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NORMATIVE FRAMEWORK AS THE BASIS FOR QUALITY FINANCIAL REPORTING IN THE REPUBLIC OF SLOVENIA, THE REPUBLIC OF MACEDONIA AND THE REPUBLIC OF SERBIA

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Review paper

Abstract: Quality of financial reporting is the precondition for the effective functioning of capital market due to the globalization of business. In the countries of Eastern and Central Europe, during the period of socialism, accounting and preparation of annual accounts was adapted for needs of planned economy. Today, it is necessary to work on harmonization national with international legislation. Also, they need to promote a culture of financial reporting, because economic entities do not understand the essential role and importance of financial reporting for business potential. In this paper, we consider Slovenia's, Macedonia's and Serbia's normative framework of financial reporting system, in order to give the assessment of the current situation and pointed out the possible directions of improvement of this process. The comparative analysis of legal and professional solutions, which regulates financal reporting system in these countries, we learned some inconsistencies of their legislation in relation to international regulations, especially in the part of financial reporting for small and micro entreprises. In Serbia and Macedonia, perceived insufficient engagement of of professional organizations and bodies, which requires the reaction of the country in terms of defining and monitoring the implementation of regulations governing the conditions and responsibility for performing accounting and auditing work. This would allow business entities to access financial sources under favourable terms, raising their competitive advantages to quality financial information within financial reports, as well as further development of entrepreneurial activity, which is the generator of the most developed economies in the world.

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1. Introduction

Globalisation is the most important process today that erases social, political and economic boundaries. In economic terms, globalization leads to increasing integration of national economies, which results in the creation of the global market for goods, labour and capital. In the contemporary business environment, the ability to survive and develop is only related to those business entities that recognize the potential of the global market for achieving competitive advantages by expanding their business activities. Financial reporting, at a time when business horizons go beyond national borders, is the basis of mutual communication and connecting business entities worldwide. The financial statements are the identity card of companies, because they present financial situation, financial flows and yield strength, allowing users, especially external ones, to assess business opportunities and risks. Due to the importance and responsibility of financial reporting for growth and development of business entities, and in a broader sense, for the socio-economic prosperity of a society, it is necessary to ensure adequate quality of the information contained in the financial statements. Under conditions where the free market cannot achieve a satisfactory quality of financial reporting, there is a need to regulate this process both at the national and international level, and thus leading to the development of global, generally accepted, rules and principles governing this process. Understandability, relevance and reliability of the information contained in the financial statements even beyond the borders of individual countries, opens up the possibility to use cheap labour, exploitation of other resources, penetration into new markets, which inevitably requires national and professional interventionism in the field of financial reporting.

For developing countries, such as Serbia and neighbouring countries, the benefits of globalisation in leading business activities, primarily refer to the possibility of attracting foreign capital and entering the world market. Serbia, like other former Yugoslav republics, tends to strengthen competitiveness at the macroeconomic level, which will allow it more intensive integration into international economic flows. In those countries, the opening up of national economies, market liberalisation, strengthening of the banking sector and financial institutions, require the support of appropriate infrastructure, and certainly the most important segment of it lies in effective financial reporting system. In this paper, we will review models of financial reporting of Slovenia, Serbia and Macedonia in order to detect the specificity of the normative framework of these countries in relation to EU regulations. In addition, we will assess the achievements within the integration of accounting requirements defined in the legal, professional and internal regulations into the business practice of business entities operating in the abovementioned countries.

2. Financial Reporting of the Developing Countries under Conditions of Globalisation of Business Activities

Globalisation, liberalisation and rapid technical and technological development are the most common characteristics of the modern society. Globalisation is an economic, political, legal and cultural unification of the world, encouraged and supported by the development of new information and telecommunication technologies. Economic globalisation is the most important aspect of this process, because the realization of the economic benefits is the basic motivation and origination of many social, economic and political relations that lead to the creation of the single market, as well as the formation of trade blocks and global companies. The globalisation and internationalisation of capital is a reflection of economic and market laws and it cannot be broken by human will. Especially, when all relevant international organizations (World Bank, IMF, WTO), tend to strengthen the global processes and develop so-called new economy. The new concept of the economy does not see economic growth as an ultimate goal, but rather emphasizing the international dimension of human welfare (Čekerevac, 2007). However, this process has, beside positive, also certain negative implications. Market and economic laws enabled the process of globalization and the development of a single market for goods, labour and capital to move capital to areas that provide cheap and abundant labour or raw materials. Usually it comes to areas that are at a lower level of technological development, leading to tightening market contradictions. Position of labour becomes weaker and weaker, while the position of capital stronger. In this way, large international companies internationalize their business activities in markets which are characterized by low price of labour and raw materials, which enables them greater profitability and increase of market share. International organizations and institutions, through monetary and financial policies of these companies allow allocation and reallocation of resources, enabling this process, although "under the auspices of the development of human welfare", to result in the enrichment of the minority (USA, EU, Japan) and impoverishment of the majority, along with numerous social and environmental implications (Vojnić & Veselica, 2007).

However, economic globalisation is a process in expansion and this trend will be continued in the near future as well, directing economic policy to international and regional economic integrations. The creation of the European Union points out to the dominance of interests over national sovereignty, since the European single market provides business entities a better chance for growth and development, or exposes them to greater risk in the event of inadequate behaviour.

Underdeveloped and developing countries can ensure their survival by keeping their own identity while respecting the identity of other countries. Serbia and other former Yugoslav republics after the market liberalisation and opening up of national economies to the world, tends to rapid development through integrations into the European Union. These countries should work to attract foreign capital, but also to create a favourable business environment for strengthening the competitive advantages of domestic companies not only in the national, but also international settings. The existence and further development of business entities, and therefore the economies of these countries is only possible if the economy adequately responds to harsh international competition consisting of successful companies from different countries, multinational companies with recognizable brands and companies which their comparative advantages base on the latest engineering and technology, the way of business organization and highly qualified and narrowly specialized personnel.

