

## IFIAR 2025 Member Profile – MoF / FT

<b>1. Jurisdiction</b>	<b>1.1 Insert the name of the jurisdiction in English:</b>  Russia
<b>2. Member<sup>1</sup></b>	<p><b>2.1 Insert the name of the Member, both in the local language and in English:</b></p> <p>Министерство финансов Российской Федерации The Ministry of Finance of the Russian Federation (MoF)</p> <p>Федеральное казначейство (Казначейство России) The Federal Treasury (FT)</p> <p><b>2.2 Include relevant contact information, including postal address, telephone number(s), a general email address (if any) and a link to the Member’s website:</b></p> <p><u>The Ministry of Finance of the Russian Federation:</u> Ilyinka street 9, Moscow, 109097, Russian Federation <u>Tel.:</u> +7 (495) 987-91-01 <u>Fax:</u> +7 (495) 625-08-89 <u>Website</u> (Russian version): <a href="http://minfin.gov.ru/ru/">http://minfin.gov.ru/ru/</a> <u>Website</u> (English version): <a href="https://www.minfin.gov.ru/en/">https://www.minfin.gov.ru/en/</a></p> <p><u>The Federal Treasury:</u> Bolshoy Zlatoustinskiy Lane 6, bld. 1, Moscow, 101000, Russian Federation <u>Tel.:</u> +7 (800) 30-10-777 <u>Fax:</u> +7 (495) 214-73-34 <u>Website</u> (Russian version): <a href="http://www.roskazna.gov.ru/">http://www.roskazna.gov.ru/</a> <u>Website</u> (English version): <a href="http://www.roskazna.gov.ru/en/">http://www.roskazna.gov.ru/en/</a></p> <p><b>2.3 Include the basis for establishment of the Member, as well as the legislation or regulations which provide the Member the authority/mandate with respect to audit regulation. Please describe with an appropriate level of detail the mission and responsibilities of the Member with respect to audit regulation:</b></p> <p><u>The legal basis:</u></p> <ol style="list-style-type: none"> <li>1. The Federal Law On Auditing dated December 30, 2008 No. 307-FZ.</li> <li>2. The Regulation On the Ministry of Finance of the Russian Federation approved by the Government Decree dated June 30, 2004 No. 329.</li> </ol>

<sup>1</sup> In the case where there are two or more regulators from the same jurisdiction that have been approved according to Section 2.3 of the IFIAR Charter, they together are considered as one Member. In that case, regulators are requested to include information for both organizations in the Member Profile.

	<p>3. The Regulation On the Federal Treasury approved by the Government Decree dated December 1, 2004 No. 703.</p> <p>According to the aforementioned legal acts, the MoF and the FT are the governmental agencies involved in the independent regulation and oversight over audit activity in the Russian Federation.</p> <p><u>Basic functions of the MoF with respect to audit regulation are:</u></p> <ol style="list-style-type: none"> <li>1) policymaking in auditing;</li> <li>2) issuance of regulations governing auditing, establishment of auditing standards, quality control, registration of audit firms and auditors;</li> <li>3) assignment of the status of the self-regulating organization of auditors (SRO) and termination of such status;</li> <li>4) approval of the Code of professional ethics of auditors and Independence rules for auditors and audit firms, as well as of attestation procedure adopted by the SRO;</li> <li>5) coordination of activities of the Russian governmental agencies in the field of auditing.</li> </ol> <p><u>Basic functions of the FT with respect to audit regulation are:</u></p> <ol style="list-style-type: none"> <li>1) registration of audit firms providing audit services to the public interest entities (PIEs).</li> <li>2) carrying out inspections, investigations in respect of audit firms that provide audit services to the PIEs;</li> <li>3) enforcement for violations of the legislation or auditing standards, the Code of professional ethics of auditors and Independence rules for auditors and audit firms;</li> </ol> <p>The FT is a governmental agency created under the MoF. All the rules of the FT are approved by the MoF. As of January 1, 2025, the FT has 90 employees involved in the quality control over audit firms. In addition to the Moscow headquarters, the FT operates 13 regional offices involved in audit regulation.</p>
	<p><b>2.4 Please indicate whether the Member has responsibility for the following tasks within the area of Audit Oversight:</b></p> <p><input type="checkbox"/> <b>Licensing</b></p> <p><input checked="" type="checkbox"/> <b>Registration</b></p> <p><input checked="" type="checkbox"/> <b>Audit and/or Ethics Standard Setting</b></p> <p><input checked="" type="checkbox"/> <b>Permanent Education / Continuous Training of Auditors</b></p> <p><input checked="" type="checkbox"/> <b>Inspection</b></p> <p><input checked="" type="checkbox"/> <b>Enforcement</b></p> <p><input checked="" type="checkbox"/> <b>Other:</b> <u>Analysis of the audit market, oversight over activity of the SRO, assignment of the status of the SRO and termination of such status,</u></p>

