

**Law of Ukraine**  
**“On Amendment of the Law of Ukraine “On Auditing”**

The Supreme Rada of Ukraine hereby resolves:

1. The following changes shall be introduced into the Law of Ukraine “On Auditing”:

- 1) In Article 1 word “executive” shall be omitted, after word “power” the words “and local self-government bodies” shall be supplemented.
- 2) In Article 2 the words “which Ukraine is a party to” shall be replaced by the words “ratified by the Supreme Rada of Ukraine”.
- 3) In Article 3:

part two shall be worded as follows:

“The following shall belong to auditing services:

- conducting of operational inspections;
- compilation of the accounting information data;
- consultative and informational services;
- accounting and economic-legal expert examination;
- bookkeeping;
- other types of economic-legal support of the business agents activities.”;

part three shall be omitted.

4) In Article 4:

part one shall read as follows:

“Audit is the inspection of the accounting data and financial reporting indices of the business agent for expressing auditor’s independent judgment on its reliability in all essential aspects and compliance with requirements of the laws of Ukraine and national standards for accounting or other rules according to the requirements of data users.”;

parts two through four shall be omitted.

5) In Article 5:

part one shall read as follows:

“Auditor is a physical person with certificate certifying qualification appropriateness to conduct auditing activities on the territory of Ukraine.”;

part three shall be omitted.

6) In Article 6:

part one shall read as follows:

“Auditing company is a legal entity with the right to conduct exclusively auditing activities, and registered with the National Register of Auditors and Auditing Companies.”;

part two after word “property” shall be supplemented with words “according to the laws of Ukraine”.

7) In Article 7:

part one shall read as follows:

“Audit Resolution is an official document attested with the signature and seal of the auditor (auditing company) compiled in line with the standards of the Auditing Chamber of Ukraine. It shall contain conclusion on authenticity, as well as compliance with requirements of the laws of Ukraine and other normative acts of the financial status of the business agent as reflected in the accounts.”;

part three shall read as follows:

“Audit resolution issued by the foreign auditor as for authenticity of the non-resident company accounts upon its official submission to organization, institution or business agent of Ukraine shall be attested by Ukrainian auditor (auditing company), unless otherwise is provided for by the international agreement ratified by the Supreme Rada of Ukraine.”.

8) Article 8 shall be omitted.

9) Article 9 shall be omitted.

10) Article 10 shall be omitted.

11) Article 11 shall be omitted.

12) Chapter II title shall be worded as follows:

“Certification in auditing activities and the National Register of Auditors and Auditing Companies”.

13) Article 12 shall read as Article 8, in which:

first sentence of the second part of the Article shall read as follows:

“Physical persons with university education certificate recognized in Ukraine and at least three years running of experience as experts in finance, law, economy and accounting, as well as no less than 1 year in auditing company (companies) registered in Ukraine and received recommendation therein for taking examination shall have the right to certificate.”;

part four shall be omitted;

part six shall be omitted.

14) Article 13 shall read as Article 9, and it shall be worded as follows:

“Article 9. The National Register of Auditors and Auditing Companies

Auditing Chamber of Ukraine shall keep the National Register of Auditors and Auditing Companies. Auditors (auditing companies) from the National Register of Auditors and Auditing Companies shall have the right to conduct auditing activities.

Family name, name and middle name of the auditor shall be introduced into the National Register of Auditors and Auditing Companies upon receiving certificate thereof.

Title of the auditing company shall be introduced into the National Register of Auditors and Auditing Companies upon submission to the Auditing Chamber of Ukraine of the following:  
certificate of state registration of the business agent;  
statutory documents;  
documents attesting upkeep with requirements provided for by Article 6 of this Law.”

15) Article 14 shall read as Article 10, in which:

parts two, three, and four shall read as follows:

“Statute of the Auditing Chamber of Ukraine shall be adopted by two thirds of the general number of the Chamber members. It is subject to the Cabinet of Ministers approval.

Auditing Chamber of Ukraine shall: conduct certification of the auditors; approve auditing standards and programs for auditors training; keep National Register of Auditing Companies and Auditors providing services on individual basis; supervise over observance of this Law regulations by the auditors (auditing companies), upkeep with auditing standards, professional ethics norms; regulate relations between auditors (auditing companies) while auditing activities are being conducted.

Auditing Chamber of Ukraine shall have an exclusive right to approve auditing standards. Auditing standards approved by the Auditing Chamber of Ukraine shall comply with the International standards for auditing and shall be binding for auditors (auditing companies)”;

supplement the Article with the following new passages:

“In order to conduct its activities the Auditing Chamber of Ukraine shall establish:

qualification committee to certify auditors;

disciplinary committee to supervise observance of this Law, provisions of other legislative acts of Ukraine, auditing standards by the auditors (auditing companies), regulate relations between auditors (auditing companies) while auditing activities are being conducted;

scientific-methodological commission developing the auditing standards, programs for training and certification.”.