The financial statements are indeed an identity card of a company, because they contain financial information about all aspects of its business activities, and the means through which the company communicates with other stakeholders. Therefore, the financial statements are an important factor that allows the smooth functioning of markets for goods, labour and capital in terms of the internationalization of business. This is precisely the reason why developed countries engage significant resources and pay attention to strengthening the accounting regulations. Thus, SEC in the USA has been in charge of the development and maintenance of accounting regulations, through the development and implementation of their own rules, as well as through the development of a set of standards of private accounting bodies such as the FASB. Although nowadays in the world there are different accounting standards used in different countries, the IASB is making efforts to draft an acceptable set of standards at a global level, which will ensure comparable, reliable and transparent financial statements, which would further both stimulate the international movement of capital and the exchange of goods and services (Deloitte & Touche, 2003). Further improvement of the process of harmonisation and standardisation of financial reporting goes in the direction of equalization of certain national standards and IFRS, where the particular importance for this process is the convergence of IFRS and GAAP.

For developing countries the harmonisation of national with the international legislation is a priority, because it can improve the quality and international comparability of financial statements, which will allow the opening up of their national economies to the world. According to realised studies there was a relationship of market liquidity and the cost of capital of the company with the adoption of IFRS. It is believed that the adoption of IFRS contributes to increasing market liquidity (Daske, et al., 2008). Also, greater transparency of financial reporting, what suggests a straightforward application of IFRS, has influence on decreasing the cost of financing and increasing the value of capital of those companies which apply the standards for preparation of their financial statements (Daske, et al., 2011). Therefore, at the level of certain national economies, an established accounting system, and consequently the financial reporting system may be a catalyst for the financial development of the economy (The Association of Chartered Certified Accountants [ACCA], 2012). Reduction of the asymmetry of information and increasing confidence in the financial statements of the company, through the adoption and implementation of adequate normative regulations of financial reporting of a certain country, should provide good support for the development of the capital market, which allows long-term global economic growth and stability.

Taking into account the importance of the normative framework of financial reporting for development and stability of the market, it is not surprising to see striving of international organizations and institutions, such as the WTO and the IMF for the adoption and implementation of high quality accounting standards, i.e. IFRS. Their use provides greater protection of investors, thus creating conditions for attracting foreign investors, as shown by the study that included 124 developing countries, for which there was an increase in foreign direct investment through the adoption of IFRS (Gordon, et al, 2012).

Countries of Eastern and Central Europe during the transition period tended to acquire full legal membership in the European Union. European integration and the transition to market economy meant the acceptance of the rules of financial reporting based on the Anglo-Saxon or Continental concept. Leaving the accounting system, which was intended for state institutions, and the transition to an internationally recognized financial reporting forms, was a prerequisite for overcoming information asymmetry between the company management and external users of financial statements. By the Decision of the Council of Ministers of the European Union since 2005, all companies whose securities are being traded on the stock exchanges of the EU, have the obligation to apply IAS and IFRS when preparing financial statements, which was the motivation for those countries to begin the process of harmonisation of national regulatory frameworks with the international ones and to establish the appropriate mechanisms of supervision during their implementation in practice.

Like other countries of the command economy, Serbia and other former Yugoslav republics during the transition to a developed market economy had to cross a long way from the society that was characterised by the dominance of the government in regulating and directing of economic activities to the economies governed by the laws of the market. In any case, the place and role of the accounting changed in the newly created environment. Accounting instead of an instrument of the government economic administration, becomes an instrument used by the community in regulating economic flows (Barley, 1995). However, even though those countries had similar positions after the breakup of Yugoslavia, they have reached different levels of European integrations. Due to the impact of political, economic and cultural factors, those countries, more or less successfully, have accepted European values and efforts related to financial reporting. In addition to certain differences between the abovementioned countries in current legislation, the impact and quality of the accounting profession varied. Therefore, there are differences in terms of quality and trust in the financial statements of companies operating in the territory of the former Yugoslavia. Such condition affects the current capabilities of certain countries to enter the European and world market, as well as to attract foreign capital and borrowed sources of financing, which determines the potential of those countries with regard to further economic growth and prosperity. Accordingly, a quality model of financial reporting, which was effectively implemented in the economic system of a country, has multiple positive influence, which is reflected in:

- Attracting foreign, direct and portfolio investments;
- The increase in tendency for investment and saving, and the development of financial markets;
- Greater confidence of investors and creditors in the displayed company performance, and consequently decreasing the cost of capital;
- Easily available sources of financing for small and medium-sized enterprises;
- Reducing information asymmetry that exists between management and external users;
- Improvement of corporate management
- Transparent privatization of state enterprises;
- Creating relevant and reliable information base for state policy.

There is no perfect and once and for all defined financial reporting framework, but it is necessary to work on its improvement by the application of the same international practice. Serbia and the other countries in the region have to work on their legal regulations in terms of further harmonisation with the European Union regulations. They must also ensure the implementation of laws and professional regulations in accordance with Acquis communautaire, which requires the establishment of meaningful public supervision over the work of auditors and auditing firms. These activities require highly qualified personnel, including the active participation of professional organisations and bodies in improving the quality, professionalism and reputation of the accounting occupation. Furthermore, the development of highly qualified accounting personnel requires quality academic education in accordance with the teaching contents of European and international educational institutions, along with the adequate support through the concept of lifelong learning.

3. Normative Framework for Financial Reporting of the Republic of Slovenia

Slovenia after gaining its independence in 1991 went through the rapid development, which included a market economy and creation of favourable conditions for attracting foreign capital. In 2004 Slovenia became a member of the EU and brought its legal framework into line with the EU acquis. Based on the data of the Agency for public registers and related services of the Republic of Slovenia, there are about 145,000 business entities in Slovenia today, 61,265 of which are the limited liability companies. Joint stock companies make 1% of the number of registered companies, but they employ a quarter of the labour of the engaged population. 98,89% of the total number of business entities are small and medium-sized enterprises, and as for the most developed countries in this case as well, a small and medium sector of the economy is the generator of economic development. (Agency of the Republic of Slovenia for Public Legal Records and Related Services [AJPES], 2014)

Legislation in Slovenia relies on German law. The base of the legal framework of financial reporting is the Law on Business Companies, which is in compliance with the legal framework of the European Union. This Law contains provisions on accounting, as well as auditing and financial reporting for all economic entities, whereby the provisions IV and VII of the Directive of the European Union and the European Commission Regulation 1606/2002 have been incorporated, according to which the preparation of consolidated financial statements is being performed by applying IFRS. In addition, banks, insurance companies and other financial organizations and institutions prepare financial statements in accordance with IFRS both for individual and group of companies. Companies quoted on the stock exchange are required to apply IFRS only consolidated financial statements, as shown in the following table:

Table 1 Overview of financial reporting, auditing and requirements for public disclosure of financial statements in the Republic of Slovenia

