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A new edition of the Law “On Audit Activity” is approved in Uzbekistan

The Senate of the Oliy Majlis of the Republic of Uzbekistan discussed and approved a new edition of the Law “On audit activity” (hereinafter – the “Law in a new edition”) during its twelfth plenary meeting on February 5, 2021. The Law in a new edition was developed in order to ensure the implementation of the Resolution of the President “On measures for the further development of audit activity in the Republic of Uzbekistan” No.PP-3946 dated September 19, 2018.

It is important to note that the existing Law “On audit activity” was adopted in 2000. Changes in the audit market connected with fundamental reforms negatively affected the quality and current condition of audit services do not meet today’s demands.

The main aim of the Law in a new edition was to unify and standardize existing legal acts, which regulate audit activity and their consequent consolidation into a single document which may provide a freedom of audit activity.

The following are the main changes and amendments:

- ▶ adaptation of audit activity to international standards;
- ▶ simplification of the audit procedures;
- ▶ simplification of the list of auditors and audit organizations;
- ▶ organization of an audit service that meets the requirements of a market economy, improving the quality of work and the prestige of the audit profession;
- ▶ cancellation of the requirement of obtaining license for audit activity, in order to provide more freedom for engaging into audit activity;
- ▶ cancellation of the requirement in regards to charter capital;
- ▶ audit organizations are no longer allowed to conduct an audit of the same business entity for more than seven consecutive years.

The subsequent risk analysis provides for external quality control of the work performed by the auditors and further publication of all the results on the official websites of the authorized State body and public associations of auditors of the Republic.

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