	<p><u>coordination of activities of the Russian governmental agencies in the field of auditing.</u></p>
<p><b>3. Governing Body Composition and members</b></p>	<p><b>3.1 Describe with an appropriate level of detail the current composition of the Member’s governing body, including, where possible, the names, the organization they represent (if any) and brief backgrounds of the governing body members, or provide a link to a page on your website where this information is provided.</b></p> <p>The MoF is headed by the Minister of Finance appointed by the President of the Russian Federation pre-approved by the lower chamber (the State Duma) of the Parliament (the Federal Sobranie) of the Russian Federation upon recommendation of the Prime Minister of the Russian Federation.</p> <p>The Minister of Finance has deputy ministers appointed by the Government of the Russian Federation, one of which supervises activity of the MoF in auditing.</p> <p>The MoF consists of 30 Departments on the main fields of activity; one of them is the Department for regulation on accounting, financial reporting and auditing. The current Minister of Finance is Anton Siluanov.</p> <p>The FT is headed by the chief executive officer appointed by the Government of the Russian Federation upon recommendation of the Minister of Finance.</p> <p>The head of the FT has deputies appointed by the Government of the Russian Federation upon recommendation of the Minister of Finance. There is a special division charged with quality control in auditing. The current head of the FT is Roman Artyukhin.</p> <p>None of the members of governing bodies of the MoF and the FT is a current auditor or practitioner engaged in activity of audit firms, professional accountancy bodies and bodies or entities associated with the audit profession. Furthermore, none of them was an auditor or practitioner for at least the last five years.</p> <p><b>3.2 What are the eligibility criteria / requirements and composition requirements for the members of the governing body? E.g. Does national legislation require representatives on the governing body from certain organizations, or with specific experience, etc.</b></p> <p>Employees of the MoF and the FT are public civil servants that shall meet the qualification requirements and criteria provided by the Federal Law On Public Civil Service of the Russian Federation dated July 27, 2004 No. 79-FZ. Main qualification requirements are: relevant education, practical experience, professional knowledge and skills in the relevant area.</p>

	<p><b>3.3 Is there a restriction or recusal process that is applicable to members of the governing body of the Member who are current or former auditors/practitioners?</b></p> <p><input type="checkbox"/> Yes                      <input checked="" type="checkbox"/> No</p> <p><b>Does this include a “cooling-off” period for former auditors?</b></p> <p><input type="checkbox"/> Yes                      <input checked="" type="checkbox"/> No</p> <p><b>If yes to either of the above, please describe:</b></p>
<p><b>4. Independence safeguards</b></p>	<p><b>4.1 Please describe the national independence requirements for the governing body and its members, and legal or regulatory requirements/provisions in place that safeguard their independence from the audit profession.</b></p> <p>None of the members of governing bodies of the MoF and the FT is a current auditor or practitioner. Furthermore, none of them was an auditor or practitioner for at least the last five years. In case of termination of employment contract of public civil servant of the MoF or the FT (that was engaged in activity of the MoF or the FT related to audit regulation), the legislation of the Russian Federation introduces restrictions regarding further employment in the area of auditing.</p> <p><b>Are employees of the Member covered by the same or separate set of independence requirements?</b></p> <p><input checked="" type="checkbox"/> Same set of requirements    <input type="checkbox"/> Different set of requirements</p> <p><b>If there are separate independence requirements for employees, please describe:</b></p>
<p><b>5. Funding Arrangements</b></p>	<p><b>5.1 Describe the main funding arrangements of the Member, including the setting and approval of the budget:</b></p> <p>The MoF and the FT are funded via the federal budget. The federal budget shall be approved by the Parliament of the Russian Federation and signed by the President of the Russian Federation.</p>

