

Federation of Bosnia & Herzegovina, Bosnia and Herzegovina Reforms status and highlights

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EU-REPARIS Senior Officials Workshop



Road to Europe: Program of Accounting
Reform and Institutional Strengthening



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Summary of alignment status

- » Accounting and Auditing Law adopted in 2009
- » IFRS adopted in 2009
- » IFRS for SMEs adopted in 2013, including translation of the Standard (new translation available)
- » ISA adopted in 2009
- » Parliament adopted a Draft Law on Accounting and Auditing
- » New Law, for the most part, will be in compliance with the latest EU Directives (Accounting Directive, Audit Directive and Audit Regulation)
- » New Law includes: Introducing obligation to report on the transparency of the auditing firms carrying out audits of the Public Interest Entities (PIEs), Tightening of business conditions for auditing firms carrying out audits of the PIEs, Tightening of the conditions for obtaining licenses for certified auditors, Clearer definition of responsibilities of the PIEs, classification of groups, adoption of a “micro“ regime, as well as several new regulations

Summary of alignment status

	Transposition tables prepared	Laws drafted	Public consultations	Law passed
Accounting Directive	Yes	Yes	From 23 December 2016 to 22 March 2017	Planned for first half of 2017
IAS Regulation	No	Yes	No	Planned for first half of 2017
Audit Directive	Yes	Yes	From 23 December 2016 to 22 March 2017	Planned for first half of 2017
Audit Regulation	Yes	Yes	From 23 December 2016 to 22 March 2017	Planned for first half of 2017

GENERAL COMPLIANCE WITH EU FRAMEWORK

- Definition of SMEs harmonized with the NEW accounting directive: N
- Accounting standards used for SMEs: Y
- Format of financial statements aligned with EU accounting directive: N
- Adoption of a micro-regime: Y
- Audit Standards used: Y

	Legal requirement	System established	Built capacity?	Institution effective?
Public Oversight	Yes	Yes	Operations started	Yes
Quality Assurance	Yes	By PAO	Operations started	Started in December 2015



Success Story

- » IFRS adopted in 2009
- » IFRS for SMEs adopted in 2013, including translation of the Standard
- » ISA adopted in 2009
- » Updated translation of IFRS and IAS available
- » Updated translation of ISA available
- » Association of Accountants, Auditors, and Financial Workers of FBH published an updated version of IFRS, including ISA, in February 2017 (with the framework and implementation guidance)
- » IFRS for SMEs (version 2015) available



Follow up needed

- » The Chamber of Auditors body named Commission for Inspection and Quality Control of the Audit Firms and Auditors (established in April 2015) has three members and employed professional Quality Assurance Supervisor-QAS
- » The Review is combination of both desk review (day-to-day basis) and on-site control (Started in December 2015 – fifteen quality assurance control of the audit firms have been executed and reported by the Commission to the Public Oversight Board)
- » POB first started with its activities in 2014. Up to this date, the Board is not fully operational, due to a number of reasons such as problems with functioning of the Chamber of Auditors
- » Once the Law is adopted we will have the need for, if possible, support in the process of implementation of the Law in terms of training for acquiring new knowledge and skills in the field of auditing profession, as well as quality control and public oversight

Thank you.