

## **BACKGROUND NOTE ON ACTION PLANS**

SMO Action Plans are developed by IFAC Members and Associates to demonstrate fulfillment of IFAC Statements of Membership Obligations (SMOs). SMOs require IFAC Members and Associates to support the adoption<sup>1</sup> and implementation<sup>2</sup> of international standards and other pronouncements issued by independent standard-setting boards under the auspices of IFAC as well as by the International Accounting Standards Board (IASB); and to establish a Quality Assurance (QA) review and Investigation and Disciplinary (I&D) systems.

IFAC Members and Associates conduct a self-assessment against the requirements of SMOs and identify areas where improvements are needed. Based on the results of the assessment, Members and Associates develop an SMO Action Plan to (a) demonstrate how they fulfill the requirements of the SMOs and (b) where some requirements are not yet addressed, to present plans towards their fulfillment.

SMO Action Plans are designed to be ever-green documents that provide a comprehensive description of the accountancy profession and its legislative and regulatory environment in the jurisdiction as well as the actions undertaken by IFAC Members or Associates to support adoption and implementation of international standards and best practices.

Regular updates of the SMO Action Plans are required as part of the IFAC Member Compliance Program.

### **Use of Information**

Please refer to the [Disclaimer](#) published on the Compliance Program website.

## **ACTION PLAN**

<b>IFAC Associate:</b>	Chamber of Auditors of Uzbekistan (ChAUz)
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<sup>1</sup> *Adoption* is concerned with the decision that international standards are appropriate for use in specific national financial reporting environments and with the actions necessary to effect those decisions, including incorporation into national requirements or requiring the use of international standards through law. Adoption may include a process to review draft international standards, translation, public exposure of proposed standards, approval, incorporation into national requirements as necessary, and promulgation of final standards, and, where applicable, a convergence process to eliminate or minimize differences between international and national standards.

<sup>2</sup> *Implementation* may include a process to build awareness of the adopted standards, provide relevant education and training, develop or disseminate implementation guidance and any other activities that promote proper understanding and use of the standards in practice.

## GLOSSARY

<b>ACCA</b>	Association of Chartered Certified Accountant
<b>BAU</b>	Banking Association of Uzbekistan
<b>CBU</b>	Central Bank of Uzbekistan
<b>CAP</b>	Certified Accountant Practitioner
<b>CED</b>	Committee on Ethics and Discipline
<b>CEO</b>	Chief Executive Officer
<b>CIPA</b>	Certified International Professional Accountant
<b>CPA</b>	Certified Public Accountant
<b>CPD</b>	Continuous Professional Development
<b>ChAUz</b>	Chamber of Auditors of Uzbekistan
<b>ChC</b>	Chairman of the Council
<b>EC</b>	Ethics Committee of ChAUz
<b>GSC</b>	Government state committee
<b>MC</b>	Membership Committee
<b>ECAC</b>	Educational Center's Accreditation Committee
<b>ECCAA</b>	Eurasian Council of Certified Accountants and Auditors
<b>ED ChAUz</b>	Executive Director of ChAUz
<b>QAC</b>	Quality Assurance Committee of ChAUz
<b>GTR</b>	Group for Translations Reviews
<b>IAPBE</b>	International Alliance of the Professional Business Elites
<b>I&amp;D</b>	Investigation and Discipline
<b>IAASB</b>	International Auditing and Assurance Standards Board
<b>IAESB</b>	International Accounting Educational Standards Board
<b>IASB</b>	International Accounting Standards Board
<b>IESs</b>	International Educational Standards
<b>IESBA</b>	International Ethics Standards Board for Accountants
<b>IFAC</b>	International Federation of Accountants
<b>IFRIC</b>	IFRS Interpretations Committee
<b>IFRS</b>	International Financial Reporting Standards
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>ISAs</b>	International Standards on Auditing
<b>ISQC</b>	International Standards on Quality Control
<b>MOF RUz</b>	Ministry of Finance of Republic of Uzbekistan
<b>NAAAUZ</b>	National Association of Accountants and Auditors of Republic of Uzbekistan
<b>TMoF</b>	Treasury of the Ministry of Finance of Uzbekistan
<b>TFI</b>	Tashkent Finance institute
<b>TSEU</b>	Tashkent State Economics University
<b>QA&amp;CPD M</b>	Quality Assurance and CPD Manager of ChAUz

<b>QAI</b>	Quality Assurance Inspectors of ChAUz
<b>QAC</b>	Quality Assurance Committee of ChAUz
<b>QAR</b>	Quality Assurance Review of ChAUz
<b>QARS</b>	Quality Assurance Regulation System of ChAUz
<b>QC</b>	Quality Control
<b>SC</b>	Standards Committee
<b>SCoP</b>	Senate Committee of Parliament
<b>SME</b>	Small and Medium Enterprises
<b>SMO</b>	Statement of Membership Obligations
<b>UNAS</b>	Uzbek National Accounting Standards
<b>UNDP</b>	United Nations Development Program
<b>UNSA</b>	Uzbek National Standards of Auditing
<b>USAID</b>	United States Agency for International Development

**Action Plan Subject:** SMO 1–Quality Assurance  
**Action Plan Objective:** Development of ChAUz Quality Assurance Review System

**Background:**

The Audit Law of Uzbekistan enacted in 2000 stipulates that all audit firms must be registered with the Ministry of Justice and licensed by the Ministry of Finance (MOF RUz).

In the law of Auditing activity "Article 27 emphasized the role of the Republican public association of auditors. There are currently two Republican public organizations nowadays: 1) Chamber of Auditors (founded in 2000) comprises a number of auditors and audit firms operating in Uzbekistan; 2) National Association of Accountants and Auditors (founded in 1992) – their members are auditors and accountants.

While the Ministry of Finance RUz is legally entrusted with the inspection of the audit firms (in case of receiving complaints about violation of the legislation), the members of the professional organizations are subject to quality assurance by their respective professional organizations.

According to the law “On Audit Activity”, all auditing institutions of Uzbekistan should pass an annual rating review, performed by professional organizations. Obtaining a certificate of passing the External Quality Assurance review is one of the rating evaluation criteria. Thus, focus on enhancing ChAUz’ Quality Assurance Reviews (QARS) since 2010 became a very important part of ChAUz’s activity. In 2015 and 2016, thirty and forty five auditing companies – ChAUz members, respectively, have successfully passed ChAUz’s Quality Assurance Review. In 2015 Council of the ChAUz, have updated methodology of the Quality Assurance Reviews in accordance with SMO 1 and ISQC 1, and thirty auditing companies – ChAUz members, have successfully passed ChAUz’s Quality Assurance Review, based on this methodology. Members of the Chamber of Auditors annually should pass an external quality control. The process consists of two levels: the first one- questionnaire, which is held every year, second level-full quality control is visiting audit firm’s office every three year.

According to the Decree of the President of the Republic of Uzbekistan #4720 (approved in April 2015) as of 2018, all publicly listed companies of RUz have to be audited in accordance with ISAs and other pronouncements of the IAASB. In the framework of this Decree, one of the main tasks of the ChAUz is to guide its members to work in line with ISQC 1, as well as conducting QAR in all institutions authorized to audit publicly listed companies.