	Regulatory bodies and supervision	Accounting standards	Audit Requirements	Public availability
Quoted companies, including state enterprises	Agency securities market/State fund for state enterprises	IFRS for companies that prepare consolidated financial statements IAS or IFRS for other legal entities	Yes	On the website of the company and on the website of the Agency for Public Business Registers and related services of the Republic of Slovenia
Unquoted companies	None / The National Fund for state enterprises	Slovenian Accounting Standards, or IFRS		On the website of the Agency for Public Business Registers and related services of the Republic of Slovenia
Large			Yes	
Medium			Yes	
Small and Micro			No	

Banks	Bank of Slovenia	IFRS for consolidated financial statements or for individual companies	Yes	On the website of the Bank and on the website of the Agency for Public Business Registers and related services of the Republic of Slovenia
Insurance and reinsurance companies	Insurance Supervisory Agency	IFRS for consolidated financial statements or for individual companies	Yes	On the website of the Insurance company and on the website of the Agency for Public Business Registers and related services of the Republic of Slovenia

Source: The World Bank Centre for Financial Reporting Reform "Report on the Observance of Standards and Codes on Accounting and Auditing - Slovenia", p.12

According to the Law on Business Companies, the enterprises can be classified in different categories by their size, as micro, small, medium and large ones. A number of employees, turnover and the total value of assets use as a criterion for their classification. In addition, some business entities such as banks, insurance companies, companies quoted on the stock exchange or companies that prepare consolidated financial statements, cannot be classified into the group as micro, small and medium enterprises (MSME), regardless of the fulfillment of the criteria, and can be represented as follows:

Based on the table, it can be concluded that there is no concurrence of criteria between Slovenian legislation and international regulations, and in order to reach a higher degree of uniformity in financial reporting it is necessary to complete harmonisation with the EU.

According to the field of regulation, the Law on Business Companies in certain segments overlaps with the Slovenian Accounting Standards and IFRS, which may affect some inconsistencies because changes in the requirements for financial reporting framework must be in compliance with the Law on Business Companies as well. Also, the Law is more rigid in comparison to the Slovenian Accounting Standards and/or IFRS, especially in the part which refers to the use of the official chart of accounts. Inconsistencies are especially visible in companies applying IFRS and those with parent companies abroad, because IFRS are more flexible with regard to the Law with a focus on presenting the materially important items (The World Bank Centre for Financial Reporting Reform [CFRR], 2014).

Table 2 Classification of Business Entities according to the criteria defined by the Law on Business Companies of the Republic of Slovenia and the EU criteria

	Micro	Small	Medium	Large
The average number of employees	1-10	11-50	51-250	>250
Annual turnover	< 2 million EUR (<700.000 EUR)	2-8,8 million EUR (700.000-8 million EUR)	8-35 million EUR 8-40 million EUR	>35 million EUR (>40 million EUR)
Value of assets	<2 million EUR (< 350.000 EUR)	2-4,4 million EUR (350.000-4 million EUR)	4,4-17,5 million EUR (4-20 million EUR)	>17,5 million EUR >20 million EUR

Source: The World Bank Centre for Financial Reporting Reform "Report on the Observance of Standards and Codes on Accounting and Auditing - Slovenia", p.14

Companies are obliged to prepare balance sheet, income statement and notes within the annual report, while medium and large companies are obliged to prepare the additional statement of changes in cash flows and the statement of changes in equity. Also, it is required by the Law that large and medium-sized enterprises prepare the report on business operations, which can show achieved results in more details, development opportunities and potential risks, but also uncertainties in the business operations of a company. The annual report, along with the report about an independent audit performed shall be submitted within eight months from the date of the balance submission to the Agency for Public Legal Records and related services of the Republic of Slovenia, and this information should be available to the general public on the Agency's website. Business entities that prepare consolidated financial statements are obliged to do so within four months after the end of the financial year. The exceptions are small and micro enterprises which are not obliged to prepare consolidated financial statements, unless their securities are traded on the stock exchange. Also, state enterprises must comply with all regulations related to accounting, auditing and financial reporting, as well as business entities in private ownership.

Legislation of financial reporting for the financial sector involves the application of the legal framework of the European Union, or IFRS. Banks and other financial institutions are obliged to stick to the Rule book on business books and annual reports of banks and savings banks (Official Gazette of the Republic of Slovenia No. 17/12 and 104/13). They are obliged to submit their unaudited financial statements to the Slovenian Bank not later than one month from the date of completion of the fiscal year, i.e. two months from the end of the fiscal year in the case of preparation of consolidated financial statements.

Banks whose securities are traded on the Ljubljana Stock Exchange need to submit their audited financial statements four months from the date of the end of the accounting period. The information contained in them is available to the public five years from the date of its publication.

Also, insurance companies prepare their financial statements in accordance with IFRS, or in accordance with the requirements of Directive 91/674 EEC, and on the basis of the Insurance Law (Official Gazette of the Republic of Slovenia No. 13/2000) and the Law on Business Companies. Insurance and reinsurance companies are subject to the control of the Insurance Supervision Agency, whose activities are reflected in preventing abuses in the insurance industry and protecting the interests of policyholders, for the sake of normal functioning of the insurance economy. Insurance and reinsurance companies shall submit their unaudited financial statements within three or four months after the completion of the fiscal year. Also, companies are obliged to submit audited reports, as well as the reports from independent audit not later than eight days from the date of receipt of the auditor's report, or within six months to the end of the fiscal year for the previous one. Insurance companies and other financial institutions that are under the powers of the Insurance Supervision Agency, as well as brokerage firms, mutual funds, pension funds whose business activities are in the competence of the Agency Securities, have to publish their financial statements on the web page of their companies. Also, data from financial reports must be made available to the public for the period of five years from the date of their publication, according to the Directive EU on transparency (2004/109/EEC).

Tax legislation in the territory of Slovenia has been based on the Law on Profit Tax (Official Gazette of the Republic of Slovenia No. 43/10). Law on Profit Tax is in compliance with the requirements stipulated by the Slovenian Accounting Standards and IFRS through the Tax reform in 2006. Thus, the tax base is the profit which is the difference between revenue and expenses, which are recognized in the income statement in accordance with accounting standards.