	<p><b>5.2 Is the funding free from undue influence by the profession?</b></p> <p><input checked="" type="checkbox"/> Yes                      <input type="checkbox"/> No</p> <p><b>Please describe with an appropriate level of detail the safeguards in place to prevent undue influence by the profession:</b></p> <p>The MoF and the FT are funded solely via the federal budget. There are no other funding sources.</p>
<p><b>6. Audit Market</b></p> <p><i>* Figures for 2024 will only be available at a later stage</i></p>	<p><b>6.1 Provide the number of audit firms subject to inspections. Include an indication of the number of public interest audits (PIEs) and other audits that fall under the Member’s oversight or mandate.</b></p> <p>During 2023, 390 audit firms were subject to inspections of the FT in the Russian Federation (as of the end of 2024 - 179 audit firms). These firms have approximately 3600 PIE audit clients in 2023.</p> <p><b>6.2 Please describe the sizes (in terms of revenue / number of listed entity clients / number of partners and audit staff / etc. – whichever measure is commonly used and available in your jurisdiction) and market shares of each of the largest audit firms in the Member’s jurisdiction.</b></p> <p>Big 4 shares (as of the end of 2023):</p> <ul style="list-style-type: none"> <li>○ Number of PIE audits – app. 9,5%;</li> <li>○ Total number of audits – app. 1,0%.</li> </ul> <p>Next 46 biggest audit firms shares (as of the end of 2023):</p> <ul style="list-style-type: none"> <li>○ Number of PIE audits – app. 25,7%;</li> <li>○ Total number of audits – app. 9,7%.</li> </ul>
<p><b>7. Inspection System</b></p>	<p><b>7.1 Does the Member have the responsibility for recurring inspections of audit firms undertaking audits of public interest entities (PIEs)?</b></p> <p><input checked="" type="checkbox"/> Yes                      <input type="checkbox"/> No</p> <p><b>7.2 Is this responsibility undertaken directly or through oversight of inspection conducted by another organization?</b></p> <p><input checked="" type="checkbox"/> Directly                      <input type="checkbox"/> Through Oversight</p> <p><b>If directly, please describe the responsibility, including the follow-up and reporting process, and the regulatory measures available to be taken as a result of inspections (if described in Question 12 Enforcement, please reference that section for details on such measures).</b></p>

	<p>The FT is responsible through its audit quality control team for inspecting audit firms that audit PIE. It carries out full scope inspections of those firms. The detailed information on the enforcement is provided in section 12 of the Profile.</p> <p><b>If through oversight of another organization, please describe with an appropriate level of detail the other organization, its relation to the Member, its role, and the arrangements for oversight by the Member:</b></p> <hr/> <p><b>7.3 Please describe with an appropriate level of detail the requirements and practices regarding the frequency of inspections:</b></p> <p>Full scope of FT’s inspections under the quality control over audit firms providing audit services to the PIEs cover the review of the audit and non-audit assurance engagements selected on the risk-basis approach and also the review of the firm-wide internal quality control procedures. These inspections shall be carried out by the staff of the FT only (may be undertaken not more frequently than once a year).</p> <p>In addition:</p> <ol style="list-style-type: none"> <li>1) the CBR carries out investigations over audit firms providing audit services to the PIEs in the financial market;</li> <li>2) the SRO carries out quality control over its member audit firms at least every five years, but not more than once a year.</li> </ol> <hr/> <p><b>7.4 Does the Member have its own inspection staff, use reviewers from the professional body or sub-contract to third parties, independent contractors, etc. for the conduct of inspections? Please tick the boxes that apply: (multiple responses allowed) Note that there is no need to tick a box if non-employee reviewers are used very occasionally and are not a core staffing approach.</b></p> <p> <input checked="" type="checkbox"/> <b>Employees of the Member</b> <span style="margin-left: 200px;"><input type="checkbox"/> <b>Professional body</b></span> </p> <p> <input type="checkbox"/> <b>Third Parties</b> <span style="margin-left: 200px;"><input type="checkbox"/> <b>Other</b></span> </p> <p><b>Please explain below:</b></p> <p>The FT is responsible through its audit quality control team for inspecting audit firms that audit PIE. It carries out full scope inspections of those firms.</p>
<p><b>8. Licensing</b></p>	<p><b>8.1 If the Member has the responsibility for <u>Licensing</u>, please indicate whether this responsibility is undertaken directly or through oversight of Licensing conducted by another organization?</b></p> <p> <input type="checkbox"/> <b>Directly</b> <span style="margin-left: 100px;"><input type="checkbox"/> <b>Through Oversight</b></span> </p> <p><b>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</b></p>

