

February 2022

In focus: Financial reporting – application of the new model

In accordance with the provisions of the Law on Accounting (“Official Gazette of the RS”, no. 73/2019 and 44/2021 - other law) (hereinafter: the “**Law**”), a new model of financial reporting has become applicable as of 1 January 2022.

The main differences in comparison to the previously valid model are as follows:

- The deadlines for submitting regular annual financial reports to the Business Registers Agency (hereinafter: the “**BRA**”) have been shortened by stipulating that legal entities and entrepreneurs are obliged to submit said reports to the BRA by 31 March of the following year at the latest, whereas this provision does not apply to legal entities whose business year is different than the calendar year, and which are obliged to submit financial reports within 3 months from the day the same are compiled. In addition, legal entities that issue consolidated financial reports are obliged to submit said reports by 30 April of the following year at the latest;
- The deadline in which legal entities and entrepreneurs who did not have business activities in the business year are obliged to submit the statement on inactivity to the BRA is extended until 31 March of the following year (whereas it is explicitly stated that entities that submit said statement shall be regarded as micro legal entities in the following business year);
- Legal entities and entrepreneurs that are not obliged to audit financial reports in accordance with the Law on Audit are no longer obliged to submit accompanying documentation with the financial reports (decision on adopting the financial report, decision on profit distribution, annual business report etc.), except in case of so-called “corrected financial reports”;
- The possibility of replacement of published financial reports (corrected financial reports) is introduced, in case data in the published report are not stated truthfully and objectively, provided that the general assembly of the company/entrepreneur renders a decision on adopting the amended financial report, whereas, as said in the previous paragraph, said decision must be submitted to the BRA.

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