized federal body. The Public sector accounting standards council shall prepare a motivated proposal on adoption of this draft for approval and (or) proposals for its amendment following results of the expertise within two months from the date of submission of the draft federal public sector accounting standard for expertise. Such proposals together with the documents mentioned in point 9 of this Article and results of the expertise shall be submitted to the authorized federal body.
     6. The authorized federal body on the basis of the documents submitted by the Accounting standards council within one month shall adopt the draft federal accounting standard for approval or for its rejection. The authorized federal body on the basis of the documents submitted by the Federal public sector accounting standards council within one month shall adopt the draft federal public sector accounting standard for approval or shall update it. The draft federal standard adopted for approval, in accordance with the established procedure, shall be prepared and approved by the authorized federal body.
     7. The draft federal standard proposed by the Accounting standards council for approval can be rejected in case it does not correspond to the legislation of the Russian Federation.
     8. In case the draft federal standard was rejected, a motivated decision of the authorized federal body and the documents mentioned in point 9 of this Article shall be submitted to the developer of the draft federal standard within 10 business days after the day of adoption of such decision.
     9. Update of the federal standard or its abolishment shall be carried out in the order established by this Article. Update of the federal standard, caused by the change of the legislation of the Russian Federation, can be carried out at the initiative of the authorized federal body.
     10. Expertise of the draft industry accounting standard shall be carried out by the Accounting standards council. The expertise of the draft industry public sector accounting standard shall be carried out by the Public sector accounting standards council. The expertise of the draft industry standards shall be carried out in the order, established by points 9-13 of this Article, for expertise of federal standards.

**Article 28. Development of federal standards by the authorized federal body**

* + 1. The authorized federal body develops:
  1. federal public sector accounting standards;
  2. federal accounting standards in case none of non-state accounting regulatory bodies assume the duty to develop the federal accounting standard, set forth in the approved federal accounting standards development program.
     1. Development of the federal standard by the authorized federal body shall be carried out in the order established by Article 27 of this Federal Law.

**Chapter 4. FINAL PROVISIONS**

**Article 29. Storage of accounting documents**

* + 1. Accounting source documents, accounting books, financial statements and audit reports shall be stored by a business unit during the terms established in accordance with the rules for the organization of state archive-keeping, but not less than five years after the reporting year.
    2. Documents of accounting policies, business unit’s standards, other documents related to the organization of accounting and keeping of accounting records, including devises for representation of electronic documents, and also for authentication of a digital signature, shall be stored by a business unit for the period of not less than five years after the year when they were used last time for preparation of financial statements.
    3. Business unit shall ensure safe conditions for storage of accounting documents and their protection from changing.
    4. In case of replacement of the head of the entity, entity’s accounting documents transfer must be ensured. The accounting documents transfer order shall be established independently by the entity.

**Article 30. Features of application of this Federal Law**

* + 1. Until federal and industry standards, set forth in this Federal Law, will be approved by the state accounting regulatory bodies, rules of keeping of accounting records and preparation of financial statements, approved by the authorized federal body and the Central Bank of the Russian Federation, before the day when this Federal Law come into force, shall be applied. Until federal and industry standards, set forth in this Federal law, will be approved, the authorized federal body and the Central Bank of the Russian Federation have a right to make amendments, including caused by the change of the legislation of the Russian Federation, to the rules of keeping of accounting records and preparation of financial statements, approved before the day when this Federal Law come into force.

1.1. The Regulations on accounting, approved by the Ministry of Finance of the Russian Federation within the period from October 1, 1998 and until the date of coming into force of this Federal Law, shall be recognized as the federal accounting standards for the purposes of this Federal Law. In this matter the requirement provided by the second sentence of section 15 of Article 21 of this Federal Law, which states that industry standards and regulations of the Central Bank of the Russian Federation provided by section 6 of Article 21 shall not contradict to the federal standards, shall not be applied in respect of these Regulations on accounting.

* + 1. The provisions of points 4 and 6 of Article 7 of this Federal Law shall not be applied in respect of persons who are responsible for keeping of accounting records as of the day when this Federal Law come into force.
    2. The provision of point 2 of Article 15 of this Federal Law shall not be applied under change of type of the public (municipal) institution.

**Article 31. On recognition of certain acts (provisions of acts) of the legislation of the Russian Federation expired**

To recognize expired:

* 1. the Federal Law of November 21, 1996 No. 129-FZ "On accounting"   
     (The Russian Federation Code, 1996, N 48, Art. 5369);
  2. the Federal Law of July 23, 1998 No. 123-FZ "On amendments and additions to the Federal Law "On accounting" (The Russian Federation Code, 1998, No. 30,   
     Art. 3619);
  3. the Federal Law of March 28, 2002 No. 32-FZ "On amendment and addition to the Federal Law "On accounting" (The Russian Federation Code, 2002, No. 13,   
     Art. 1179);
  4. Article 9 of the Federal Law of December 31, 2002 No. 187-FZ   
     "On amendments and additions to the second part of the Tax code of the Russian Federation and some other acts of the legislation of the Russian Federation"   
     (The Russian Federation Code, 2003, N 1, Art. 2);
  5. Article 3 of the Federal Law of December 31, 2002 No. 191-FZ   
     "On amendments and additions to the chapters 22, 24, 25, 26.2, 26.3 and 27 of the second part of the Tax code of the Russian Federation and some other acts of the legislation of the Russian Federation" (The Russian Federation Code, 2003, N 1, Art. 6);
  6. point 7 Article 2 of the Federal Law of January 10, 2003 No. 8-FZ   
     "On amendments and additions to the Law of the Russian Federation "On employment of population in the Russian Federation" and certain acts of the Russian Federation on financing of activity for assistance of employment of population" (The Russian Federation Code, 2003, N 2, Art. 160);
  7. Article 23 of the Federal Law of June 30, 2003 No. 86-FZ "On amendments and additions to certain acts of the Russian Federation, recognition to be expired of certain acts of the Russian Federation, granting certain guarantees to the staff of law-enforcement bodies, of control of trafficking in narcotic drugs and psychotropic substances bodies and of abolished federal bodies of tax police under implementation of measures for improvement of state administration" (The Russian Federation Code, 2003, No. 27, Art. 2700);
  8. Article 2 of the Federal Law of November 3, 2006 No. 183-FZ "On updates to the Federal Law "On agricultural cooperation" and certain acts of the Russian Federation" (The Russian Federation Code, 2006, No. 45, Art. 4635);
  9. Article 32 of the Federal Law of November 23, 2009 No. 261-FZ " On energy saving and energy efficiency and on updates to certain acts of the Russian Federation" (The Russian Federation Code, 2009, No. 48, Art. 5711);
  10. Article 12 of the Federal Law of May 8, 2010 No. 83-FZ "On updates to certain acts of the Russian Federation under improvement of a legal status of the public (municipal) institutions" (The Russian Federation Code, 2010, No. 19, Art. 2291);
  11. the Federal Law of July 27, 2010 No. 209-FZ "On updates to the Article 16 of the Federal Law "On accounting" (The Russian Federation Code, 2010, No. 31,   
      Art. 4178);
  12. Article 4 of the Federal Law of September 28, 2010 No. 243-FZ "On updates to certain acts of the Russian Federation under adoption of the Federal Law   
      "On the Skolkovo Innovation Center " (The Russian Federation Code, 2010, No. 40, Art. 4969).

**Article 32. Coming into force of this Federal Law**

This Federal Law comes into force since January 1, 2013.