



## JURISDICTIONAL PROFILE: **Bosnia and Herzegovina**

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This Profile provides information about the application of IFRS Standards in Bosnia and Herzegovina. IFRS Standards are developed and issued in the public interest by the International Accounting Standards Board (the Board). The Board is the standard-setting body of the IFRS® Foundation, an independent, private sector, not-for-profit organisation.

This Profile has been prepared by the IFRS Foundation based on information from various sources. The starting point was the answers provided by standard-setting and other relevant bodies in response to surveys that the Foundation conducted on the application of IFRS Standards around the world. The Foundation drafted the profile and invited the respondents to the survey and others (including regulators and international audit firms) to review the drafts, and their comments are reflected.

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### RELEVANT JURISDICTIONAL AUTHORITY

Organisation	The Union of Accountants, Auditors and Financial Workers of Federation of Bosnia and Herzegovina (the Union)
Role of the organisation	The Union translates and publishes the IFRS Standards as approved by IASB Board for implementation in the Federation of Bosnia and Herzegovina.
Website	<a href="http://www.srr-fbih.org/">http://www.srr-fbih.org/</a>
Email contact	<a href="mailto:info@srr-fbih.org">info@srr-fbih.org</a>

### COMMITMENT TO GLOBAL FINANCIAL REPORTING STANDARDS

Has the jurisdiction made a public commitment in support of moving towards a single set of high quality global accounting standards?	Yes.
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Has the jurisdiction made a public commitment towards IFRS Standards as that single set of high quality global accounting standards?

Yes.

The commitment of the Federation of Bosnia and Herzegovina to IFRS Standards was made in the Law on Accounting and Auditing in the Federation, issued 30 December 2009, which prescribes mandatory application of the IFRS Standards and associated guidance issued by the IASB Board. The law may be downloaded in Bosnian, Serbian, and Croatian here:

<http://www.fmf.gov.ba/zakoni/2010/bosanski/pravilnici/Zakon%20o%20racunovodstvu%20i%20reviziji%20u%20Federaciji%20BiH.pdf>

What is the jurisdiction's status of adoption?

The Federation of Bosnia and Herzegovina has adopted IFRS Standards and the IFRS for SMEs Standard for all companies.

Additional comments provided on the adoption status?

Application of IFRS Standards was originally made mandatory under the Framework Law on Accounting and Auditing adopted in 2004 by both Bosnia and Herzegovina and effective 1 January 2006. That law required IFRS Standards and IAS Standards issued by the International Accounting Standards Board (IASB Board), including implementation guidance and interpretations.

Under the new Law on Accounting and Auditing that went into effect on 1 January 2010, the use of full IFRS Standards and the IFRS for SMEs Standard is required as shown in the following table:

	<b>Consolidated Financial Statements</b>	<b>Separate Company Financial Statements</b>
Listed companies	IFRS Standards	IFRS Standards
Banks	IFRS Standards	IFRS Standards
Insurance companies	IFRS Standards	IFRS Standards
Private pension funds	IFRS Standards	IFRS Standards
Other public interest entities	IFRS Standards	IFRS Standards
Large unlisted entities -- exceed at least two out of three of the following: 250 employees, total assets of KM4 million (approximately US\$2.8 million) and total revenue of KM8 million (approximately US\$5.6 million).	IFRS Standards	IFRS Standards or IFRS for SMEs Standard
Medium-sized unlisted entities -- meet at least two out of three of the following: between 50 and 250 employees, total assets between KM1 and KM4 million (approximately US\$0.7 to 2.8 million) and total revenue between KM2 and KM8 million (approximately (US\$1.4 to 5.6 million).	IFRS Standards	IFRS Standards or IFRS for SMEs Standard
Small-sized entities – companies below the above sizes	Consolidated financial statements are not required	IFRS Standards or IFRS for SMEs Standard except that a statement of changes in equity and cash flow statement are not required

If the jurisdiction has NOT made a public statement supporting the move towards a single set of accounting standards and/or towards IFRS Standards as that set of standards, explain the jurisdiction's general position towards the adoption of IFRS Standards in the jurisdiction.

Not applicable.

## EXTENT OF IFRS APPLICATION

### *For DOMESTIC companies whose debt or equity securities trade in a public market in the jurisdiction:*

Are all or some domestic companies whose securities trade in a public market either required or permitted to use IFRS Standards in their consolidated financial statements? Yes.

If YES, are IFRS Standards REQUIRED or PERMITTED? IFRS Standards are required.

Does that apply to ALL domestic companies whose securities trade in a public market, or only SOME? If some, which ones? All.