The Quality Assurance System (QA) ChAUz was established in 2009 and is gradually being improved. Starting from 2015, all members of the Chamber of Auditors undergo mandatory external quality control.. The Russian Union of Auditor (RUA), which mentored the ChAUz, shared their experience in establishing and implementing their QA System. It was developed on the basis of the ICAS documents on QA, ISQC 1 and requirements of the SMO 1.

On September 19, 2018, the Resolution of the President of the Republic of Uzbekistan No. 3946 “On Measures for the Further Development of Audit Activities in the Republic of Uzbekistan” was adopted. It is expected that the adopted document will launch a new wave of reforms in the auditing activities of the republic, will be a harbinger of fundamental changes in the structure of the market for audit services.

**Expected changes in the audit market from 2020 year:**

1. Audit organizations will conduct auditing activities solely on the basis of international auditing standards.

2. The Ministry of Finance will conduct external quality control audits of audit organizations that conducted mandatory audits. To perform the new function, a department for interaction with professional organizations and external quality control was created in the structure of the Accounting and Audit Methodology Department of the Ministry.
3. Audit organizations are required to undergo external quality control in the professional organization of auditors
4. Compulsory membership of audit organizations in professional organizations of auditors was introduced.
5. Licensing of audit organizations through professional organizations of auditors.

ISQC 1 was adopted by ChAUz as the standard to regulate its QA System and updated in 2017. In accordance with the membership requirements, ChAUz conducts the QA reviews (QAR) of its members (audit firms) once in every three years- full quality review. If the audit firm has a number of complaints, then the ChAUz has the right to perform an extra QAR on these specific issues, at additional cost for the audit firm.

All QARs are carried out by the External Quality Assurance Committee under the supervision of the ChAUz Council. SMO 1 requirements form the basis of its activities. In each case of the Quality Assurance Review, ChAUz issues the QAR's Report, which is provided to the firm in order to improve their activity.

One of the important pre-requisites of the QARs is that qualified specialists, who are practicing audit, conduct such reviews; mostly they are certified auditors. They fulfill ChAUz requirements and are appointed by the External Quality Assurance Committee.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Organisational Activities</i>					
2.	January 2013	Revise the Quality Assurance Review Program in accordance with SMO-1 (2012) and develop working program on the Quality Control (QC) for coming year (work with ChAUz members).	March 2013 Completed and updating on ongoing basis	Chairman of the QAC	QAC, MC and EC
3.	2014	Update of list of members committee and invite member from international audit firms.	2014 Completed	Chairman of the QAC	International audit firms.
	2015	Establish cooperation with the other members of IFAC and study their experience in QC	2015 Completed	Chairman of the QAC	
<i>Development and Implementation of Quality Assurance System</i>					
4.	2002	Obtain ISA's and ISQC 1 in Russian and distribute among the ChAUz members.	2002 Completed	Chairman of the Council	ECCAA
5.	2002	Develop a training program ISA's and Quality Assurance Review Team for educating auditors.	Completed	Chairman of the Council	Executive staff

6.	2002	Development of training courses for Quality Assurance Inspectors (QA inspectors), selection and training.	During the 2002 Completed	Chairman of the Council	Executive staff
7.	2nd Quarter 2009	Learn requirements of and define technical resources for supporting a QA program. a. Translation into Russian of the updated SMO 1 b. Identify differences with UNAS to understand the statement of convergence with ISQC1. c. Communicate with IFAC members and particularly Chamber of Auditors of Kazakhstan and Russia to learn about experience on developing and implementing QA programs.	Completed  September 2009 Completed October 2009 Completed September 2009 Completed	Chairman of the QAC, Chairman of the QAC	Executive staff
8.	3rd Quarter 2009	Initiate meetings with members of ChAUz engaged in audit to assess the applicability of ISQC 1, issued in Dec. 2008, for all members of ChAUz.	December 2009 Completed	Chairman of the QAC, Chairman of the QAC	Executive staff
9.	Regular	Collect and learn global best practices in order to understand the best way to make the results of the QA program publicly available.	Regular Ongoing	Chairman of the QAC, Chairman of the QAC	Executive staff
10.	December 2009	Develop a model of the internal standard on quality control for audit firms that incorporated requirements of ISQC 1.	March, 2010 Completed	Chairman of the QAC, Chairman of the QAC	Executive staff
11.	January 2010	Develop a methodology of the external Quality Assurance Review Program for audit engagements in listed entity and submit it to MOF RUz.	December 2009 Completed	Chief of Council	Executive staff
12.	December 2010	Develop an example of an audit file for a standard financial statements audit (Audit file).  Maintain development of an example of an Audit file taking into consideration ISAs and IFRSs amendments.	December 2011  November 2012 Completed	Chairman of the QAC, Chairman of the QAC	Executive staff, MC and EC
13.	March 2010	Carry out External QA Reviews of Audit Firms – Members of ChAUz - once every 3 years.	Ongoing	Chairman of the QAC, Chairman ChAUz	Executive staff, MC and EC

14.	2011-2012	Analysis of deficiencies identified during Quality Assurance reviews and development of recommendations.  Monitor the implementation of the deficiency remediation plans of individual audit firms.	Ongoing	Chairman of the QAC	Executive staff, QA Inspectors,
15.	December 2010	Issue annual report on Audit Firms, which undergo External QA. Submit Annual report of QAC to ChAUz Council.	Annually	Chairman of the QAC, Chairman ChAUz	Executive staff, QA Inspectors
16.	2011	Obtain approvals to publish ISA's and ISQC1 from IFAC	2011 Completed	Chairman of the Council	Executive staff
17.	2011	Organize the seminars, conferences and round tables, etc. on "Audit Quality Assurance in ChAUz".	On going May 2014 December 2014 December 2017 April & October 2018	Chairman of the QAC	Executive staff , MC and EC
18.	as required	Support audit firms with all required instructions on creation of an effective internal Quality Assurance System.	As required	Chairman of the QAC	Budget, Executive staff , MC and EC
19.	September 2012	Conduct testing of QAI.	September 2012 Ongoing April 2014	Chairman of the QAC	Budget, Executive staff , MC and EC
20.	September 2012	Develop materials for inspection of quality related services.	September 2012 Completed	Chairman of the QAC	Executive staff , MC and EC
21.	July 2013	Invite representatives of the International organization and presentation experience of QA in other countries	July 2013 September October 2013 Updated 2017	Chairman of the QAC	Budget, Executive staff , MC and EC
22.	July 2013 ongoing	Conduct quality QA organizations with the updated policy	July 2013-December 2013	Chairman of the QAC, QA Inspectors	Budget, Executive staff , MC and EC

23.	Regular	Regular monitoring on the SMO 1 and of ISQC 1 revised by IFAC and implement new updates in documents of CHAUz.	Regular	Chairman of the QAC, QA Inspectors	Executive staff, Budget
24.	September 2018	Development of draft regulations on the organization and conduct of external quality control of audit organizations checking public companies by the Ministry of Finance	January 2019	Chairman of the QAC	Executive staff, Budget
25.	September 2018	Development of a procedure for conducting mandatory external quality control of audit organizations - members of the Chamber of Auditors of Uzbekistan	January 2019	Chairman of the QAC	Executive staff, Budget
26.	September 2019	Conduct self-assessment of their system of voluntary quality control in accordance with the requirements of SMO 1	October 2019	Chairman of the QAC	Executive staff, Budget
<i>Support of Members with the Implementation of Quality Control Standards</i>					
27.	Regularly	Organize training, seminars and other IPD and CPD activities in aim to support our members with the implementation of Quality Control Standards	Regularly	Chairman of the QAC	Executive staff, MC, EC
<i>Maintaining Ongoing Processes</i>					
28.	Ongoing	Design and regularly update the QA system to be in line with SMO 1 requirements	Ongoing	Chairman of the QAC	Executive staff
29.	May 2008	Update the model of the internal standards for audit firms.	Ongoing	Chairman of the QAC	Executive staff
30.	2012	Survey changes in IAASB pronouncements as they pertain to QA.	Ongoing May 2014	Chairman of the QAC	Executive staff
31.	Ongoing	Continue to communicate with IFAC Staff for guidance on SMO 1 requirements	Ongoing	Chairman of the Council	Executive staff



