

Republic of Macedonia

Reforms status and highlights

Brussels, 28 March 2017

EU-REPARIS Senior Officials Workshop



Road to Europe: Program of Accounting
Reform and Institutional Strengthening



EU-REPARIS is funded by the
European Union and is a part of
WB EDIF.

Summary of alignment status

	Transposition tables prepared	Laws drafted	Public consultations	Law passed
Accounting Directive	In progress	No	No	No
IAS Regulation	No	Yes	Yes	Yes, IFRS 2009 translated and applicable for listed companies
Audit Directive	In progress	No	No	No
Audit Regulation	In progress	No	No	No

	Legal requirement	System established	Built capacity?	Institution effective?
Public Oversight	Yes	Yes	Yes for monitoring ICARM QC system.	Yes
Quality Assurance	Yes	By ICARM and CAO A	Yes in ICARM. Independent QA review by CAO A yet to be established.	Yes

GENERAL COMPLIANCE WITH EU FRAMEWORK

Definition of SMEs harmonized with the NEW accounting directive: **No**

Accounting standards used for SMEs: **IFRS for SME 2009**

Format of financial statements aligned with EU accounting directive: **Yes, some alignments for disclosure requirements in the notes will be needed.**

Adoption of a micro-regime: **No**

Audit Standards used: **In Republic of Macedonia are used ISA (update in 2010)**



Success Story

- From July 2016 Institute of Accountants and Chartered Accountants of the Republic of Macedonia is operational and started implementing its authority according to Law on performing accounting services.
- Reduced regulatory burden and easier access to the accounting profession (general education plus experience plus output model CPD with test of knowledge, instead of professional certification).
- We expect the Institute to be further successful in:
 - adhering the accounting profession to the highest professional standards;
 - increasing the quality of accounting services;
 - performing quality control over professional accountants;
 - reducing the compliance costs for the profession and also for the private sector.
- CAOIA increased capacity for oversight over audit and international cooperation with oversight bodies as a platform to build capacity for independent quality control.



Challenges

➤ ***Alignment of national legislation to the requirements of Statutory Audit Directive 2014/56/EU and Regulation No. 537/2014 on statutory audit of PIEs (end of 2017):***

- Choose appropriate scope and adopt clear definition for entities to be designated as PIEs;
- Build capacity of CAOARM for quality control independent from the audit profession;

➤ ***Alignment of national legislation to the requirements of Accounting Directive 2013/34/EU;***

➤ ***Updating national financial reporting framework and translation of IFRS, IFRS for SME and ISAs;***

Thank you.