Are IFRS Standards also required or permitted for more than the consolidated financial statements of companies whose securities trade in a public market? Yes.

For instance, are IFRS Standards required or permitted in separate company financial statements of companies whose securities trade in a public market? IFRS Standards are required in the separate financial statements of all companies whose securities trade in a public market and also in the separate financial statements of financial institutions and other public interest entities. [See table](#) earlier in this profile.

For instance, are IFRS Standards required or permitted for companies whose securities do not trade in a public market? IFRS Standards are required in the consolidated financial statements of all financial institutions and large and medium-sized entities whose securities do not trade in a public market. In their separate financial statements, large and medium-sized entities may choose either full IFRS Standards or the IFRS for SMEs Standard. [See table](#) earlier in this profile.

If the jurisdiction currently does NOT require or permit the use of IFRS Standards for domestic companies whose securities trade in a public market, are there any plans to permit or require IFRS Standards for such companies in the future? Not applicable.

### *For FOREIGN companies whose debt or equity securities trade in a public market in the jurisdiction:*

Are all or some foreign companies whose securities trade in a public market either REQUIRED or PERMITTED to use IFRS Standards in their consolidated financial statements? Yes.

If YES, are IFRS Standards REQUIRED or PERMITTED in such cases? Required.

Does that apply to ALL foreign companies whose securities trade in a public market, or only SOME? If some, which ones?

All.

## IFRS ENDORSEMENT

Which IFRS Standards are required or permitted for domestic companies?

IFRS Standards as issued by the IASB Board.

The auditor's report and/or the basis of presentation footnotes states that financial statements have been prepared in conformity with:

IFRS Standards.

Does the auditor's report and/or the basis of preparation footnote allow for 'dual reporting' (conformity with both IFRS Standards and the jurisdiction's GAAP)?

No.

Are IFRS Standards incorporated into law or regulations?

Yes.

If yes, how does that process work?

The Law on Accounting and Auditing in the Federation, issued 30 December 2009, prescribes mandatory application of the IFRS Standards and associated guidance issued by the IASB Board. There is no need to incorporate individual IFRS Standards into law.

If no, how do IFRS Standards become a requirement in the jurisdiction?

Not applicable.

Does the jurisdiction have a formal process for the 'endorsement' or 'adoption' of new or amended IFRS Standards (including Interpretations) in place?

Yes.

If yes, what is the process?

The Union translates IFRS Standards into Bosnian and publishes the translation on the Union's website. The release of the translation is announced in the Official Gazette of the Federation of Bosnia and Herzegovina.

If no, how do new or amended IFRS Standards become a requirement in the jurisdiction?

Not applicable.

Has the jurisdiction eliminated any accounting policy options permitted by IFRS Standards and/or made any modifications to any IFRS Standards?

Yes.

If yes, what are the changes?

Small-sized entities (see [earlier description](#)) are permitted to omit the statement of changes in equity and cash flow statement in their separate company financial statements prepared in accordance with full IFRS Standards or the IFRS for SMEs Standard. And small-sized entities can present separate company financial statements without also preparing consolidated financial statements.

Other comments regarding the use of IFRS Standards in the jurisdiction? None.

## TRANSLATION OF IFRS STANDARDS

Are IFRS Standards translated into the local language? Yes.

If they are translated, what is the translation process? In particular, does this process ensure an ongoing translation of the latest updates to IFRS Standards? Translation is done by the Union pursuant to a contract with the IFRS Foundation.

## APPLICATION OF THE IFRS FOR SMEs STANDARD

Has the jurisdiction adopted the IFRS for SMEs Standard for at least some SMEs? Yes.

If no, is the adoption of the IFRS for SMEs Standard under consideration? No.

Did the jurisdiction make any modifications to the IFRS for SMEs Standard? Yes.

If the jurisdiction has made any modifications, what are those modifications? Small-sized entities (see [earlier description](#)) are permitted to omit the statement of changes in equity and cash flow statement in their separate company financial statements prepared in accordance with full IFRS Standards or the IFRS for SMEs Standard.

Which SMEs use the IFRS for SMEs Standard in the jurisdiction, and are they required or permitted to do so? Full IFRS Standards are required in the consolidated financial statements of all large and medium-sized SMEs. Small SMEs are not required to prepare consolidated financial statements. All SMEs (large, medium-sized, and small) may choose either full IFRS Standards or the IFRS for SMEs Standard in their separate financial statements. [See table](#) earlier in this profile.

For those SMEs that are not required to use the IFRS for SMEs Standard, what other accounting framework do they use? See above.

Other comments regarding use of the IFRS for SMEs Standard? None.