



**Republic of Uzbekistan  
Ministry of Finance  
Information Document**

---

**Public Financial  
Management  
Reform Strategy  
2007–2018**

---

# **1. INTRODUCTION AND OVERVIEW**

## **1.1. Purpose**

The purpose of this information document is to:

- Summarize the strategy;
- Identify the reform priorities and sequencing of reform measures in order to guide the Ministry of Finance (MOF) in the execution of the strategy; and
- Set out the PFM reform action plan.

## **1.2. Ultimate Objective**

The ultimate objective of the PFM strategy is to improve control over the PFM system in the Republic of Uzbekistan. Improved control is necessary to:

- Allocate resources in accordance with the priorities and policies of the Government of Uzbekistan;
- Deliver services efficiently in terms of the use of resources;
- Maintain aggregate fiscal discipline.

## **1.3. Intermediate Objective**

The intermediate objective is to modernize key processes in the PFM system via the:

- Establishment of a modern centralized treasury system;
- Introduction of a modern, comprehensive and unified budget and accounting system including a new budget classification and a new chart of accounts; and
- Introduction of a medium-term budget framework (MTBF) and program budgeting.

## **1.4. Timeframe**

The strategy envisages reform actions until 2018. This is the currently planned date for completing the phasing-in of international public sector accounting standards (IPSAS). However, it is possible that the end date of 2018 will change, for example if the accounting standards are phased in more quickly or slowly than currently envisaged, or if further reform measures are decided on.

## **1.5. Sequencing**

The new Government Financial Management Information System (GFMIS), budget classifications and chart of accounts (COA) are planned to become fully operational on January 1, 2011. On the same date, the Treasury is planned to become fully operational. In order to prepare for this, a

Department for Methodology and Introduction of Treasury Execution for the State Budget was established in the MOF.

Compliance with IPSAS and the Government Finance Statistics Manual (GFSM) 2001 is planned to be phased in until 2018.

The 2008 budget is planned to be prepared in the context of an MTBF.

The 2009 and 2010 budgets are planned to be prepared on the basis of expanded pilot program budgeting, with full program budgeting introduced from January 1, 2011.

The new budget classifications are planned to be introduced at the latest from January 1, 2011, but might be introduced earlier, from January 1, 2009 or January 1, 2010.

## **2. CENTRALIZED TREASURY SYSTEM**

### **2.1 Establishment of Treasury**

The Department for Methodology and Introduction of Treasury Execution for the State Budget was established in May 2005 in order to introduce progressively the Treasury execution system for the State Budget. Its operations now cover the whole country and it is planned to cover all budgetary expenditures by December 31, 2007. President's Resolution # 594, February 28, 2007, established the MOF Treasury on the basis of this Department.

### **2.2 Benefits of Treasury Establishment**

The MOF plans to improve control over the PFM system via the establishment of the Treasury by:

- Improved control over cash by consolidating government banking arrangements and introducing systematic cash planning and management. Currently, budget organizations have their own bank accounts in commercial banks, the MOF does not receive accurate and timely information on Government cash flows and balances, and therefore system-wide control over cash is loose;<sup>1</sup>
- Improved control over payments, ensuring that they conform with appropriations. Final control over payments has been exercised by commercial banks and has been loose because of weak institutional relationships (bank-client relationship, lack of accountability of banks to the MOF) and technical infrastructure (broad budget economic classification, paper-based information systems);
- Establishing control over commitments, e.g. before contracts for the supply of goods and services become valid. This should make the expenditure process more orderly, increasing compliance with budget expenditure appropriations and reducing expenditure arrears. Hitherto, there has been no commitment control;

---

<sup>1</sup> It has been estimated that there are approximately 47,000 budget organizations in the Republic of Uzbekistan, at central, regional and local government levels, using 120,000 bank accounts.

- Improving information collection, synthesis and analysis, via a GFMS that generates immediate information on budget execution and other general government financial transactions.

In turn, strengthened fiscal control should make: fiscal policies more stable and sustainable, with attendant macroeconomic benefits; monetary policies more effective by making fiscal flows more transparent; banking systems more effective by eliminating the budget execution role of commercial banks; and budgetary policies more effective by improved information and strengthened control over resources.