The process of auditing financial statements finds its legal basis in the Law on Business Companies and the Law on Auditing (Official Gazette of the Republic of Slovenia 65/2008) within which the provisions of Directive 2006/43 EC have been incorporated, and thus regulating and providing the quality of mandatory audits, annual reports and consolidated accounts. The work of auditors in the territory of Slovenia is the responsibility of the Slovenian Institute of Auditors, while according to the Law on Business Companies it is the Agency for Public Oversight Committee which controls the work of the Institute. All companies except small and micro business entities are obliged to audit their financial reports, including the report on business operations within six months from the completion of the fiscal year. Since it was established a double-check control of the audit process, it can be said that the Slovenian legislator, has been working to increase confidence in the audited financial statements of the company, which is a prerequisite for attracting foreign capital, taking into account that Slovenia is ranked last in comparison to the countries of the European Union, concerning investments coming from abroad.

In Slovenia there are three professional organizations: Slovenian Institute of Auditors, Association of Accountants, Treasurers and Auditors of Slovenia, Slovenian Chamber of Accountants. Slovenian Institute of Auditors is the leading professional organization, which is also the main holder of the process of harmonisation of financial reporting in Slovenia with international regulations. The Institute issued the first version of the Slovenian Accounting Standards in 1994 which, along with the updated Law on Business Companies, regulated the accounting system in Slovenia. The basis for adoption of the first 32 standards were the Yugoslav accounting standards from 1991 and 1992, as well as international accounting regulations that have been updated twice so far (Milošević, 2012). First time it was in 2002 with the introduction of the Anglo-Saxon accounting concepts, primarily of fair value accounting in the Slovenian accounting. The second time it occurred in 2006 in the field of recognition and measurement, and so they have been great deal harmonised with IFRS (Jeman & Novak, 2014).

Unlike the Slovenian accounting standards by which the accounting system in the country has been regulated in details, the audit process is regulated by the Law on Auditing (Official Gazette of the Republic of Slovenia 65/2008) and by International Standards on Auditing, as well as other rules and principles of the International Federation of Accountants, in accordance with Article 4 of this Law. Slovenian Institute of Auditors introduced the standards according to the procedure required by the International Federation of Accountants, and as part of the project with the purpose to provide technical assistance in the financial reporting process (Financial Reporting Technical Assistance Project - FRTAP) within the programme of Swiss - Slovenian cooperation. From 30 June 2013, the official introduction of the standards has been applied, and thus, the problem in the Law on Auditing was overcome temporarily, in which the institutional responsibility for the official introduction of standards and other international regulations were not defined.

According to the above explanations, it can be concluded that the Slovenian legislator in cooperation with professional organizations, primarily with the Slovenian Institute of Auditors, incorporated international rules and principles a great deal into its legislation and practice. However, the new accounting Directive (EU 2013/34) requires certain harmonisation of existing legislation and the Slovenian Accounting Standards, and it is expected that it will be done in the nearest future, taking into account that in the period of writing this paper the deadline for the harmonisation of national legislation with the Directive (2013/34 EC) was coming to an end. This especially refers to the simplification of the framework for financial reporting for small and micro enterprises. Also, in the forthcoming period, it is necessary to define decisively an institution that will be in charge of introducing amendments to standards, as well as new standards, and other regulations, since the Law on Auditing contains some provisions related to providing services to audits, but also the other consulting services in this field.

4. Normative Framework for Financial Reporting of the Former Yugoslav Republic of Macedonia

Joining the European Union is the strategic interest and priority of Macedonia, which in December 2005 acquired the status of a candidate, but up to date the negotiations about the acquisition of membership have not started yet. Macedonia will, on the long road of European integration, have to fulfil certain political, but also economic criteria which include the market economy and the capacity to be an equal participant in tougher market competition, together with other members of the European Union. As a candidate country, Macedonia will have to cope with the challenge of harmonizing its own legislation with the one of the European Union. Normative framework for financial reporting in this country is based on:

- Companies Act (Official Gazette of the Republic of Macedonia 28/04, 84/05, 25/07, 87/08, 42/10, 48/10, 24/11 and 166/12)
- Law on performing accounting tasks (Official Gazette of the Republic of Macedonia 95/12, 188/13, 27/14)
- Law on Auditing (Official Gazette of the Republic of Macedonia, 158/10, 135/11)
- Law on Securities (95 / 2005.25 / 20077/2008)

According to data of the European Commission, listed in the Report on small business for the Former Yugoslav Republic of Macedonia in 2013, during 2011 in the territory of this Republic there were 75.227 of business entities operating, among which the largest share had micro enterprises of 95.4%, mobilizing around 40% of the total number of employees. Small enterprises took part with about 3.8%, while the share of medium enterprises was 0.7%. Entities categorized as large took part in the total number of 0.1%, employing about 20% of the labour force (European Commission, 2013). The basis of the framework for financial reporting makes the Companies Act. According to this Act, large and medium-sized enterprises based their accounting system on IFRS. In addition, banks, insurance companies, companies quoted on the securities market, as well as companies that prepare consolidated financial statements apply IFRS. Micro and small enterprises use IFRS for small and medium business entities, whereby a Macedonian legislator partially adapted his requirements in terms of simplified financial reporting for the sector of small and micro enterprises, which has been required by a New accounting directive

(2013/34 EC). Inconsistencies exist in the part related to financial reporting of medium business entities, which have the obligation to apply IFRS.

Table 3 Overview of financial reporting, auditing and public disclosure requirements of financial statements in the Republic of Macedonia

	Regulatory bodies and supervision	Accounting standards	Audit Requirements	Public availability
Quoted companies	Institute of Authorized Auditors of the Republic of Macedonia	IFRS	Yes	Central Register of the Republic of Macedonia
Unquoted companies	Institute of Authorized Auditors of the Republic of Macedonia			Central Register of the Republic of Macedonia
Large		IFRS	Yes	
Medium		IFRS	Yes	
Small and Micro		IFRS for SMEs	No	
Banks	National Bank of the Republic of Macedonia Institute of Authorized Auditors of the Republic of Macedonia	IFRS	Yes	Central Register of the Republic of Macedonia National Bank of the Republic of Macedonia
Insurance and reinsurance companies	Insurance Supervisory Agency	IFRS	Yes	Central Register of the Republic of Macedonia

Source: Companies Act (Official Gazette of the Republic of Macedonia 28/04, 84/05, 25/07, 87/08, 42/10, 48/10, 24/11 and 166/12)