32.	Ongoing	Continue to ensure that the tools of ChAUz's Quality Assurance System are operating effectively and continue to be in line with SMO 1 requirements. This includes periodic review of the operation of the Quality Assurance system and updating the Action Plan for future activities where necessary.	Ongoing	Chairman of the Council	Executive staff
33.	Ongoing	Continue to promote SMO 1 and Quality Assurance requirements via representation on the Consultative Board on Accounting and Auditing under the MOF RUz.	Ongoing	Chairman of the Council	ChAUz Council
34.	June 2013	Review the proposed revisions to the SMOs released for public comment and submit the comments to the Exposure Draft of the revised SMOs.	Ongoing	Chairman of the Council	ChAUz Council

### Main Requirements of SMO 1

Requirements	Y	N	Partially	Comments
<b>Scope of the system</b> 1. At a minimum, mandatory QA reviews are required for all audits of financial statements.	+			According to the UNAS N 6 “Quality control of auditors activity” (September, 1999) each audit company required establish at a minimum, mandatory internal QA reviews. .
<b>Quality Control Standards and Other Quality Control Guidance</b> 2. Firms are required to implement a system of quality control in accordance with the quality control standards.	+			In accordance with the Law on Auditing to all audit firms tracking auditing quality control standards.
3. Most up to date versions of ISQC 1 and other relevant ISAs are adopted as the quality control standards.	+			Most up to date versions of ISQC and other relevant ISA are adopted as the quality control standards when mandatory audit of listing companies. .
4. Member Body assists firms in understanding the objectives of quality control and in implementing and maintaining appropriate systems of quality control.	+			Organize training, seminars and other IPD and CPD activities in aim to support our members with the implementation of Quality Control Standards
<b>Review cycle</b> 5. A cycle-based, risk-based, or a mixed approach for selecting firms for QA review is used.	+			
6. For cycle-based approach, quality control reviews are required to take place at least every six years (and every three years for audits of public interest entities).	+			In Uzbekistan, external quality control of the audit will be carried out with a 3-year cycle
<b>QA Review Team</b> 7. Independence of the QA Team is assessed	+			

Requirements	Y	N	Partially	Comments
and documented.				
8. QA Team possesses appropriate levels of expertise.	+			The Chamber of Auditors has complied with these requirements from the first days of the implementation of the external quality control system
<b>Reporting</b>				
9. Documentation of evidence supporting the quality control review report is required.	+			
10. A written report is issued upon conclusion of the QA review and provided to the firm/partner reviewed.	+			In addition, the report on the results of external control will be reviewed by an independent body - the committee on external quality control
<b>Corrective and disciplinary actions</b>				
11. Reviewed firms/partners are required to make timely adjustments to meet recommendations from the review report.	+			If errors are not corrected, the guilty company will be sanctioned
12. QA review system is linked to the Investigation and Discipline system.	+			
<b>Consideration of Public Oversight</b>				
13. The body responsible for QA reviews cooperates with its oversight body and shares information on the functioning of the QA review system, as needed.		+		
<b>Regular review of implementation and effectiveness</b>				
14. Regular reviews of implementation and effectiveness of the system are performed.	+			

**Action Plan Subject:** SMO 2–International Education Standards for Professional Accountants and Other Pronouncements issued by the IAESB

**Action Plan Objective:** Further Development of ChAUz’s Educational requirements in Accordance with IESs Requirements

**Background:**

In accordance with the Regulation on certification of auditors, authorized by the Ministry of Finance and agreed with the Chamber of Auditors of Uzbekistan, registered in the Ministries of Finance and Justice #977 on October 10, 2000, candidates have to pass training in special training center’s which have special licenses (issued by the Cabinet of Ministers of RUz) to educate accountants and auditors. The program of these trainings are in accordance with IES. In accordance with the Regulation, candidates have to pass exam’s in disciplines such as: 1) financial and managerial accounting, 2) finance and financial management, 3) audit, 4) taxes and civil law. All these programs have been translated into Russian and Uzbek languages in accordance with IES. Also, it is regularly monitoring and updating in training programs, which is publicly available. Universities, that are providing trainings in the sphere of accounting and assurance, should agreed programs with CHAUz, that is also mandatory. CHAUz is confirming the compliance of the training programs with the IFRS and ISA.

According to regulations on the Procedures for issuance of Auditor’s Qualification Certificate, approved by MOF RUz in September 25, 2000, registered at the Ministries of Finance and Justice #977 on October 10, 2000 (with amendments in 2004, 2005, 2007 and 2008), a candidate must meet one of the following requirements:

- Obtain a degree in economics from the higher educational institutes and universities of Uzbekistan, or from the recognized foreign universities,
- Obtain practical experience of no less than three years during last ten years after graduating from special secondary educational institutions in the areas of accounting, auditing, financial and tax controls or teaching in such fields;
- Obtain practical experience of no less than five years during last ten years in the capacity of an auditor, assistant auditor, chief accountant or tax officer if the candidate has obtained a degree other than the one in economics;
- Receive specialized professional training in the educational centers for auditors on the basis of the training program, approved by the MOF RUz, to obtain a certificate on passing examination of discipline of “Financial accounting-1” in the National examinations system; or Candidates with CAP and CIPA certificates and with practical experience of no less than five of the last ten years in the accounting sphere are exempt from the specialized training in educational centers.

Candidates with international certificates (CIPA, CPA, ACCA, CGA, etc.) are eligible to take exams without training in auditor training courses

Holders of international accounting certificates participate in examinations for in accordance with the resolution of the President of the Republic of Uzbekistan dated September 19, 2018 No. 3946 “On measures for the further development of auditing activities in the Republic of Uzbekistan”, from 2019, and receive an unlimited auditor certificate.

In accordance with the Audit Law, auditors have the right to develop their proficiency, annually reporting on CPD training taken in the professional body to the regulator body. In line with the Law, the professional body also has the right to conduct training for auditors’ CPD and issue certificates, reporting to MOF RUz on CPD trainings to auditors. Regulator – MOF RUz developed CPD regulation in accordance with SMO 2 in which ChAUz members are required to complete at least 60 monitored CPD hours each year, and this compliance is verified in the quality control process as well. ChAUz has a CPD database to monitor members’ hours. Monitoring of continuing education courses is

conducted by the Chamber of Auditors of Uzbekistan and the Ministry of Finance on a quarterly basis. Each quarter of the year, training centers provide information on the passage of advanced training courses by auditors. ChAUz supports their members by conducting training on professional development.

Last amendments to the auditors Training Program and CPD training were made in 2011 (#MM 17 02 35/134 and #MM 17 02 35/135 dated 01.04.2011).