The Republic of Uzbekistan has in the past been successful in aggregate expenditure control, but this has required immense effort which has been to the detriment of other PFM functions.

### **2.3 Functions of the Treasury**

When it is fully operational, the Treasury is planned to have four groups of functions: performing certain central financial functions; developing and issuing standards; promulgating instructions; and preparing proposals for the MOF. In fulfilling its functions, the Treasury should endeavor to meet international standards.

The planned central finance functions of the Treasury are to:

- Accept, record and fulfill all requests for payment authorized to be made by all organizations of the general government sector;
- Accept, record and deposit all receipts authorized to be received by all organizations of the general government sector;
- Manage the banking relationships of the general government sector;
- Manage the Soum-denominated debt, financial assets, contingent liabilities and contingent assets<sup>2</sup> of the general government sector within the framework of policies determined by statutory instruments enacted by the Oliy Majlis and regulatory instruments promulgated by the President and the Cabinet of Ministers;
- Produce financial statements and management reports on the financial operations and financial position of the general government sector and its organizations, including as provided for in legislation and regulations;
- Control other aspects of budget execution by: controlling the conformity of certificates of purpose and payment requests with budgetary authorities and with requirements of statutory and regulatory instruments; cash planning, that is the preparation of payment and receipt forecast schedules; cash management; commitment control; and advising the MOF of potential or expected divergences in the course of the financial year between budgets as

---

<sup>2</sup> Foreign currency-denominated debt, financial assets, contingent liabilities and contingent assets are not planned to be managed by the Treasury in the foreseeable future.

executed and budgets as approved, and of possible consequences of, and responses to, such divergences.

The planned functions of the Treasury in respect of issuing standards are to assist the MOF to issue standards in respect of the general government sector for accounting and internal audit.

The planned functions of the Treasury in respect of promulgating instructions are to assist the MOF to promulgate instructions in respect of the general government sector for: processing payments and receipts; cash planning, that is the preparation of payment and receipt forecast schedules; cash management; accounting for and otherwise recording payments and receipts; accounting for and otherwise recording transactions other than payments and receipts, including other economic flows and stocks, and contingent liabilities and assets (guarantees and other); financial and management reporting; commitment control; procedures in respect of the approval of transactions giving rise to contingent liabilities and assets (guarantees and other); internal control; internal audit; and other aspects of budget execution.

The planned functions of the Treasury in respect of advising the MOF are to provide advice on appropriate policies, relevant to the Treasury's functions listed above, to achieve the ultimate objective of the PFM strategy.

## **2.4 MOF Treasury**

The MOF Treasury is applying commitment and payment controls and cash management with limited tailor-made software. Progressively, the coverage of the different types of expenditure is being expanded and budget organization bank accounts are being closed. By December 31, 2007, it is planned for all types of expenditure to be covered by the Treasury and all budget organization bank accounts used for budgetary expenditures to be closed. It is also planned that all budgetary transactions from that date on until the implementation of the GFMIS on January 1, 2011 will be processed via one Treasury bank account for each budget (Republican, oblast or rayon).

## **2.5 GFMIS**

It is planned to procure a customized off-the-shelf GFMIS to enable the Treasury to fulfill its functions efficiently. The procurement process is planned to begin in late-2007, with implementation commencing in 2010 and the full operation by the Treasury of the GFMIS commencing on January 1, 2011.

## **2.6 Treasury Single Account**

The Treasury Single Account, to be located at the Central Bank of Uzbekistan (CBU), is planned to apply to the whole of the general government sector. However, in order to effect the disbursement of notes to pay salaries etc, a separate Treasury bank account for each budget may be necessary; at this stage, it is planned to maintain such cash disbursement accounts, but this is subject to review and may change.

The Treasury bank account for the Republican budget was opened in March 2007. It is planned for this bank account to cover all Treasury operations of the Republican budget by end-December 2007, and for the Treasury Single Account to be established on January 1, 2011, when the GFMIS is fully

operational. At this time, it is planned to close all budget organization bank accounts used for extra-budgetary expenditures.