According to Article 470 of the Companies Act, companies can be classified into four categories, based on the average number of employees, annual turnover and the value of property. For the classification of companies in a certain group it is enough that two out of three specified criteria are fulfilled. Banks, insurance companies and other financial institutions, as well as entities that prepare consolidated financial statements are classified in the group of large enterprises, regardless of fulfillment of the criteria. Based on the following table, it can be concluded that there are differences between the criteria defined by the legislator and the criteria prescribed by the international regulations:

Table 4 Classification of Business Entities according to the criteria defined by the Law on Companies of the Republic of Macedonia and the EU criteria

	Micro	Small	Medium	Large
The average number of employees	1-10	11-50	51-250	>250
Annual turnover	< 50.000 EUR (<700.000 EUR)	50.000 -2 million EUR (700.000-8 million EUR)	2 – 10 million EUR (8-40 million EUR)	>10 million EUR (>40 million EUR)
Value of assets	< - (< 350.000 EUR)	< 2 million EUR (350.000-4 million EUR)	2-11 million EUR (4-20 million EUR)	>11 million EUR >(20 million EUR)

Source: Companies Act (Official Gazette of the Republic of Macedonia 28/04, 84/05, 25/07, 87/08, 42/10, 48/10, 24/11 and 166/12) and New accounting directive (2013/34 EC)

All entities are obliged to compose annual reports, i.e. a set of financial statements. Small and micro enterprises are obliged to submit the annual reports, including balance sheet, income statement and notes with the financial statements to the Central Registry within two months from the completion of the fiscal year. Other business entities, i.e. large and medium-sized enterprises, banks, insurance companies and financial institutions, as well as business entities that prepare consolidated financial statements, are obliged to submit them to the Central Registry. They submit their financial statements in the same period as well as small and micro enterprises. The financial statements contain, in addition to the balance sheet, income statement and notes, also cash flow statement and statement of changes in equity. However, unlike the New accounting directive (2013/34 EC), there is no option here for micro and small enterprises, which consists of a shortened version of the balance sheet, a shortened version of the income statement, notes that micro enterprises do not have to prepare if the information that would be contained in the notes are stated in the balance sheet. Also, the requirements in the Macedonian legislation are more rigorous with regard to financial reporting of medium-sized business entities, because according to the law, their set of financial statements is identical to those prepared by large economic entities, in compliance with IFRS.

Financial reporting of banks in Macedonia is based on the Law on Banks (Official Gazette of the Republic of Macedonia 67/07, 90/09, 67/10, 26/13). According to Article 103 of this Law, banks are obliged to submit unaudited semi-annual and annual set of financial statements not later than 30 days from the date of completion of the fiscal year. The report of the independent audit with a set of financial statements shall be submitted not later than eight days from the adoption to the National Bank. The methodology of accounting involvement of bookkeeping changes, preparation and presentation of financial statements of banks in Macedonia is based on IFRS and Interpretations of the Committee for the interpretation of accounting standards, as well as on the "Guidelines for the type and content of financial statements of the banks" of the National Bank of Macedonia (Official Gazette of the Republic of Macedonia 67/10). Also, insurance companies keep business books and prepare financial statements in accordance with IFRS and the provisions of the Insurance Supervision Act (Official Gazette of the Republic of Macedonia 27/2002). According to this Act, insurance companies are obliged to submit to the Ministry of Finance a set of the financial statements not later than three months from the end of the fiscal year, i.e. independent auditor's report with a set of audited financial statements not later than six months from the end of the fiscal year. Following the adoption of the annual balance sheet the insurance companies have to publish them in at least one publication.

The basis for the determination of the income tax of an enterprise in Macedonia is made by the Law on Profit Tax (Official Gazette of the Republic of Macedonia 112/2014). According to this Act, the tax base is profit determined in the tax balance. Profit is the difference between revenues and expenses, recognized according to accounting regulations and accounting standards, increased for non-deductible expenses for tax purposes. Therefore, according to the existing law, there are differences in the methodology applied for establishing the results for tax purposes and applied regulations for financial reporting purposes.

The audit of the financial statements gives contributions to their quality, because based on the sufficient evidence of appropriate quality, it gives an evaluation whether the information in them is real and reliable for business decision making, i.e. whether they are prepared in accordance with the institutional framework and IFRS. In the Republic of Macedonia, the audit is governed by the Companies Act and the Law on Auditing (Official Gazette of the Republic of Macedonia, 158/10, 135/11). According to these laws, the obligation for auditing a set of financial statements is related to large and medium-sized enterprises, organised as joint stock companies and limited liability companies as well as companies whose securities are quoted on the stock exchange. The audit company is obliged to prepare a report on the audit one month prior to the assembly of shareholders. The work of certified auditors and audit firms is the responsibility of the Institute of Authorized Auditors of the Republic of Macedonia, as well as under competency of the Council for supervision and improvement of the audit. The Council supervises the work of the Institute, issuing licenses to certified auditors at the proposal of the Institute, for the sake of profession improvement and cooperation with similar bodies and organizations from abroad.

In Macedonia there are three professional organizations and bodies, the Union of Accountants and Financial Workers, Chamber of Accountants and Financial Workers and the Institute of Authorized Auditors. Adoption of the Accounting Act (Official Gazette 95/112, 188/13, 12/14), was of great importance for improving the quality of the accounting profession, because as there were no clear conditions for accounting tasks, accountants had no responsibility for the content of financial reports, and thus accountants have been in an inferior position in comparison to other professions in which the acquisition of the status and protection were governed by regulations (Isen, 2013). The goal of this Law is higher quality and reputation of the accounting profession. In accordance with this Law and the Act on auditing the Institute of Authorized Auditors of the Republic of Macedonia is determined as a regulatory body which is responsible for the introduction, implementation and monitoring of IFRS, IAS, ISA, Ethics of professional accountants and the responsibility for introduction of standards, as well as the amendments to standards. Also, the Institute has a goal to raise the competencies of the accounting profession and therefore it defines the requirements and examinations for obtaining licenses and organises and conducts trainings and practices in the field of accounting and auditing.

Therefore, in Macedonia there is a direct application of IFRS and IFRS for SMEs for small and micro enterprises. However, the normative framework is not fully in compliance with a New accounting directive (34/2013 EC), especially in the part concerning financial reporting for micro, small and medium enterprises. Lately, efforts have been made for quality improvement of the accounting profession, which is a prerequisite for the application of prescribed regulations and bringing the same in line with international trends. The Country has a key role in building the quality accounting system through the mechanisms of control over the work of accountants and auditors where the Council for the development and improvement of auditing was established as a supervisory body, but it also refers to professions with their leading organization of the Institute of Authorized Auditors of the Republic of Macedonia and a member of the International Federation of Accountants.