	<p>If through oversight, please indicate the name of the other organization and its composition. Also, give a description of the powers of the other organization and procedure applied, as well as the role of the Member in these procedures.</p> <p style="text-align: center;">N/A</p>
<p><b>9. Registration</b></p>	<p><b>9.1 If the Member has the responsibility for <u>Registration</u>, please indicate whether this responsibility is undertaken directly or through oversight of Registration conducted by another organization?</b></p> <p><input checked="" type="checkbox"/> <b>Directly</b>                      <input checked="" type="checkbox"/> <b>Through Oversight</b></p> <p><b>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</b></p> <p><b>If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description of the powers of the other organization and procedure applied, as well as the role of the Member in these procedures.</b></p> <p><u>Directly:</u></p> <p>Audit firms that seek the right to provide audit services to the PIEs shall be registered with the FT. The requirements for such audit firms are provided by the Federal Law On Auditing, the registration procedures are established by the MoF. This register is publicly available and shall be kept by the FT.</p> <p>Audit firms that seek the right to provide audit services to the PIEs in the financial market additionally shall be registered with the CBR. The requirements for such audit firms are provided by the Federal Law On Auditing, the registration procedures are established by the CBR. This register is publicly available and shall be kept by the CBR.</p> <p><u>Through oversight:</u></p> <p>Audit firms and auditors that seek the right to carry out audit activity are obligated to be registered with the SRO and shall meet the requirements provided by the Federal Law On Auditing. Currently there is one operating SRO - the Association "Sodruzhestvo".</p> <p>Audit firms and auditors acquire the right to engage in auditing as of the date of their registration with the SRO. The register of auditors and audit firms of the SRO shall be kept by the SRO.</p> <p>The MoF carries out oversight over the procedure of registration described above. System of oversight includes the following:</p> <p>(1) The MoF carries out periodic reviews over activity of the SRO in the area of registration.</p>

	<p>(2) The MoF carries out routine monitoring of activity of the SRO in the area of registration.</p> <p>(3) The MoF carries out control over registration procedure by checking correctness of information on audit firms and auditors registered with the SRO.</p> <p>(4) The MoF by analyzing information in the register checks compliance by audit firms and auditors with the requirements of the Federal Law On Auditing.</p>
<p><b>10. Audits and/or Ethics Standard Setting</b></p>	<p><b>10.1 If the Member has the responsibility for <u>Audit and/or Ethics Standard Setting</u>, please indicate whether this responsibility is undertaken directly or through oversight of Audit and/or Ethics Standard Setting conducted by another organization?</b></p> <p><input checked="" type="checkbox"/> Directly                      <input checked="" type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also, give a description of the powers of the other organization and procedures applied, as well as the role of the Member in these procedures.</p> <p><u>Directly:</u></p> <p>Audit in Russia shall be carried out in accordance with the International auditing standards, issued by the International Federation of Accountants (IFAC). The MoF is charged with endorsement of the International auditing standards and their publication. The MoF keeps in touch with the IFAC regarding endorsement and application of standards.</p> <p><u>Through oversight:</u></p> <p>The MoF approves the Code of professional ethics of auditors and Independence rules for auditors and audit firms adopted by the SRO. The Code of professional ethics of auditors and Independence rules for auditors and audit firms are based on the Code of professional ethics, issued by the IFAC.</p>
<p><b>11. Permanent Education / Continuous Training of Auditors</b></p>	<p><b>11.1 If the Member has the responsibility for <u>Permanent Education / Continuous Training of Auditors</u>, please indicate whether this responsibility is undertaken directly or through oversight of Permanent Education / Continuous Training of Auditors conducted by another organization?</b></p> <p><input type="checkbox"/> Directly                      <input checked="" type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p>





(2) issue a written warning on unacceptability of violation of the requirements of the Federal Law On Auditing, other laws and regulations, auditing standards, the Code of professional ethics of auditors and Independence rules for auditors and audit firms;

(3) send to the SRO a binding directive on suspending membership of the audit firm for the period to eliminate the disclosed violations, but not more than 180 calendar days from the day following the day when the decision to suspend membership was taken;

(4) send to the SRO a binding directive on deregistration of auditors and audit firms;

(5) take decision on deregistration of audit firms providing audit services to the PIEs.

The CBR has the same enforcement powers as the FT except for the power provided by the aforementioned point 5, where the CBR is empowered to take decision on deregistration of audit firms providing audit services to the PIEs in the financial market.

Through referral:

The SRO under their enforcement powers may apply the following procedures against its members that committed violations of the requirements of the Federal Law On Auditing, other laws and regulations, auditing standards, the Code of professional ethics of auditors and Independence rules for auditors and audit firms:

(1) issue a directive that obligates its member to eliminate violations disclosed on the results of the quality control and establishes deadlines for eliminating these violations;

(2) issue a written warning to its member on unacceptability of violation of the requirements of the Federal Law On Auditing, other laws and regulations, auditing standards, the Code of professional ethics of auditors and Independence rules for auditors and audit firms;

(3) impose a fine on its member;

(4) pass a decision suspending membership of the audit firm or auditor until they eliminate the disclosed violations, but not more than 180 calendar days from the day following the day when the decision to suspend membership was taken;

(5) pass a decision to expel the audit firm or auditor from membership;

(6) apply other measures established by the internal documents of the SRO.

