

International Practices Applied  
in Accounting Standards Setting  
and Adoption  
experiences of Croatia

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# History

- Accounting Act
  - 1993
- Companies are obliged to use IAS

# History

- Accounting Act
  - 2006
- Large and listed companies
  - IFRS
- Other
  - IFRS or
  - Standards issued by Financial Reporting Standard Board
    - IAS as of 2000

# History

- Accounting Act
  - 2008
- Large and listed companies
  - IFRS
- Other
  - CFRS

# CFRS

- Special workgroup
  - 7 members
- Different approaches discussed
- UN
  - SMEGA
    - Level 1
    - Level 2
    - Level 3
- UK
- ....
- EU Directive

# Reasons for compliance with IFRS

- Experience from 1993 with IAS
- Transition from CFRS to IFRS and vice versa
- Consolidation
- Profit tax

# Process

- Process started in 2006
- "In line with EU Directive but with IAS measurement as much as possible"
- Each member prepared 2– 3 draft
- Public debate
- Final text in late 2007

# Translation of IFRS/IAS

- Accounting Act
- Large and listed companies were obliged to use IFRS published in Official Gazette
- IFRS were translated by Financial Reporting Standard Board



# Translations by Board

- Official IFRS for companies
- Accurate till 2000
- No translations from 2000 till 2006
- Board adopted translation of standards made by Croatian Association of Accountants and Financial Experts
- In 2008 some errors in translation are corrected and IAS 39 amendments (reclassification) published
- IFRS 8 translated

# History of IAS/IFRS translation in Croatia by CAAFE

- 1993 first translation of IAS
- 1996 IAS 1995 translated
- 2001 IAS 2000 translated
- 2005 IFRS/IAS 2004 translated

# Translation process

- End of 2008 – Board decided to translate standards adopted by EU
  - consolidated text (as of 17.10.2008)
  - latest amendments
- Translation started at the beginning of 2009
- Question: what amendments translate? Till which date?

# Translation by Board (2)

- Published at the end of 2009
- IFRS adopted by EU till April 2009
- In 2010 translated
  - IFRS 1
  - IFRS 3
  - IAS 27
  - IFRIC 15
  - IFRIC 16
  - IFRIC 17
  - IFRIC 18

# Language problems

- One term in English → few terms in Croatian
- One term in Croatian → few terms in English
  - How to translate some terms?
  - Is it possible to describe rather than use direct translation?

Thank you for your attention!