5. The Normative Framework of Financial Reporting of the Republic of Serbia

The ending of the transition process in the Republic of Serbia, connecting with the countries of the European Union, European integration process, and efforts to establish a more favourable economic environment, raises the question of confidence in the financial statements of domestic companies. The strategic orientation of the Republic of Serbia is acquiring the status of a full member of the European Union, which requires the acceptance of its legal framework. When we talk about improving the quality of financial reporting in the Republic of Serbia, we have defined the strategy and action plan based on the project "Improvement of corporate financial reporting and auditing in Serbia and the creation of a legal framework that is in compliance with Acquis communautaire". Further development of financial reporting with regard to the improvement of the regulatory framework has been predicted by this strategy until 2020, as well as the establishment of appropriate mechanisms of control and supervision, along with increasing quality of the personnel dealing with accounting and auditing jobs and also strengthening the role of professional organizations operating in the territory of the Republic of Serbia.

In Serbia in 2014 operated a total number of 331,059 business entities, 115,962 of which were companies and 215,367 entrepreneurs. Financial reporting in the Republic of Serbia has been regulated by:

- Law on Accounting (Official Gazette 62/2013)
- Law on Auditing (Official Gazette 62/2013)
- Capital Market Law (Official Gazette 31/2011)
- Law on Business Companies (Official Gazette 36/2011 ... 5/2015)

Law on Accounting (Official Gazette of the Republic of Serbia 62/2013), is the pivot of the legal framework on which the financial reporting process is based in the Republic of Serbia. According to this Law, large legal entities, legal entities that are obliged to prepare consolidated financial statements (parent legal entities), public companies, as well as public companies, which according to the Capital Market Law are preparing to become public, regardless of their size, have the obligation to apply IFRS. Small and medium-sized legal entities apply IFRS for SMEs, whereby, a medium legal entity may opt for the application of IFRS, which should be done continuously. Micro and other legal entities (according to Article 2, item 2 of this Law, other legal entities are considered to be legal entities whose business is partly financed from public funds or other specific sources, and partly or in full on the basis of membership), which are not established for the purpose of making profit (political organizations, trade unions as legal entities, foundations and endowments, associations and chambers, churches and religious communities when performing economic or other activities in accordance with the regulations governing performance of such activities as well as other organizations organised on the basis of membership) are obliged to apply the Rule book on the method of recognition, valuation and presentation, but also disclosure of positions in the individual financial statements of micro and other legal entities (Official Gazette of the Republic of Serbia 118/2013, 95/2014), if they do not opt for continuous application of IFRS for SMEs.

According to the Law on Accounting (Official Gazette of the Republic of Serbia 62/2013), all legal entities operating within the territory of our country can be classified into four categories, and those are: micro, small, medium and large legal entities, if two of three prescribed criteria have been fulfilled. Classification is based on the number of employees, the operating income and average value of the assets determined on the day of composing a regular financial statement for a certain fiscal year. Thereby, the National Bank of Serbia, banks, insurance companies and other financial institutions are considered to be large legal entities. According to the table, as in the case of the previous two countries, we can conclude that there is no harmonisation of criteria for classification of business entities with the international legislation, which imposes a problem of applied regulations for the preparation of financial statements.

Table 5 Overview of financial reporting, auditing and public disclosure requirements of financial statements in the Republic of Serbia

	Regulatory bodies and supervision	Accounting standards	Audit Requirements	Public availability
Quoted companies	Inland Revenue	IFRS	Yes	Business Registers Agency of the Republic of Serbia
Unquoted companies	Inland Revenue			Business Registers Agency of the Republic of Serbia
Large		IFRS	Yes	
Medium		IFRS for SMEs / IFRS	Yes	
Small		IFRS for SMEs	No	
Micro		Rule book/ IFRS for SMEs	No	
Banks	National Bank of the Republic of Serbia - NBS	IFRS	Yes	Business Registers Agency of the Republic of Serbia National Bank of the Republic of Serbia - NBS
Insurance and reinsurance companies	National Bank of the Republic of Serbia - NBS	IFRS	Yes	Business Registers Agency of the Republic of Serbia

Source: Law on Accounting (Official Gazette of the Republic of Serbia 62/2013)

Table 6 Classification of Business Entities according to the criteria defined by the Law on Companies of the Republic of Serbia and the EU criteria

	Micro	Small	Medium	Large
The average number of employees	1-10	11-50	51-250	>250
Annual turnover	< 50.000 EUR (<700.000 EUR)	700.000-8.800.000 EUR (700.000-8 million EUR)	8,8– 35 million EUR (8-40 million EUR)	>35 million EUR (>40 million EUR)
Value of assets	< 350.000 EUR (< 350.000 EUR)	350.000-4.400.000 EUR (350.000-4 million EUR)	4,4-17,5 million EUR (4-20 million EUR)	>17,5 million EUR >(20 million EUR)

Source: Law on Accounting (Official Gazette of the Republic of Serbia 62/2013) and New accounting directive (2013/34 EC)