The MoF carries out oversight over enforcement. System of oversight includes the following:

	<p>(1) The MoF carries out periodic reviews over activity of the SRO in the area of enforcement.</p> <p>(2) The MoF carries out routine monitoring of activity of the SRO in the area of enforcement.</p> <p>(3) The MoF by analyzing information provided by the SRO checks compliance by audit firms and auditors with the requirements of the Federal Law On Auditing.</p>
<p><b>13. Other Responsibilities in Audit Oversight or Audit Regulation</b></p>	<p><b>13.1 If the Member has the responsibility for <u>other tasks within the area of Audit Oversight or Audit Regulation</u>, please describe with an appropriate level of detail:</b></p> <p>The MoF carries out analysis of the audit market: develops and prescribes the form for statistical reports; collects and analyzes statistics and data from the SRO and audit firms; annually publishes on its official website a report regarding the audit market environment.</p> <p>The MoF carries out oversight over the SRO. The main purpose of such oversight is compliance by the SRO with the requirements of the Federal Law On Auditing and regulations, issued in accordance with it. Oversight over activity of the SRO shall be carried out through scheduled (shall be carried out not more than every two years) and extraordinary reviews (shall be carried out upon a complaint submitted to the MoF regarding action (inaction) of the SRO violating the requirements of the Federal Law On Auditing and regulations, issued in accordance with it, acts of the CBR).</p> <p>The MoF takes decision on assignment of the status of the SRO and termination of this status. This decision on assignment of the status shall be taken based on the application of the entity intended to acquire this status and review by the MoF of the information on the applicant (including its compliance with the requirements provided by the Federal Law On Auditing).</p> <p>The MoF coordinates activities of the Russian governmental agencies in the field of auditing, ensuring their cooperation with the SRO. The MoF is assigned with the leading role in the audit regulation.</p>
<p><b>14. Main Other Responsibilities of the Member <u>outside</u> the area of Audit Oversight or Audit Regulation</b></p>	<p><b>14.1 Please describe with an appropriate level of detail, the responsibility of the Member for <u>tasks outside the area of audit oversight or audit regulation</u> such as supervision of financial reporting or securities regulation:</b></p> <p>The MoF is in charge for standard setting in accounting and financial reporting, development of tax and taxation policies, currency regulation and control, budgetary and financial policy.</p> <p>Consolidated financial statements shall be prepared in conformity with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB). IFRS Accounting Standards are required for the consolidated financial statements of the following organizations: credit</p>

	<p>institutions; insurance companies; non-state pension funds; management companies of investment funds, investment unit trusts and non-state pension funds; clearing organizations; federal state-owned enterprises as well as joint-stock companies, whose shareholder is the Russian Federation (per the Russian Government decision); any other company that prepares consolidated financial statements due to requirements of federal laws or its charter documents. The MoF is charged with endorsement of IFRS Accounting Standards and their publication.</p> <p>Separate company financial statements shall be prepared using Russian GAAP (federal standards) that are based on the IFRS Accounting Standards. The MoF develops, issues and approves federal standards.</p> <p>The MoF also performs the following: approves federal standards development program; represents the Russian Federation in the international organizations which are carrying out activity in the field of accounting and financial statements.</p>
<p><b>15. Member Update for public information (if any)</b></p>	<p><b>15.1 Are there any major news, activities, events or updates (on audit matters, the Member’s organization, the governing legislation or the authority/responsibilities) that you wish to keep the public informed of since completing last year’s Member Profile?</b></p> <p><input checked="" type="checkbox"/> Yes                      <input type="checkbox"/> No</p> <p><b>If yes, please describe these changes with an appropriate level of detail:</b></p> <p>1. In November 2024, the Government of the Russian Federation has issued the strategic document on the state policy in the field of accounting, financial reporting and auditing activities until 2030. The main objectives of the state policy in the field of auditing are the further enhancement of the role of independent audit in the national system of financial control, increasing of trust to the results of audit services’ provision and quality of these services, improvement of competitiveness of domestic audit firms and prestige of the audit profession.</p> <p>2. In 2023-2024, the procedures for inspections and investigations carrying out by the FT in respect of the audit firms that provided audit services to the PIEs were improved. The FT has increased the number of proactive (preventive) control procedures as well as improved the risk-based approach for planning its inspections.</p>