16) Article 15 shall read as Article 11, in which:

title shall read as follows:

“Establishing and Activities of the Auditing Chamber of Ukraine”;

part one shall be worded as follows:

“Auditing Chamber of Ukraine shall function as an independent body.”;

parts four through nine shall read as follows:

“the Auditing Chamber of Ukraine shall be formed by way of including into its membership the auditors and experts from educational, scientific organizations and by one representative from the Ministry of Finance of Ukraine, State Tax Administration of Ukraine, National Bank of Ukraine, Ministry of Statistics of Ukraine, Ministry of Justice of Ukraine, State Commission for Securities and Stock Market of Ukraine.

Auditors, experts from educational and scientific organizations shall be delegated upon their agreement by the congress of the professional social (non-governmental) organization of auditors of Ukraine.

Term of the office of the Auditing Chamber member shall not exceed 5 years running.

All decisions by the Auditing Chamber of Ukraine shall be made on its meetings by simple majority of votes, provided that two thirds of its members are present, unless otherwise is provided by this Law.

Members of the Auditing Chamber of Ukraine, except for the Head of the Auditing Chamber of Ukraine, shall perform their duties on a non-paid basis.

Costs related to certification, as well as keeping of the National Register of Auditors and Auditing Companies shall be charged on the persons applying for certificate and inclusion into the National Register of Auditors and Auditing Companies on the rate established by the Auditing Chamber of Ukraine.”.

17) Article 16 shall read as Article 12, and shall be worded as follows:

“Article 12. Head of the Auditing Chamber of Ukraine

Head of the Auditing Chamber of Ukraine is the highest official of the Auditing Chamber of Ukraine working on the professional (paid) basis.

Head of the Auditing Chamber of Ukraine shall be elected by the majority of total number of the Auditing Chamber members.

Head of the Auditing Chamber of Ukraine shall be elected for three years, and shall not hold this office two times running.

Powers of the Head of the Auditing Chamber of Ukraine shall be defined in the Statute of the Auditing Chamber of Ukraine.”.

18) Chapter IV shall be omitted.

19) Chapter V shall read as Chapter IV.

20) Article 19 shall read as Article 13, in which:

Parts one through three shall be substituted by new parts one through five with the wording as follows:

“Auditing and provision of other audit services shall be conducted by auditors, auditing companies that acquired the right to conduct auditing activities in line with this Law.

If a non-resident is the customer of the audit, the audit might be conducted by foreign auditing company.

Audit can be conducted on the initiative of business agent’s owner or organ, authorized by him/her, as well as in cases, provided for by the laws of Ukraine (mandatory audit).

General conditions for conducting audit and provision of other audit services shall be determined by the Auditing Chamber of Ukraine.

Documents of the customer passed to the auditor (auditing company) for audit shall not be reviewed, publicized or requisitioned unless the customer’s consent is received.”.

In view of this part four shall read as part six.

21) Article 20 shall read as Article 14, in which:

Part two shall be worded as follows:

“Other audit services shall be provided based upon agreement, oral or written application of the customer to auditor (auditing company)”;

part five shall be worded as follows:

“Any provisions of the agreement aimed at full exemption of the auditor (auditing company) from property accountability established by the Law for non-authenticity of the auditing resolution or any other document reflecting results of the auditing inspection shall be null and void”.

22) Article 21 shall read as Article 15, in which:

part two shall be worded as follows:

“Audit conclusion shall be drawn out in line with the relevant norms and standards, and shall contain acknowledgement or well-based disavowal from acknowledgement of the customer’s accountings authenticity, completeness and its conformity with the law.”.

23) Chapter VI shall read as Chapter V.

24) Article 22 shall read as Article 16.

25) Article 23 shall read as Article 17, in which:

in point 1 after words “to examine status of the bookkeeping” shall be supplemented with words “and taxation”,

in point 4 words “effective legislative acts” shall be substituted with word “laws”.

26) Article 24 shall read as Article 18.

27) Chapter VII shall read as Chapter VI.

28) Article 25 shall read as Article 19.

29) Article 26 shall read as Article 20 and shall be worded as follows:

“Article 20. Other types of auditors accountability

If auditor’s duties are conducted improperly, the following penalties can be imposed: warning, abandonment from the National Register of Auditors and Auditing Companies, nullification of the certificate, other types of penalties provided for by the laws of Ukraine.

Procedure for brining auditors (auditing companies) to account shall be established by the Auditing Chamber of Ukraine.”.

30) Article 27 shall be omitted.

31) Chapter VIII shall read as Chapter VII.

32) Article 28 shall be omitted.

33) Article 29 shall be omitted.

34) Article 30 shall read as Article 21, and shall be worded as follows:

“ Article 21. Obligations of the business agent under audit

Management of the business agent is obliged to provide proper conditions to auditor (auditing company), so the latter is able to conduct qualitative audit.

Management of the business agents shall be vested with personal accountability for completeness and authenticity of the bookkeeping and other documents provided to auditor (auditing company) for audit or other auditing services according to the Ukrainian laws.

Accounts of the business agents subject to mandatory audit shall be examined by the auditor and publicized in line with provisions of the Ukrainian laws.”.

2. This Law shall become effective on the day of its publication.