### 3. ACCOUNTING REFORM

#### 3.1 Principles of New Accounting System

The MOF has decided that the efficiency of the accounting system should be maximized in order to be able to support improved control. To this end, the system is planned to be uniform throughout the general government sector and to comply with international standards. Accordingly, it is planned to: promulgate new Uzbekistan public sector accounting standards in line with accrual basis IPSAS; comply with GFSM 2001; and undertake budget accounting on a cash basis reflecting the GFSM 2001 classification structure. To this end, a uniform COA for the general government sector to enable accounting and reporting on these bases has been designed and promulgated. For technical efficiency reasons, the structure of the new COA has been based on the GFSM 2001 classification structure.

#### 3.2 Phasing

The new accounting system is planned to replace an existing system which is fragmented; parts of the system are on a cash basis and part is on an outdated accrual basis. The MOF currently plans to implement the new system broadly as follows:

<i>Phase and Activities</i>	<i>2009-10</i>	<i>2011</i>	<i>2012-2015</i>	<i>2016-2018</i>
<b>Phase 0: Pre-GFMIS (if the GFSM 2001 budget classification is introduced before the GFMIS implementation; otherwise in Phase 1)</b> 1. Aggregate budget execution reports are prepared that are largely compliant with GFSM 2001 and Cash Basis IPSAS.	■			
<b>Phase 1: GFMIS Operational</b> 2. Accrual IPSAS and GFSM 2001 information is prepared and provided as supplementary disclosures. 3. Foreign currency gains and losses accounted for in accordance with IPSAS 4. 4. The accrual IPSAS supplementary disclosures include segmental analyses (i.e., republican, oblast and rayon budget levels). 5. Non-exchange revenues (e.g., taxes) accounted for on modified accrual basis.		■ ■ ■ ■		
<b>Phase 2: GFSM 2001 Compliance (Excluding Land Valuation)</b> 6. Indexation approach to revaluing assets is discontinued. 7. Contingent assets and liabilities are identified and disclosed for budget organizations. 8. Employment-related liabilities (excluding pensions) are valued and disclosed. 9. Pension Fund liabilities are valued and disclosed in accordance with international standards. 10. Heritage assets are valued and disclosed.			■ ■ ■ ■ ■	
<b>Phase 3: Full Compliance with Accrual Basis IPSAS</b> 11. Land is valued and disclosed.				■

<i>Phase and Activities</i>	<i>2009-10</i>	<i>2011</i>	<i>2012-2015</i>	<i>2016-2018</i>
12. Equity accounting of the CBU is introduced.				████████
13. Equity accounting for government-owned or controlled enterprises is introduced.				████████
14. Full (line-by-line) consolidation of the CBU is introduced.				████████
15. Segment reporting is extended to include an analysis of government-owned and controlled enterprises.				████████
16. Remaining contingent assets and liabilities are identified and disclosed.				████████
17. Full (line-by-line) consolidation of government-owned or controlled enterprises is introduced.				████████
18. Related party disclosures are introduced.				████████
19. Compliance with accrual basis IPSAS and GFSM 2001. Cash Basis IPSAS financial reports discontinued.				████████

The MOF plans to review this phasing in 2008.

### **3.3 Benefits**

The benefits of accounting reform can be summarized as: improved financial reporting of the Government and its entities, including a full picture of their financial position; information on the total costs of the Government's programs and activities; improved assets and liabilities management and performance measurement; reliable measures for fiscal policy; improved financial transparency; and an improved foundation for cost accounting systems in government entities and for the budget system of the Government and its entities.

## **4. BUDGET PREPARATION REFORM**

### **4.1 Budget Classifications**

The MOF plans to introduce new GFSM 2001-based budget classifications at the latest from January 1, 2011, together with the new GFMIS. These new classifications have been designed and reflected in the design of the new GFMIS. The MOF may introduce the new classifications earlier than January 1, 2011, on January 1, 2009 or January 1, 2010.