Based on the information of the Agency for Business Registers, in 2013 the biggest share in the number of companies that were operating in the territory of Serbia had micro enterprises of 88.4%, small enterprises participated in the total number of 8.9%, medium 2, 2%, while the share of business entities categorized as large was 0.5%. Regular annual set of financial statements for companies applying IFRS or IFRS for SMEs consists of the balance sheet, income statement, statement of other comprehensive income, statement of changes in equity, cash flow statement, notes to financial statements. The regular annual set of financial statements for other legal entities (political organisations, trade unions as legal entities, foundations and endowments, associations and chambers, churches and religious communities when performing economic or other activities in accordance with the regulations governing performance of these activities as well as other organisations organised on the basis of membership), includes balance sheet, income statement and notes to the financial statements. Micro legal entities and entrepreneurs are obliged to prepare a balance sheet and income statement. All business entities are obliged to submit a regular annual report for public announcement to the Agency for Business Registers not later than 30 June of the following year for the previous year, while business entities preparing consolidated financial statements are required to submit the same to the Agency, in order to be made public not later than 31 July of the following year for the previous year (Agencija za privredne registre Republike Srbije [APR], 2015). Preparation and presentation of financial statements are based on the Law on Accounting (Official Gazette of the Republic of Serbia 62/2013), grounded within the Directives 4 and 7. These Directives were repealed as of 26 June 2013, and thus between the Law and New accounting directive (34/2013 EC) and IFRS there are certain inconsistencies. Particularly, according to the Law there is an obligation of preparing statements on other comprehensive income, in addition to the income statement, what is not in compliance with IFRS which prescribes the preparation of the statements on the overall result i.e. income statement. Also, the requirements of the New accounting directive (34/2013) are not supported by the Law, which aims to reduce the administrative burden and simplification of the legal framework for financial reporting for micro, small and medium enterprises, thus covering over 98% of the total number of business entities operating in our country. Therefore, according to our Law there is no possibility of preparing abridged balance sheet, income statement, notes to the financial statements which can be omitted in accordance with the New accounting directive if the information contained in notes is made public within the balance. These companies are not required to prepare a report on the business operations, if the important information is written in the notes. Also, business entities that applied, according to the old Law on Accounting and Auditing (Official Gazette of the Republic of Serbia no. 46/06, 111/09, 99/11) the Rule book on the methods for recognizing assets, liabilities, income and expenses of small legal entities and entrepreneurs, they could do that up to 31 December 2015 at the latest, whereby for those business entities was unjustifiably delayed the application of IFRS for SMEs. In addition, for micro-enterprises covering over 88% of the total number of business entities operating in the territory of the Republic of Serbia, the legislator has foreseen the possibility of applying the Rule book in order to simplify bookkeeping and application of financial statements for those entities and with the goal of simplification of bookkeeping and preparation of financial statements. However, due to certain inconsistencies in relation to the IFRS for SMEs, and bearing in mind the fact that the scope and content of those standards were adapted to the capacities of users from a micro-group of companies, professional community recommended the direct application of IFRS for SMEs as a more functional solution for micro enterprises.

Financial statements of the banks in the Republic of Serbia are based on IFRS, the Law on Accounting (Official Gazette of the Republic of Serbia 62/2013) and the Law on Banks (Official Gazette of the Republic of Serbia 107/2005, 91/2010 and 14/2015) and the regulations established by the NBS (National Bank of Serbia). In addition to the Business Registers Agency, banks are obliged to submit their reports to NBS relating to their management for the assessment of the bank’s financial stability, looking at management strategies and policies, and to assess the risk of business operations and capital adequacy. Also, financial reporting of insurance companies, in addition to of the legal framework governing accounting, is based on the Insurance Law (Official Gazette of the Republic of Serbia 139/2014), as well as regulations adopted by the NBS. Insurance companies prepare their financial statements in accordance with IFRS, primarily in accordance with IFRS 4 governing the preparation and presentation of reports of business entities operating in the sphere of insurance.

The preparation of financial statements for tax purposes is based on the Law on Corporate Profit Tax (Official Gazette of the Republic of Serbia 142/2014). The base of the profit tax is made by the profit shown in the income statement, which was prepared in accordance with IFRS, IAS and other regulations. However, between our accounting regulations and IFRS, there are some differences in the recognition of expenses and income for tax purposes. Those mentioned differences can be identified, and do not represent a significant obstacle when it comes to the quality of financial reporting (Prokopović, et al., 2014) or as how the New accounting directive (EC 34/2014) emphasizes, analyzing the costs of business entities in connection with financial reporting is necessary in order to harmonize the bases for tax reporting purposes and even further, which is one of the ways of reduction of the mentioned costs.

The financial statement audit is performed by licensed certified auditors, members of the Chamber of Authorized Auditors, as it has been determined by the Law on Auditing (Official Gazette of the Republic of Serbia 62/2013), by which prescribed conditions for acquiring the title of certified auditor were given in more details, as well as the procedure of obtaining a license and continuous professional development and its renewal. Those obliged to perform audits for the regular annual financial statements are large and medium-sized business entities, public companies as participants in the capital market, as well as entrepreneurs whose business turnover in the previous fiscal year exceeds € 4.4 million in dinar countervalue. The obligation for audit performance has also been predicted for parent legal entities that prepare consolidated financial statements in accordance with the Law on Accounting (Official Gazette of the Republic of Serbia 62/2013). The total number of those obliged to perform audits for 2014 amounted to 2.611, 858 of which were small and micro enterprises. Compared to the previous year this number is lower for 1489 companies. Reduction in the number of those obliged to perform audits occurred due to the new criteria for the classification of business entities, predicted by the laws governing accounting and auditing in our country (Ivanović, 2014). According to data from the Chamber of Authorized Auditors of the Republic of Serbia, auditing services are currently being performed by 66 audit companies, with 252 of Certified Auditors carrying out this work Komora ovlašćenih revizora Republek Srbije [KOR], 2015). Reducing the number of those obliged to perform audits, the problem has been partially solved concerning the audit quality and credibility of the reports of independent auditors with the users of financial statements. Strategic solving of this problem requires continuous improvement of academic and professional education, along with the evaluation of the concept of lifelong learning and continuous quality control over the work of licensed certified auditors and the companies to be audited, with the implementation of authoritative public supervision over the performance of the audit, and according to the Directive 8 of the EU. In this respect, the law that regulates the process of auditing financial statements, the

Chamber of Authorized Auditors was established as a regulatory professional organisation with the goal to promote the development of the audit profession, maintain the quality of work of auditors through continuous professional development and control of the work, with the use of International Accounting and Audit Regulations, and to protect the general and individual interest in the performance of audit services. Also, the formation of the Public Oversight Committee for the audit work, the legislator strives to establish an adequate system of quality control work for auditing companies, independent auditors and licensed certified auditors. The Public Oversight Committee is responsible for cooperation with the EU Member States and third countries, in order to ensure uniformity of the audit process in accordance with international regulations.

In Serbia, as in most developing countries, the culture of financial reporting is not sufficiently present, and so professional organisations have a key role in improving the quality of financial statements, by building awareness of the necessity and importance of financial reporting, both for development of business entities and for the unobstructed functioning of the national economy. Professionalism and personnel training and improvement in the field of accounting and auditing, respect for professional ethics and international professional regulations require appropriate institutional support of two national professional organisations, Association of accountants and auditing of Serbia and the Chamber of Authorized Public Auditors. Both organisations are members of the International Federation of Accountants. However, the scope of work of these organisations creates a division of the professional public, and thus there is a need for their more intensive cooperation, for in spite of the need for independent audit, the quality in this area is impossible to provide without extensive knowledge of accounting issues. An integrated approach in the work of those organisations would provide a high quality program for acquiring professional titles in accounting and auditing, with appropriate additional training for the purpose of continuous improvement in these areas. In addition, the development of the quality disciplinary system for members of the profession, as well as the appropriate control over the functioning of the Association and Chamber is the starting point on the way to raising the competency of personnel in the field of accounting and auditing, and also a prerequisite for raising confidence and ensuring the quality of information contained in the financial statements of business entities operating in the Republic of Serbia.