By a joint Resolution, the Ministry of Finance of the Republic of Uzbekistan and the Chamber of Auditors of Uzbekistan dated July 20, 2015, No. 70, 72, the Chamber of Auditors is defined as a body that provides methodological assistance to audit organizations. By a joint decision of the Ministry of Finance, the Chamber of Auditors of Uzbekistan, the National Association of Accountants and Auditors of Uzbekistan from 2016 approved the Advanced Training Programs for auditors and accountants under International Auditing Standards and International Financial Reporting Standards.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Promoting the Need for Strengthening the Pre-Qualification Requirements</i>					
35.	January 2009	Obtain updated IES translations into Russian.	March 2011 Completed	Executive Director	Executive staff
36.	Ongoing	Develop and approve updated ChAUZ documents concerning convergence with SMO 2 requirements.	Ongoing	Chairman of EC	Executive staff
37.	March 2009	Continue to provide recommendations on including IES 2 "Content of Professional Accounting Program" requirements in universities' curriculum. Organize round table meetings for elaboration of these recommendations.	Ongoing	Chief of the Educational Center	Educational Center Staff
38.	January 2009	Develop, in cooperation with ECCAA, the educational requirements of CAP/CIPA program in accordance with IES	2011 Completed	Chief of the Educational Center	Educational Center Staff, Members
39.	Ongoing	Monitoring Practical Experience in accordance with the updated ChAUz's educational requirements in the cooperation with Ministry of Finance..	Ongoing	Chief of the Educational Center	Educational Center Staff, Members
40.	February 2009	Set monitoring programs of: a. Universities' Educational programs b. ChAUz Educational programs c. IES amendments	September 2009 Completed	Educational Center	Staff, Members

41.	March 2009	Start cooperation with - Tashkent Finance institute - Tashkent State Economics University to set step by step training programs CAP/CIPA	Ongoing	Chairman of EC, Chief of the Educational Center	Chairman of EC, Chief of the Educational Center
42.	March 2009	Update training and retraining courses .	Ongoing	Chairman of EC, Chief of the Educational Center	Chairman of EC, Chief of the Educational Center
43.	4th Quarter 2009	Within the framework of the CPD, launch courses on: Code of Ethics of Auditors and Discipline Financial markets.	Ongoing	Chairman of EC, Chief of the Educational Center	Chairman of EC, Chief of the Educational Center
44.	January 2009	Review and update, in cooperation with National examination systems programs: • Financial Accounting by IFRS • Managerial Accounting <sup>1</sup> • Taxation • Business and Civil Law	March, 2017 Completed	Chief of the Educational Center	Educational Center Staff
45.	November 2009	Invite representatives of the international organization to update training programs for retraining courses of auditors.	March 2010 Completed	Chairman of EC, Chief of the Educational Center	Chairman of EC, Chief of the Educational Center
46.	Ongoing	Organize special training courses regarding implementation ISAs in audit practice.	Start date 2002 Ongoing	Chairman of EC, Chief of the Educational Center	Chairman of EC, Chief of the Educational Center
47.	December 2009	Outsource educational centers, meeting ChAUz requirements to be accredited by ChAUz including CIPA, ACCA, CPA, etc. programs.	Ongoing	Chairman if the Council, Chairman of EC	Executive staff, Big 4 and network companies
48.	January 2010	Develop the educational scheme for certification of Auditors of Uzbekistan.	Ongoing	Chief of the Educational Center	Executive staff, Big 4 and network companies

49.	September 2010	Participate in the development of a draft regulatory document on the certification program for auditors in Uzbekistan	Ongoing	ChAUz Council, Chief of the Educational Center	Educational Center Staff of ChAUz
50.	2011	Organize special courses to the auditors in accordance ISA's.	Ongoing	Chief of the Educational Center	Educational Center Staff of ChAUz
51.	March 2012	Organize special courses to the government auditors of the Accounts Chamber of the Republic of Uzbekistan.	Ongoing	Chairman of EC, Chief of the Educational Center	Educational Center Staff of ChAUz
<i>Strengthening CPD Requirements</i>					
52.	November 2009	Develop and approve regulations in accordance with IES 7: - Regulation of CPD and educational centers - Regulation on accreditation of education centers	March 2011 Completed	ChAUz Council, Chairman of EC	Executive staff
53.	Ongoing	Develop recommendations for CPD based on the deficiencies identified during Quality Assurance reviews.	Ongoing	Chairman of the Council	EC, QAI
54.	Ongoing	Submit annual report on passed CPD to MOF of Uzbekistan. Submit annual report of CPD Committee to the ChAUz.	Ongoing	Chairman EC	EC, QAI
55.	November 2009	Present and implement specialized programs on audit.	June 2010 Completed	Chairman of the Council	Executive staff, Big 4 and network companies
56.	Ongoing	Organize lectures, training courses on methodology. Support External QA, etc. Organization of seminars, conferences and round tables with relevant universities. International Conference.	Ongoing	Chief of the Educational Centre	Educational Centre Staff, Executive staff , Members
57.	Ongoing.	Report annually on past CPD to MoF of RUz Report CPD annually to the Council.	Ongoing	Chairman EC	Educational Centre Staff, Executive staff, QAC

58.	2011	Together with the NAAA, provide and implement specialized audit software	Ongoing	Council	Educational Centre Staff, Executive staff, QAC , Budget, network companies
59.	January 2011	Develop and approve regulations in accordance with IES 7. -Regulation of CPD Committee -Regulation on CPD training & conducting.	June 2012 Completed	Chairman EC	Educational Centre Staff, Executive staff, QAC , Budget, network companies
<i>Enhance Practical Experience of ChAUz Members</i>					
60.	September 2009	Draft new practical experience requirements for ChAUz entrants in compliance with national environment and IES 5 "Practical Experience Requirement".	Completed December 2009	Chairman EC	MC, CED
61.	Ongoing	Monitor Practical Experience in accordance with IES 5 "Practical Experience Requirement".	Ongoing	ED ChAUz	Educational Center Staff
<i>Monitoring Ongoing Processes</i>					
62.	2009	Continue to use best practice to ensure that ChAUz's Education requirements continue to incorporate all IES Requirements. This includes review of the existing requirements and preparation of the Action Plan for the CPD activities where necessary.	Ongoing	Chairman EC	Educational Centre Staff, Executive staff, QAC , network companies
63.	Ongoing	Continue to promote SMO 2 and Educational Standards requirement via representation in the Consultative Board on Accounting and Auditing under the Ministry of Finance RUz.	Ongoing	EQAC Chairman	Educational Centre Staff, Executive staff, QAC , network companies
64.	Ongoing	Tashkent state of Economics University a. inclusion in the current program b. promotion among the students c. induce the professional teachers	Ongoing	Chairman of MC & EC	Executive staff



65.	Ongoing	Tashkent Finance institute a. inclusion in the current program b. promotion among the students c. induce the professional teachers	From 2013 and Ongoing	Chairman of MC & EC	Executive staff
66.	2018	Cooperation with the ACCA to increase number of accredited training center's to provide training for candidates	Ongoing	Chairman EC	Chairman of MC & EC
67.	2019	Accreditation of the ChAUz training center by IAPBE - UK	2019 completed	Chairman EC	Chairman of MC & EC