The GFSM 2001-based economic classification is planned to be used for appropriation purposes, as is the GFSM 2001-based functional classification until an independent program classification is introduced after which the functional classification is planned to be used for reporting purposes only. A GFSM 2001-compliant classification of balances and transactions of financial assets and liabilities by sector is intended to be introduced for reporting purposes only.

A new fund classification is also planned to be introduced, to be used for appropriation and control purposes.

The GFMIS has been designed to incorporate an independent program classification. It is planned to be activated when program budgeting is fully introduced on January 1, 2011.

These new classifications will be necessary to fully realize the planned benefits from the introduction of the new Treasury.

## **4.2 MTBF and Program Budgeting**

A pre-pilot MTBF was used by the MOF in 2004, assisting it to identify the consequences of fiscal policy in future years and the impact of new policies on expenditure baselines. The MTBF process is planned to be extended in 2008 budget preparation into a full pilot. This is planned to be initially predominantly a top-down exercise (the Medium Term Financial Framework [MTFF]) involving the MOF and the Ministry of Economy (MOE) to ensure the sustainability of the annual budget, better integration of capital and current expenditure budgeting and to derive financial ceilings for annual budget proposals.

It is also planned that line ministries will introduce the MTBF in 2009 budget preparation on the basis of pilot programs, on a bottom-up basis. This build on pre-pilot in the MOF and selected line ministries to give policy objectives, priorities and results greater emphasis in budget proposals and to de-emphasize the use of cost norms. It is not intended to introduce program budgeting fully until after the successful implementation of the full pilot and with the introduction of the new Treasury system including the GFMS, currently planned to be January 1, 2011.

## **4.3 Appropriation System**

The MOF plans to introduce appropriations of expenditure by the Oliy Majlis, on a cash basis, at the time the new budget classifications are introduced. It is planned that appropriation by the Oliy Majlis will cover the republican, oblast and rayon budgets as currently defined, plus the budgets of State Targeted Funds (STFs) and the extra-budgetary funds of budget organizations (BO-EBFs). The MOF expects that Oliy Majlis appropriation will improve control of expenditure.

It is planned that the appropriation of expenditure by the Oliy Majlis will be at more aggregated levels of the classifications, and that these appropriations will be disaggregated into more detailed budget allocations approved by the Cabinet of Ministers.

It is not planned to appropriate by programs until program budgeting is implemented fully. The application of the appropriation system to STFs and BO-EBFs is planned to be progressive.

## **4.4 Inter-governmental Fiscal Relationships**

The MOF plans to develop clearer legal and institutional distinctions between different levels of government, basing revenue shares and transfers to regional and local governments on more stable and predictable criteria. The MOF expects that this would improve control. The MOF also expects that the introduction of program budgeting will have a significant impact over on the distribution of policy responsibilities, and hence on the distribution of expenditure responsibilities as between central and local government. Accordingly, the MOF plans to commence a review of inter-governmental fiscal relations once the shape of the future program budgeting system becomes clearer.

## **4.5 Disclosure of Budget and Financial Information**

Since the 2003 budget execution report, the budget and budget execution reports have been published on a summary basis. Over the next decade, planned changes in the structure of the budget and improvements in the availability of budget and related information will require frequent fresh decisions to be made on the detail of the information to be disclosed to the Oliy Majlis and the public. The MOF plans to increase progressively the range and depth of budget, budget execution and other information on public finances that is disclosed publicly.

## 5. STATUTORY FRAMEWORK

The MOF plans to initiate amendments to the Budget System Law (BSL) in 2008 as set out below.