Based on the above, we came to the conclusion that the legislative framework of financial reporting of our country is not fully in line with international practice, especially in the part relating to the legal solution based on invalid directives. Inconsistency is the most obviously reflected in discrepancy of the criteria for classifying business entities prescribed by our legal solution to the criteria of New accounting directive, which is directly reflected in the implementation of standards and obligation for companies to perform audits. Also, the inconsistency is expressed in an effort to simplify financial reporting for micro enterprises in the form of the Rule book on the method of recognition, valuation, presentation and disclosure of positions in the individual financial statements of micro and other legal entities (Official Gazette of the Republic of Serbia 118/2013, 95/2014). In addition, the role of the profession and professional accountants has been neglected by such legislation, especially in building high-quality financial reporting system, because it the opportunity is given to all individuals to keep books and prepare financial reports, having thus adverse effects on the confidence of users and opening the possibility for creative accounting, grey economics and fraud. The credibility of financial reporting has also been diminished by the fact that the number of licensed certified public auditors is insufficient in relation to the number of those obliged to perform audits. Solving this problem is hindered by separation of the auditing profession in relation to the accounting, which was formalized by the establishment of the Chamber of Authorized Public Auditors. In the forthcoming period, it is necessary to overcome these disadvantages not only by intensive involvement of national professional organisations, but also by academic educational institutions in the process of developing human resource capacity. Also, it is necessary to ensure the well-established system of monitoring development of international regulations and their practical application through the control of the annual balance sheet of business entities, as well as through active public supervision of the audit profession for which, under the current legal solution, the Audit Public Oversight Committee is responsible.

6. Conclusion

Quality and availability of the information contained in the financial statements has positive effects on improving the operations of business entities that prepare them, as well as the operations of business entities and other interested parties as their users. The synergetic effect of the country and professional organizations through appropriate legal and professional regulations, and the establishment of mechanisms for monitoring over the implementation of the same in practice, should be their raising to a higher level by harmonizing the national accounting with the international theory and practice. The countries of Eastern and Central Europe are becoming aware of the role of financial reporting and the importance of quality information contained in the annual accounts of companies, which inevitably affects the operation of individual business entities, but also has influence on the reputation of the national economies in terms of creating a favourable business environment under the conditions of globalisation.

On the basis of analyzing the normative framework of financial reporting of the Republic of Slovenia, the Republic of Macedonia and the Republic of Serbia, we can draw a conclusion that these countries are at different levels not only with regard to their compliance with the international regulations, but also when it comes to establishing appropriate bodies and instruments for monitoring the development of international regulations, implementing them into national and supervision of their application. Those countries have declaratively adopted IFRS as the basis for financial reporting, through their legislation, or national standards that are in compliance with international, as it is the case with Slovenia. However, it has not been reached yet a satisfactory level of convergence and harmonisation of national legislation with international regulations, particularly with regard to the application of the New accounting directive (EC 34/2013), especially in the part of financial reporting of small and micro enterprises. Certainly, finding solutions to these problems requires an active role of the profession in which Slovenia leads, and the Slovenian Institute of Auditors as the holder of the harmonisation process. On the other hand, in Macedonia and Serbia the role of professional organizations and bodies in this process is not at satisfactory level and therefore, the reaction of the country is necessary in terms of defining and monitoring the implementation of regulations governing the conditions and responsibility for performing accounting and auditing work. This problem is particularly noticeable in the Republic of Serbia, because a new legal solution disavows the accounting profession and does not clearly define the responsibility and role of the two leading professional organizations, the Association of Accountants and Auditors of Serbia and the Chamber of Authorized Auditors, in the development of qualifications and skills, as well as in the acquisition of professional titles for keeping business books and preparation of financial statements.

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NORMATIVNI OKVIR KAO OSNOVA KVALITETA FINANSIJSKOG IZVEŠTAVANJA NA PODRUČJU REPUBLIKE SLOVENIJE, REPUBLIKE MAKEDONIJE I REPUBLIKE SRBIJE

Apstrakt: Kvalitetno finansijsko izveštavanje je preduslov efikasnog funkcionisanja tržišta kapitala usled ekonomsko-finansijske globalizacije poslovanja. U zemljama Istočne i Centralne Evrope, gde je u periodu socijalizma vođenje poslovnih knjiga i priprema završnih računa, bilo prilagođeno potrebama planske ekonomije, neophodno je aktivno raditi na usklađivanju nacionalnih propisa sa međunarodnim, kao i na kulturi finansijskog izveštavanja, jer veliki broj privrednih subjekata, ne razume suštinsku ulogu i značaj kvalitetnog sistema finansijskog izveštavanja za jačanje poslovnih potencijala. U radu smo sagledali računovodstvenu regulativnu finansijskog izveštavanja Slovenije, Makedonije i Srbije, kako bi dali ocenu postojećeg stanja i ukazali na moguće pravce unapređenja ovog procesa, što bi imalo za cilj jačanje konkurentnosti nacionalnih ekonomija navedenih zemalja na svetskom tržištu. Uporednom analizom zakonskih i profesionalnih rešenja, kojima se uređuje sistem finansijskog izveštavanja u ovim državama, uočene su određene nedoslednosti njihovih zakonskih regulativa u odnosu na međunarodnu regulativu, posebno u delu finansijskog izveštavanja za mikro i mala preduzeća. Takođe, u Srbiji i Makedoniji, uočeno je i nedovoljno angažovanje profesionalnih organizacija i tela, što zahteva odgovarajuću reakciju države u pogledu definisanja uslova i odgovornosti za obavljanje računovodstvenih i poslova revizije, a radi višeg kvaliteta rada u ovoj oblasti. To bi omogućilo privrednim subjektima pristup izvorima finansiranja pod povoljnijim uslovima, podizanje njihove konkurentnosti prednosti kvalitetnim informacijama sadržanim u finansijskim izveštajima, kao i dalji razvoj preduzetničke aktivnosti koja generator najrazvijenijih ekonomija sveta.

Ključne reči: finansijsko izveštavanje, MSFI, normativni okvir, računovodstvo, revizija

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