IES	Adopted (Yes/No/Partially)	Differences
<b>Initial Professional Development (IPD)</b>		
<a href="#">IES 1</a> Entry Requirements to Professional Accounting Education Programs (2014)	Yes	
<a href="#">IES 2</a> Initial Professional Development – Technical Competence (2015)	Yes	
<a href="#">IES 3</a> Initial Professional Development – Professional Skills (2015)	Yes	
<a href="#">IES 4</a> Initial Professional Development— Professional Values, Ethics, and Attitudes (2015)	Yes	
<a href="#">IES 5</a> Initial Professional Development— Practical Experience (2015)	Yes	
<a href="#">IES 6</a> Initial Professional Development— Assessment of Professional Competence (2015)	Yes	

<b>Continuing Professional Development (CPD)</b>		
<a href="#">IES 7</a> Continuing Professional Development (2014)	Yes	
<b>Specialization for Auditors</b>		
<a href="#">IES 8</a> Professional Competence for Engagement Partners Responsible for Audits of Financial Statements (2016)	Yes	

**Action Plan Subject:** SMO 3–International Standards and other Pronouncements Issued by the IAASB  
**Action Plan Objective:** Promote Ongoing Convergence with IAASB Pronouncements

**Background:**

Audit in Uzbekistan is performed in accordance with the Law of RUz “On Audit Activity” and National Standards on Auditing, which are in line with the RUz Laws and ISAs, published in Russian in 2008. ChAUz received from IFAC translated International Standards on Auditing and Assurance and the 2009 Code of Ethics editions.

ChAUz provides support to members by way of consultations, audit file development, interpretation of standards, training on ISAs, and other issues related to the development of the profession.

MOF RUz is mandated to design, approve, and regulate auditing standards as well as ensure compliance with them. The Law “On Audit Activity” requires auditors to follow Uzbek National Standards of Auditing (UNSA), derived from ISAs prevalent in 2008.

In 2008, ChAUz prepared and presented to the Ministry of Finance the ISAs Convergence Plan for the periods of 2009-2013, since standard setting is legally entrusted to the Ministry of Finance of Uzbekistan.

ChAUz, through the IFAC, regularly obtains and raises awareness of the most recent available Russian translation of the ISAs. ChAUz participated in translating ISA into Uzbek in cooperation with NAAAUZ, following the IFAC Translation Policy.

MOF RUz representative and ChAUz’ Chief of Council participated in the Meeting of the CIS and Baltic States professional bodies/standards setters organized by IFAC and IFRS Foundation in London on 13-16 May 2013.

According to the Decree of the President of RUz #4720 (approved in April 2015), all listed companies of RUz have to be audited on the basis of ISAs starting from 2018. In accordance with the Decree, ChAUz have developed proposed amendments to the law “On Auditing Activities” and the law was including the articles about audit services with using IAS and IFRS. The decree also applies to banks, insurance companies and joint stock companies. However, the regulatory document does not specify which version of international standards will be applied. It should be noted that from 2020 International Auditing Standards will be tried on in new versions.

In order to ensure that the members of ChAUz are aware of the best practice in auditors’ profession and to provide them with the consultations on application of ISAs, invite representatives of the network Audit companies’ representatives such as Grant Thornton International and Baker Tilly International.

In 2015, Law of RUz “On Audit Activity” was updated and amendment include possibilities to use ISA and IFRS in audit practice by audit organization.

Audit committee which is established in 2000 year have regularly activity, which is leaded by Zukhridin Nigmankhanov (Info@h1b.uz) General director of the HLB Tashkent.

<p>In accordance with the resolution of the President of the Republic of Uzbekistan dated September 19, 2018 No. 3946 "On measures for the further development of auditing activities in the Republic of Uzbekistan", only International Auditing Standards will be applied in Uzbekistan from 2020. The Chamber of Auditors will work jointly with the Ministry of Finance to officially recognize the International Auditing Standards, to organize the translation of international standards into the Uzbek language and their constant updating.</p>					
<p><i>Ongoing Adoption of IAASB Pronouncements</i></p>					
68.	2002	Obtain ISAs from ECCAA to introduce to the audit companies of Uzbekistan.	2002 Completed	Chairman of Council	ChAUz Staff, Members, Eurasian fund, ECCAA
69.	2002	Prepare draft of audit methodology in accordance of ISAs for auditors.	2002 Completed	Chairman of SC	ChAUz Staff, Eurasian fund, ECCAA, Members
70.	2000-2009	Establish activity to adoption UNSA's based on ISAs.	2000-2009 Completed	Chairman of Council, Chairman of SC	ChAUz Staff, Members
71.	2002 ongoing	Create and maintain a database of international auditing standards in the Uzbek language	November 2011 Completed	Chairman of Council, Chairman of SC	Task force
72.	January 2002	<p>Develop working plan of the ISAs convergence concept including:</p> <ul style="list-style-type: none"> <li>• Study and distribution of exposure drafts for comments and final pronouncements of IAASB standards</li> <li>• Initiate discussion of the exposure drafts and final pronouncements with all members of ChAUz</li> <li>• Provide comments to exposure drafts</li> <li>• Prepare recommendations for MOF Ruz 's consideration of the revised and redrafted ISAs</li> </ul>	<p>February 2009 Completed</p> <p>After that on ongoing basis</p>	Chairman of Council, Chairman of SC	Executive staff
73.	April 2010	Develop training materials and workshops: on ISAs and audit methodology, auditors and auditing firms, working problems identified during Quality Assurance reviews.	Ongoing	Chairman of SC, Chief of the Educational Center	Executive staff
74.	As required	Develop recommendations on methodological development of audit practice in Uzbekistan.	As required	Chairman of SC, Chief of the Educational Center	Executive staff

75.	June 2008	Develop recommendations on audit quality improvements based on Quality Assurance reviews and standards' Amendments.	As required	Chairman of SC, Chief of the Educational Center	Executive staff
76.	December 2010	Receive from IFAC translation by COA Kazakhstan International Standards on Auditing and Quality Control 2009 edition in Russian.	April 2011 Completed	Chairman of SC & EC	Executive staff
77.	December 2010	Prepare and distribute among audit companies special audit program "Audit soft" , for popularization of implementation of ISA's into audit practice	December 2010 Completed	Chairman of SC, Chief of the Educational Center	ChAUz Staff
78.	February 2011	Preparation and distribution of audit templates of methodology prepared in accordance ISA's	February 2011 Completed	Chairman of SC, Chief of the Educational Center	Executive staff
79.	January 2012	Presentation of the ISA's to the Chamber of Auditors of Uzbekistan	January 2012 Completed	Chairman of Council	Executive staff
80.	March 2012	Assist the Chamber of Auditors of Uzbekistan to implement ISA's as audit methodology during the special audit procedures	May 2012 Completed	Chairman of Council	Executive staff
81.	September 2013	Present ISA's to the Government State Committee and explain process of implementation in Uzbekistan	November 2013 Completed	Chairman of Council	Executive staff
82.	November 2012	Amendments to the Law "On Audit Activity" to allow to use ISA's in Uzbekistan	April 2013 Completed	Chairman of Council	Members of Council
83.	2012	Receive from IFAC and Chamber of Auditors of Kazakhstan approval to publish ISA's and QC 2012 edition in Russian.	2012 Completed	Chairman of SC, Chief of the Educational Center	Members of Council, IFAC. ChiA Kazakstan
84.	2012-2013	Publishing ISA's and QC 2012 edition in Russian and distribute during the special training for members of the ChAUz	2012-2013 Completed	Chairman of SC, Chief of the Educational Center	Members, Training center
85.	January 2014	In cooperation with the Government State Committee prepared methodology for listing companies to be prepared for independent audit	July 2014 Completed	Chairman of Council	Executive staff