1. Revocation of BSL provisions that conflict with the provisions of the <i>Law On Treasury Execution of the State Budget</i>
2. Authorization the MOF to promulgate, without further legislative approval, the following budget classifications that will be used for appropriation as well as for disclosure purposes. These classifications will comply with the prevailing international standard for the classification of Government finance statistics (currently GFSM 2001): an economic classification for revenue, expenditure, and assets and liabilities; a functional classification of expense (expenditure); an organizational classification; a program classification; a fund classification; and any other required classifications.
3. Definition of budget and associated disclosure requirements, including publication of the annual budget, budget execution reports and associated ex ante and ex post documents, in conformity with the relevant provisions of the <i>Code of Good Practices on Fiscal Transparency</i> of the IMF. The associated documents will include, but not be limited to: MTBF documents; financial statements; and disclosures relating to operations within the general government sector and outside the budgetary sector (notably extra-budgetary funds of budget organizations). The format of the associated documents will conform in particular with the prevailing international standard for the classification of government finance statistics and prevailing international public sector accounting standards.
4. Definition of new budget preparation procedures conforming with the relevant provisions of the <i>Code of Good Practices on Fiscal Transparency</i> and providing for: the preparation and updating of an MTBF document; the preparation of an annual budget strategy document; budget submissions to be constrained by expenditure ceilings; the definition of budget submissions in terms of policies, objectives and results as well as input costs; and systematic new and existing policy reviews by the Government.
5. Definition of a parliamentary appropriation process that covers parliamentary submission, deliberation and approval, and incorporates: (i) the application of appropriation only to expenditures and not to revenues; (ii) appropriation on a cash basis; (iii) the separation between the release of cash and the release of budgetary authority derived from parliamentary appropriation; (iv) unused appropriations lapsing at year-end; (v) the definition of appropriation according to the organizational, economic, fund and program (or functional) classifications via an annual budget law; (vi) the application of the appropriation system to the republican, oblast and rayon/city budgets (including those of the Republic of Karakalpakstan and Tashkent city) as currently defined, plus on a progressive basis the budgets of STFs and BO-EBFs, i.e. the general government sector; (vii) permission for Government entities to under-spend appropriations but not to over-spend appropriations except to the extent and in the manner specifically authorized by the BSL; (viii) permission for the Government to reduce parliamentary appropriations of expenditure (other than of budget organization extra-budgetary funds) up to a certain limit (possibly 10%) in aggregate in the event that revenue shortfalls threatened the emergence of expenditure arrears; and (ix) permission for the Government to transfer up to a certain limit (possibly 10%) of one parliamentary appropriation item to another.

The MOF also plans to initiate amendments to the *Law On Treasury Execution of the State Budget* to take account of experience with the progressive introduction of the Treasury and to examine the option of combining the BSL with the *Law On Treasury Execution of the State Budget* into a single public finance statute.

The application of the appropriation system to the budgets of all STFs and BO-EBFs means that these budgets will be of budgetary funds rather than of funds outside the budgetary system. After these funds have become budgetary funds, the MOF plans to:

- Review them systematically in order, inter alia, to (i) ascertain their aggregate impact on fiscal policy; (ii) assess according to well-defined criteria whether there should be any

changes to the status of any of them; and (iii) ensure that they are classified correctly in line with the definition of general government in the GFSM 2001 framework.

- Apply the concept of a consolidated budget, i.e. consolidate the funds with or within the other (republican, oblast and rayon) budgets, including consolidate data on the funds in fiscal tables. To this end, it is planned to include information on the funds in the budget documents together with data on the other budgets. This is necessary for a coordinated framework for fiscal and macroeconomic analyses and policy;
- Endeavour to ensure that there is a sound regulatory framework for the funds, and that the transactions of the funds meet sound public financial management requirements. It is planned that the funds will be covered by all the public financial management systems used to manage the budgets of other entities: cash planning and management, commitment controls, treasury single account, accounting, reporting, internal control and audit, and external oversight.

## **6. STAFF TRAINING**

In order to create the required staff capacity in the MOF's Main Department of the State Budget and the Treasury, as well as in budget organizations, for the operation of the Treasury-based system of State Budget execution, the MOF plans to retrain its specialists in the Training Center established specifically for this purpose under the MOF. Within the framework of this exercise, the following is envisaged:

