

Korpus Prava

AUDIT

Audit in Cyprus



Audit services

The specialists of Korpus Prava (Cyprus) have had years of experience in conducting audits for companies registered in Cyprus, as well as in other low tax jurisdictions.

Within the audit process Korpus Prava:

- carries out analysis of the dynamics of cost
- identifies types of expenditure that increase quicker than total cost
- identifies problematic types of expenses that require greater oversight
- identifies reasons for deviations from normal trends

The results of the audit are:

- evaluation of financial cost controls
- evaluation of the internal control system (reliability of accounting and preservation of assets)
- recommendations to address existing problems and to strengthen the internal control system
- auditor's opinion expressing general opinion about the reliability of the enterprise's accounting and reporting

Auditing of financial and tax reporting are mandatory for all companies registered in Cyprus. In doing so, the timely submission of financial statements and tax reports, confirmed by the auditor, is a necessary condition for obtaining some certificates (for example, Tax Residence Certificate, etc.) from the public authorities of the Republic of Cyprus.

Under the laws of the Republic of Cyprus every Cyprus company must, within 18 months from its incorporation and further once a year, prepare and submit a full set of financial statements (or consolidated financial statements, if applicable) made in compliance with the International Financial Reporting Standards (IFRS).

Financial statements that reflect fully and fairly the financial status, financial results and movement of funds are accompanied by the Board of Directors report and the auditor's report and are submitted annually to the respective regulatory bodies.

Accounting services

Korpus Prava (Cyprus) provides services for accounting and preparation of financial reporting in accordance with both national standards and International Financial Reporting Standards (IFRS).

Under the laws of the Republic of Cyprus every Cyprus company must do accounting and book-keeping that should fairly and fully reflect the company's state of affairs.

VAT and VIES reporting

Under EU legislation and national legislation, any person registered as a VAT payer in one EU country that delivers the goods to a registered as a VAT payer in another EU country, must file a report in the prescribed form (Recapitulative Statement), declaring all deliveries within the EU made during a calendar quarter.

Korpus Prava (Cyprus) provides services in VAT accounting, as well as the preparation and filing of tax reporting of VAT to the tax authorities of Cyprus.

Value Added Tax (VAT) is charged on each supply of goods and services that are subjects of VAT taxation by registered as a VAT payer on the territory of Cyprus and EU. A VAT payer, shall be entitled to recover the VAT included in the price of the purchased goods or services used for the main activity of the Company only.

The VIES system is an electronic means of transferring information on registration of VAT and its validity for companies registered within the territory of the European Union, with the aim of providing a mechanism for prevention of misuse of zero-calculated VAT.

Transformation of reporting under IFRS

International Financial Reporting Standards (IFRS) are an international system of generally accepted principles that underlie financial statements procedures in many countries.

Korpus Prava (Russia) provides the service of transforming reporting, prepared in accordance with Russian Accounting Standards (RAS/PCBY) and bringing it into conformity with International Financial Reporting Standards (IFRS).

Transformation of reporting in accordance with IFRS is required:

- when attracting foreign capital, clear reporting must be provided to potential investors
- for placing of securities at foreign markets
- when obtaining bank loans, to identify real aggregates of activities of groups of related companies

Financial reporting under IFRS is of interest both for third parties within the framework of a certain project and for a company's management. The result allows to objectively assess the efficiency of the company and the possibilities to raise capital or to get financed with a loan.

Korpus Prava provides for comprehensive set of services:

- audit of financial statements according to IFRS (both individual and consolidated financial statements)
- transformation of accounting according to IFRS (both individual and consolidated financial statements)
- the development of accounting policies under IFRS
- preparation of consolidated reporting for large holdings, consultations on application of IFRS and its impact on financial performance and other aspects

Should the company's shareholder be a foreign entity preparation of accounts for consolidation of financial data of the group is a part of mandatory accounting process.

Korpus Prava offers transformation of reporting services at reasonable prices. The experts of the company provide a detailed report and guarantee the positive result of they work they perform.

Specialists of Korpus Prava (Cyprus) help the client to gain an understanding of the business of the company that is either targeted for acquisition or being considered as a target for acquisition.

Services in the field of IFRS are provided by specialists of Korpus Prava (Russia), who have the ACCA Diploma in International Financial Reporting in Russian (DipIFR rus) and necessary experience.

Financial expertise

In the framework of financial expertise, we offer:

- analysis of the acquisition by the purchaser (Acquisition due diligence)
- analysis and preparation of a report by the seller (Vendor due diligence report)

The main purpose of financial expertise (Financial Due Diligence) is assessment of the reliability of financial information provided on business and risks.

Challenges of financial examination

- identification of actual financial performance of the business and its financial condition
- identification of sources and methods of business profit and its distribution
- identification of current financial risks
- obtaining of a reliable basis for evaluation of the business and preparation of a financial model

Result of financial expertise

- adjustments to the reporting data
- a detailed description of the identified risks
- risk assessment
- recommendations to minimize or eliminate the risks

Korpus Prava offers a full range of services:

- verbal and written consulting services on taxation issues
- prevention of conflicts with tax authorities and development of solutions in case such conflicts arise
- efficient planning of tax dues for a specific situation (e. g. large-scale transaction)
- development of tailored tax schemes and business models

Why Korpus Prava audit services:

- national and international qualifications of audit experts
- many years of audit experience
- reasonable prices – best value for money
- a method that balances analytical procedures and the necessary factual check-ups
- free consulting during auditing (on tax and law)



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