86.	October 2013	Work with the Government State Committee to implement ISA's in audit organizations activity for listing companies	January 2014 Completed	Chairman of Council	Executive staff
87.	February 2014	Present QA review system for Government State Committee, discuss about possibility of cooperation in this area	2015 Completed	Chairman of Council	Executive staff
88.	July 2015	Preparation of the methodology for providing audit services to the Listed companies in accordance the ISA's and authorization by the MoFUz	2015 Completed	Chairman of Council	Executive staff
89.	2016	Preparation of the Internal standards for audit firms in accordance with the ISA'S with the Russian collegium of Auditors.	2016	ChaUz and Russian collegium of Auditors.	Executive staff
90.	December 2017	Organize International conference implementation of the ISA's and IFRS in audit practice.	2017 completed	ChAUz, BAU, CBU, SCoP	Russian Union of Auditors, NGO Sadrujestvo, Montenegrin auditor's union. JPA International
91.	2018	Preparation of the proposal for implementation of the ISA's in Uzbekistan and governmental recognition	2018 completed	ChAUz, MoF	Members, TFI, TSEU
92.	June 2019	Organize International conference implementation of the ISA's in audit practice.	Completed	ChaUZ	IFRS Fond Georgia, ChoA Kirgizia
<i>Organize Translations of the IAASB's Pronouncements into Uzbek</i>					
93.	March 2011	Participate in the Group for Translations and Reviews (GTR). This group will be responsible for: <ul style="list-style-type: none"> <li>• Ongoing translation process in accordance with IFAC Translations Policy</li> <li>• Review the translation into Uzbek language</li> </ul>	December 2011 Completed	Chairman of Council	Members of the Council, Executive staff, QAC & MC
94.	January 2013	Sign agreement with the NAAA Uz to participate in all process of translation and reviews to design and document ChAUz translations process accordingly.	December 2012 Completed	Chairman of Council	Executive staff
95.	May 2011	Submit candidates among member of ChAUz to join team to translation of the standards and draft standards as issued by IAASB.	June 2012 Completed	Chairman of Council	EC & SC

96.	June 2012	Participate during the completion the translation, in accordance with the agreed plan, by the translators selected to perform the ongoing translation of the standards and draft standards.	January 2014 Completed	Chairman of Council	Translators & GTR
97.	October 2013	Review the translated standards and draft standards.	May 2014 Completed	Chairman of SC	Translators & GTR
98.	May 2014	Approve the translations as performed by the translators and review Translation Review Group in accordance with the approved plan.	June 2014 Completed	Chairman of SC	Translators & GTR
99.	2019	Translation ISA's in to National languages in cooperation with the international organization	2020	Chairman of Council	Executive staff
<i>Maintaining Ongoing Processes</i>					
100.	Ongoing	Continue to support ongoing adoption and implementation of IAASB pronouncements. This includes review of the implementation of the Action Plan to date and updating the Action Plan for future activities as necessary.	Ongoing	Chairman of SC	Translators & GTR
101.	Ongoing	Continue to promote SMO 3 and ISA requirements via representation in the Consultative Board on Accounting and Auditing under the MOF RUz.	Ongoing	Chairman of SC	Translators & GTR
102.	Ongoing	Continue to support the members to implement ISA's in their activities as audit methodology	Ongoing	Chairman of SC	Translators & GTR
<i>Review of CHAUZ's Compliance Information</i>					
103.	Ongoing	Perform periodic review of ChAUZ's response to the IFAC SMO Action Plan and update sections relevant to SMO 3 as necessary.	Ongoing	Chairman of Council	Executive staff , SC & ED

**Action Plan Subject:** SMO 4–IESBA Code of Ethics for Professional Accountants  
**Action Plan Objective:** Promote the Implementation of the Clarified Code of Ethics

**Background:**

ChAUz and Chamber of Auditors worked jointly on development of the first Code of Professional Ethics for Auditors of Uzbekistan and it was developed in accordance with the IESBA Code of Ethics. Moreover, the main ethical norms have been incorporated into the Law on Audit activity and Audit regulations.

With regard to the development of its own Code, ChAUz has adopted the revised IESBA Code at the general meeting in March 2010. The Chamber of Auditors approved the Code of Ethics in the 2014 version. At present, it is planned to adopt it in the current version and translate it into Russian and Uzbek languages. It establishes ethical requirements for professional accountants and auditors and provides a basis for compliance with five fundamental principles of professional ethics: integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The CPD Committee of ChAUz included the Revised Code of Ethics in its training materials. ChAUz provides consultations to their members on Code of Ethics' interpretation and other related issues. The revised Code of Ethics is published on ChAUZ web site.

In order to ensure maintaining the compliance of the members of ChAUz with the Code of Ethics and to provide consultations to them on its application, Oleg Jukov (audit@uzaudit.uz), who has extensive experience in implementation of accounting reforms in the country and consulting, was assigned as the Chief of department on membership relationship and professional ethics.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Ensure Effective Implementation of the Code of Ethics</i>					
104.	January 2010	Review the Code of Professional Ethics for Auditors of Uzbekistan in order to compare with the IESBA Code of Ethics.	March, 2010 Completed	Chairman CED	Executive staff
105.	June 2010	Draft ChAUz's Code of Ethics in compliance with the IESBA Code of Ethics.	November 2010 Completed	Chairman CED	Executive staff
106.	2008	Distribute Russian translation of 2010 International Ethics Pronouncements. Constant updating of the document	2010 Completed Ongoing	Chairman CED	Executive staff
107.	April 2014	Update Code of Professional Ethic of Auditors of Uzbekistan in accordance the new recommendation	May 2014 Completed	Chairman CED	Executive staff



108.	Ongoing	Regularly monitor and when necessary update Code of Professional Ethic of Auditors of Uzbekistan in accordance IESBA recommendation	Ongoing	Chairman CED	Executive staff
109.	Ongoing	Upgrade of the Code of Professional Ethic of Auditors of Uzbekistan in accordance IESBA 2017 year recommendation and inform about effective news which will be June 2019 that members	December 2018	Chairman CED	Executive staff
110.	Ongoing	Regularly prepare articles in media on Code of Professional Ethic of Auditors of Uzbekistan in accordance IESBA recommendation <a href="http://uzaudit.uz/?page_id=1161">http://uzaudit.uz/?page_id=1161</a>	Ongoing	Chairman CED	Executive staff
<i>Maintaining Ongoing Processes</i>					
111.	Ongoing	Continue to support ongoing implementation of the IESBA Code of Ethics.	Ongoing	Chairman CED	Executive staff
112.	Ongoing	Continue to promote SMO 4 and Code of Ethics requirements via representation in the Consultative Board on Accounting and Auditing under the MOF RUz.	Ongoing	Chairman CED	Executive staff
<i>Review of ChAUz's Compliance Information</i>					
113.	Ongoing	Perform periodic review of ChAUz's response to the IFAC SMO Action Plan and update sections relevant to SMO 4 as necessary.	Ongoing	Chairman CED	Executive staff

**Action Plan Subject:** SMO 5–International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB  
**Action Plan Objective:** Promote Ongoing Convergence with IPSAS