- Training for staff of the Main Department of the State Budget of the MOF with the view to applying modern principles of budget preparation. It is planned to train a total of 10 staff over a period of six weeks, to be financed by the ADB;
- Training for staff of the Training Center on teaching methods with the view of applying the new budget preparation manual. It is planned to train a total of 6-7 staff over a period of four weeks, to be financed by the ADB;
- Training in budget preparation according to the new manual and on implementation of the new budget classification for staff of the MOF, MOE and other budget organizations. It is planned to train a total of 15,000 staff over a period of 8-12 months, to be financed by the EU;
- Training for the staff of the MOF Treasury and budget organizations on State Budget execution, including cash planning of State Budget revenues and expenditures, accounting for budget organization commitments, budget appropriation management etc. It is planned to train a total of 21,000 staff on the basis of one- and two-week programs, to be financed by the State Budget;
- Training and certification of MOF IT Center staff in database management, software and system and network administration with the view to training the specialists who will service the GFMIS. It is planned to train a total of 16 staff via a specialized IT training/certification company, to be financed by the EU;
- Training for the staff of the MOF Treasury and the MOF's IT Center on implementation of Treasury functions via the GFMIS. This training will be provided by the GFMIS supplier at

the stage of software design, introduction and replication. It is planned to train the following numbers of MOF Treasury and the MOF's IT Center staff:

- 832 managerial staff;
  - 10 system administrators;
  - 20 application software maintenance specialists;
  - 2009 users;
- Training for MOF IT Center staff in system administration with a view to ensuring that they have the required level of knowledge and skill for independent and efficient system administration. This training will be provided by the supplier of the GFMIS technical infrastructure at the stage of software design, introduction and replication. It is planned to train the following numbers of MOF's IT Center staff:
    - 22 network administrators;
    - 22 system administrators;
  - Organization of training courses for the staff of the MOF and the Chamber of Accounts in order to improve internal and external audit procedures in accordance with international standards. It is planned to train a total of about 90 MOF and Chamber of Accounts staff, to be financed by the World Bank.

## 7. PFM REFORM ACTION PLAN

Date	Action
<i>Establishment of Treasury</i>	
January 2007	Extension of pilot Treasury to remaining regions of Uzbekistan.
February 2007	Promulgation of Presidential resolution on the establishment of the Treasury as a structural unit of the MOF.
March 2007	Appointment of Deputy Minister Head of the Treasury.
March 2007	Establishment of Treasury bank account for Republican budget transactions.
September 2007	Approval of: (i) any revisions to COA ; (ii) instruction on use of COA in budget organizations (including BO-EBFs), Treasury units and STFs.
December 2007	Completion of coverage of all budgetary expenditures by Treasury. Completion of closure of all budget organization budgetary bank accounts.
January 2008	Finalization in MOF of the amendments to the Law <i>On Treasury Execution of the State Budget</i> , if necessary, and circulated to other ministries.
January 2008	Commencement of Treasury training program.
April 2008	Submission of amendments to the Law <i>On Treasury Execution of the State Budget</i> , if necessary, Oliy Majlis.
May 2008	Completion of Treasury instructions on: bank management; cash planning and cash management; commitment and payment process; management of allocations in budgets, STFs and BO-EBFs; revenue management; use of COA; reporting by budget organizations (including BO-EBFs), treasury units and STFs; the accounting process; procedures for commitment and expenditure control in respect of security agencies.
August 2008	Approval by Oliy Majlis of amendments to the Law <i>On Treasury Execution of the State Budget</i>
October 2008	Completion of modifications to interim Treasury IT system if new budget classifications are introduced from January 2009 in advance of GFMIS implementation.
January 2009	Earliest commencement of budget execution according to new budget classification (alternative dates: January 2010 and January 2011).
June 2009	Completion of acquisition/refurbishment of new premises for Treasury units outside Tashkent.