<b>Background:</b>					
The Ministry of Finance has the authority of standard setting in this area. It intends to adopt the International Public Sector Accounting Standards in Uzbekistan fully by 2022.					
Reforming Uzbekistan’s accounting system and its National Public Sector Accounting Standards (NPSAS), based on the International Public Sector Accounting Standards (IPSAS), is considered to be one of the main directions for complex reforms of the national budget system. Datelines to implement International Public Sector Accounting Standards fixed by the Government Degree.					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Promote the Use of IPSAS</i>					
114.	Ongoing	Continue to support adoption of IPSAS through participation in workshops and maintain an ongoing process in negotiating with MOF RUz.	Ongoing	Chairman of Council	Executive staff
115.	2019	Create relationship with the international organization to obtain asses to the IPSAS resources	2019	Chairman CED MoF	Executive staff
116.	2019	Start cooperation with the MoF and ACCA to train and implement certificate program for staff of the budget organization in accordance IPSAS.	2021	Chairman CED MoF	Executive staff
117.	2019	Support to the MoF to prepare training program’s to organize training of the staff of budget organization in accordance IPSAS.	2019-2020	Chairman of Council,	Executive staff , ACCA
<i>Monitoring Ongoing Processes</i>					
118.	2009	Continue to use best endeavors by identifying opportunities to further assist in implementation of ISPASs. This includes review of the existing activities and preparation of the Action Plan for future activities where necessary.	Ongoing	Chairman of Council	Executive staff

<b>#</b>	<b>Start Date</b>	<b>Actions</b>	<b>Completion Date</b>	<b>Responsibility</b>	<b>Resource</b>
119.	2013	Cooperation with the SAI in Uzbekistan to start implementation of IPSAS, preparation methodology of the audit of the budget organization	Completed	Chairman of Council	Executive staff
120.	2018	Providing master class to SAI staff during the audit of the budget organization in accordance IPSAS.	2018 Completed	Chairman of Council SAI	Executive staff SAI
121.	Ongoing	Perform periodic review of ChAUz's response to the IFAC SMO Action Plan and update sections relevant to SMO 5 as necessary.	Ongoing	Chairman of Council	Executive staff

**Action Plan Subject:** SMO 6–Investigation and Discipline  
**Action Plan Objective:** Development and Maintenance of ChAUz Investigation and Discipline System

**Background:**

In accordance with the Law “On Audit Activity” from 2005 year, auditors are responsible for compliance with the Law “On Audit Activity” and RUz legislation. ChAUz has a Disciplinary and Appeals Committee, which conducts investigations on complaints received. In line with ChAUz bylaws, if a ChAUz member evades its responsibilities, the ChAUz Council has the right to impose disciplinary action. On the other hand, ChAUz supports its members in courts and other institutes to defend their rights.

The professional body may expel audit firms and should report to the regulator if they do not comply with the National Standards on Auditing and Code of Ethics of Auditors, identified during the quality assurance review.

This disciplinary system includes a review of complaints for ChAUz members and classifies them into ethical complaints and complaints for audit quality.

According to the classification, complaints are forwarded to the relevant Committees for the consideration of complexity of infringements. The main disciplinary measure is off-schedule quality assurance review of ChAUz member.

In line with the Bylaws, the Council of the ChAUz is entitled to take disciplinary actions in the form of Caution or Expulsion in the following cases:

- Breach of or non-compliance with RUz Audit laws and Bylaws, NSA, and ChAUz Code of Ethics;
- Evidence of false information in the documents submitted by an auditor or audit organization;
- Breach of or non-compliance with regulations and decisions of ChAUz governance bodies;
- Wrong doings with respect to the ChAUz and/or its members; and
- Failure to pay or delayed payment of membership fees.

Activity of the Disciplinary and Appeals Committee organized in accordance with SMO 6. Set out detailed procedures of consideration in cases of non-compliance or misconduct of the ChAUz members by the Disciplinary Commission.

In order to ensure maintaining the processes of complaints’ review, investigations and their reporting in accordance with the best practice, Sobir Safaev ([audit@uzaudit.uz](mailto:audit@uzaudit.uz)), who has extensive experience in implementation of accounting reforms in the country and consulting, was assigned as the Chief of Disciplinary and Appeals Committee.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Organisational Activities</i>					
122.	2018	Establish coordination with the MoF Uz to effect the auditors or audit organization activity with the questions in case if disciplinary measures if required.	Is discussing	Chairman of CED	Disciplinary Commission members, Executive staff

123.	Ongoing	Monitor claims to auditors and auditing firms, settle ethics conflicts, investigate and take disciplinary measures if required.	Ongoing	Chairman of CED	Disciplinary Commission members, Executive staff
<i>Promote the Use of I&amp;D System</i>					
124.	ongoing	Regularly sharing with the information materials to ChAUz members of I&D system through communication channels.	Ongoing	Chairman of CED	Disciplinary Commission members, Executive staff
<i>Maintaining Ongoing Processes</i>					
125.	Ongoing	Continue to use best endeavors to ensure ChAUz's investigation and disciplinary mechanism continues to address all SMO 6 requirements. This includes review of the existing mechanism and updating the Action Plan for future activities where necessary.	Ongoing	Chairman of CED	Disciplinary Commission members, Executive staff
126.	Ongoing	Cooperation with IFAC Member Body Compliance Staff Key Contact as to convergence with SMO 6.	Ongoing	Chairman of Council	Disciplinary Commission members, Executive staff
127.	Ongoing	Provide legal support to the ChAUz members when necessary.	Ongoing	Chairman of CED	Disciplinary Commission members, Executive staff
128.	Ongoing	Continue to promote the revised requirements of the SMO 6 via representation in the Consultative Board on Accounting and Auditing under the MOF RUz.	Ongoing	Chairman of CED	Disciplinary Commission members, Executive staff
129.	Ongoing	Establish and maintain complete records of all investigative and disciplinary processes.	Ongoing	Chairman of CED	Disciplinary Commission members, Executive staff
130.	Ongoing	Prepare the annual reports summarizing the results of the investigative and disciplinary proceedings.	Ongoing on annual basis	Chairman of CED	Disciplinary Commission members, Executive staff
<i>Review of ChAUz's Compliance Information</i>					
131.	Ongoing	Perform periodic review of ChAUz's response to the IFAC SMO Action Plan and update sections relevant to SMO 6 as necessary.	Ongoing	Chairman of CED	Disciplinary Commission members, Executive staff

**Main Requirements of SMO 6**

Requirements	Y	N	Partially	Comments
<b>Scope of the system</b>				
1. A system of investigation, discipline and appeals exists for the accountancy profession. The system is operational.	+			
2. Information about the types of misconduct which may bring about investigative actions is publicly available.		+		
<b>Initiation of Proceedings</b>				
3. Both a “complaints-based” and an “information-based” approach are adopted.	+			
4. Link with the results of QA reviews has been established.	+			
<b>Investigative process</b>				
5. A committee or similar body exists for performing investigations.	+			
6. Members of a committee are independent of the subject of the investigation and other related parties.	+			
<b>Disciplinary process</b>				
7. A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.	+			
8. Members of the committee/entity include professional accountants as well as non-accountants.		+		
9. The tribunal exhibits independence of the subject	+			

Requirements	Y	N	Partially	Comments
of the investigation and other related parties.				
<b>Sanctions</b>				
10. The disciplinary system allows imposing an extensive range of penalties. It is particularly important to include (a) loss of professional designation; (b) restriction and removal of practicing rights; and (c) exclusion from membership.				
<b>Rights of representation and appeal</b>				
11. A third appeals body exists which is separate from both the disciplinary committee and investigative committee.				
<b>Administrative Processes</b>				
12. Timeframe targets for disposal of all cases are set.	+			
13. Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.	+			
14. Records of investigations and disciplinary processes are established.	+			
<b>Public Interest Considerations</b>				
15. Activities are supported to ensure that the public is aware that an investigative and disciplinary system exists in the jurisdiction.			+	
16. A process for the independent review of complaints on which there was no follow-up is established.				