October 2009	Completion of Treasury instruction on the operation of the GFMIS modules.
January 2011	Commencement by Treasury of full operations with GFMIS; closure of budget organization extra-budgetary bank accounts; commencement of Treasury coverage of extra-budgetary expenditures; Treasury Single Account begins operation; commencement of budget execution according to comprehensive program budgeting; commencement of appropriation for STFs and BO-EBFs.
<b>GFMIS Procurement</b>	
February 2007	Completion of Asian Development Bank fact-finding mission. Signature of Memorandum of Understanding.
June 2007	Approval of lead financing by Asian Development Bank Board.
October 2007	Announcement of tenders for GFMIS application software, first hardware contract (part of PCs and networking for Treasury offices) and second hardware contract (local support systems).
January 2008	Announcement of tender for third hardware contract (telecommunications equipment).
March 2008	Announcement of tender for fourth hardware contract (part of PCs and networking for Treasury offices).
March 2008	Commencement of installation of second hardware contract .
April 2008	Completion of delivery of first hardware contract.
October 2008	Completion of delivery of third hardware contract.
November 2008	Announcement of tender for fifth hardware contract (main servers).
December 2008	Selection of vendor for GFMIS application software contract.
March 2009	Confirmation with vendor of GFMIS application software design.
January 2009	Completion of delivery of fourth hardware contract
July 2009	Completion of installation of fifth hardware contract.
August 2009	Completion of GFMIS application software development.
September 2009	Commencement of GFMIS application software installation.
December 2009	Commencement of GFMIS testing.
March 2010	Commencement of GFMIS pilot in one oblast.
June 2010	Commencement of GFMIS roll-out and GFMIS training.
January 2011	Commencement by Treasury of full operations with GFMIS.
December 2011	Completion of tuning and monitoring of GFMIS implementation.
<b>Budget Preparation Reform</b>	
May 2007	Issuance of budget circular for 2008 budget preparation incorporating budget requests according to the MTBF.
October 2007	Cabinet of Ministers approval of draft 2008 budget prepared according to the MTBF. Cabinet of Ministers Resolution on preparing amendments to BSL.
October 2007	Commencement of training in new budget classifications if they are to be used for 2009 budget (alternatively, commencement of training in February 2008).
December 2007	Oliy Majlis approval of draft 2008 budget prepared according to the MTBF.
December 2007	Approval of new budget classifications.
January 2008	Draft BSL amendments finalized in MOF and circulated to other ministries
April 2008	Draft BSL amendments submitted to Oliy Majlis. Issuance of budget circular for 2009 budget preparation according to expanded pilot of program budgeting. Earliest commencement of budget preparation with new budget classifications (alternatively, April 2009 or April 2010).
August 2008	Oliy Majlis approval of BSL amendments, including new appropriation system.
February 2009	Commencement of review of inter-governmental fiscal relations.
April 2009	Issuance of budget circular for 2010 budget preparation according to comprehensive program budgeting and parliamentary appropriation of budgetary expenditure and the progressive incorporation of STF and BO-EBF expenditure within parliamentary appropriation system.
<b>Accounting Reform</b>	
January 2009	Commencement of earliest compliance with Cash Basis IPSAS for general government sector (alternative dates January 2010 and 2011) and reporting according to GFSM 2001 on cash basis.
January 2011	Commencement of accrual IPSAS provided as supplementary disclosures, including payables, other financial liabilities and assets except receivables (foreign currency gains and losses accounted for in accordance with IPSAS 4), and segmental analyses (i.e., republican, oblast and rayon budget levels). Accounting of non-exchange revenues (e.g. taxes) on modified accrual basis.
January 2012	Discontinuation of indexation approach to revaluing assets.
January 2013	Identification and disclosure of contingent assets and liabilities for budget organizations. Valuation and disclosure of employment-related liabilities (excluding pensions).

January 2014	Valuation and disclosure of Pension Fund liabilities.
January 2015	Valuation and disclosure of heritage assets.
January 2016	Valuation and disclosure of land. Introduction of equity accounting of the CBU.
January 2017	Introduction of equity accounting for government-owned or controlled enterprises. Introduction of full (line-by-line) consolidation of the CBU. Extension of segment reporting to include an analysis of government-owned and controlled enterprises. Identification and disclosure of remaining contingent assets and liabilities.
January 2018	Introduction of full (line-by-line) consolidation of government-owned or -controlled enterprises (IPSAS 6 <i>Consolidated Financial Statements and Accounting for Controlled Entities</i> allows a transition period of three years from first adoption of this standard). Introduction of related party disclosures. Compliance with accrual basis GFSM 2001 and IPSAS. Discontinuation of Cash Basis IPSAS financial reports.