Requirements	Y	N	Partially	Comments
17. The results of the investigative and disciplinary proceedings are made available to the public.		+		
<b>Liaison with Outside Bodies</b>				
18. There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.			+	
<b>Regular review of implementation and effectiveness</b>				
19. Regular review of implementation and effectiveness of the system are performed and corrective actions are implemented.			+	



**Action Plan Subject:** SMO 7–International Financial Reporting Standards and Other Pronouncements issued by the IASB  
**Action Plan Objective:** Promote Ongoing Convergence with International Accounting Standards Board (IASB) Pronouncements

**Background:**

The Ministry of Finance of Uzbekistan is responsible for the development of the accounting standards. ChAUz organizes courses on IFRSs and other IASB pronouncements.

Uzbekistan enacted its Law on Accounting on 30 August 1996, which requires Uzbek companies to follow Uzbek National Accounting Standards (UNAS). The UNAS are a modified version of IASs prevalent in 2008, and as of January 1, 2010, there are 23 UNAS.

According to the Decree of the President of RUz, Declaration #1438 (approved in November 2010), the country's banking sector is to switch to full application of IFRS starting from 2012.

ChAUz was coordinated with the NAAAUZ translation of the 2013 edition of the IFRS into Uzbek language.

ChAUz has submitted its comments on the draft of proposed amendments to the Law of RUz "On Accounting" in order to facilitate the adoption of IFRS in the country. In accordance the Law which was approved in 2018, listed companies have right to prepare annual financial report in accordance the IFRS.

Also in 2018 was signed Presidential Degree which obliged listed companies to prepare from 2022 year accounting records and prepare annual financial report in accordance the IFRS.

Representative from MOF RUz and Chief of Council of ChAUz participated in the Meeting for the CIS and Baltic States professional bodies/standards setters organized by IFAC and IFRS Foundation in London on 28-29 November 2011 and 13-16 May 2013.

ChAUz provides support to its members through consultations on IFRS issues, amendments, interpretations, and so on by conducting training of IFRS implementation.

ChAUz in cooperation with the ACCA support to the members to obtain knowledge about IFRS via special training courses.

In order to ensure that the members of ChAUz are aware of the best practice in application of IFRS and to provide them with the consultations on implementation of the standards, Zulfiya Safaeva ([audit@uzaudit.uz](mailto:audit@uzaudit.uz)) auditor of Baker Tilly International in Uzbekistan, the holder of certificate CIPA was assigned as the member of SC.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Adoption and Implementation of IFRS</i>					
132.	Ongoing	Provide training for ChAUz's members regarding amendments to IFRS.	Ongoing	Chairman of SC	Education Department, ChAUz Council
133.	December 2013	Cooperate with the Stock Exchange to popularize IFRS for listing companies of Uzbekistan	July 2014 Completed	Chairman of Council	Chairman of SC, Education Department, ChAUz Council
134.	Ongoing	Promote implementation of IFRS through seminars, round table, etc. for listing companies, providing training and education in IFRS, and active participation in the IASB's work program.	Ongoing	Chairman of SC	Education Department, ChAUz Council, Press-Secretary
135.	Ongoing	Develop the main way to use best endeavors for promulgation and assist with IFRS implementation.	Ongoing	Chairman of SC & EC	Education Department, ChAUz Council
136.	Ongoing	Organize training on implementation of IFRS in cooperation with Big 4 or international network organizations	Ongoing	Council & Chairman of SC	Education Department, ChAUz Council
<i>Organize Review of Translations of the IFRS into Uzbek</i>					
137.	2019	Participate in the Group for Translations and Reviews (GTR) of IFRS.	Ongoing	Council & Chairman of SC	Executive & GTR staff
138.	2019	Sign agreement with the NAAA Uz to participate all process of translation and reviews to design and document ChAUz translations process accordingly.	Ongoing	Council & Chairman of SC	Executive & GTR staff
139.	2019	Submit candidates among of member ChAUz to join team to translation of the IFRS.	Ongoing	Council & Chairman of SC	Executive & GTR staff
140.	2020	Review the translated standards and draft IFRS.	Ongoing	Council & Chairman of SC	Executive & GTR staff

#	Start Date	Actions	Completion Date	Responsibility	Resource
141.	2020	Review process of IFRS implementation in commercial banks	Ongoing	Council & Chairman of SC	Executive & GTR staff
<i>Maintaining Ongoing Processes</i>					
142.	Ongoing	Continue monitoring of changes in IFRS and IAASB pronouncements.	Ongoing	Council & Chairman of SC	Executive staff
143.	Ongoing	Disseminate information concerning the best practice in application of IFRS and IFRS for SME application.	Ongoing	Council & Chairman of SC	Executive staff
144.	Ongoing	Distribute information related to IFRS including documents issued by IASB & IFRIC.	Ongoing	Council & Chairman of SC	Executive staff
145.	Ongoing	Cooperate with IFAC Member Body Compliance Staff Key Contact as to convergence with SMO 7.	Ongoing	Council & Chairman of SC	Executive staff
146.	Ongoing	Review the proposed revisions to the SMOs released for public comment and submit the comments to the Exposure Draft of the revised SMOs.	Ongoing	Council & Chairman of SC	Executive staff
147.	Ongoing	Review the proposed revisions to the SMOs released for public comment and submit the comments to the Exposure Draft of the revised SMOs.	Ongoing	Council & Chairman of SC	Executive staff
<i>Review of ChAUz's Compliance Information</i>					
148.	Ongoing	Perform periodic review of ChAUz's response to the IFAC Compliance Self-Assessment questionnaires and update sections relevant to SMO 7 as necessary. Once updated, inform IFAC Compliance staff about the updates in order for the Compliance staff to republish updated information.	Ongoing	Council	Executive staff



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№ 124

Date: August 26, 2019

Kavin Dancey C.M., FCPA, FCA  
Chief Executive Officer  
International Federation of Accountants  
529 Fifth Avenue  
New York, NY 10017 USA

Dear Mr. Kevin Dancey,

**Subject: Letter to Confirm Institutional Support for the SMO Action Plan**

This letter is to confirm that the leadership of the Chamber Auditors of Uzbekistan has reviewed the information contained in the SMO Action Plan prepared by Chamber Auditors of Uzbekistan as part of the IFAC Member Compliance Program and will provide institutional support for its implementation.

On behalf of the leadership of the Chamber Auditors of Uzbekistan, I endorse publication of the SMO Action Plan on the IFAC website in the interests of transparency and to demonstrate our commitment to enhancing the quality and credibility of the accountancy profession worldwide.

Sincerely,

Dr. Nematulla Karimov  
Chairman of the Council

26.08.2018

(Date)