
Croatia

Local stock exchange

Zagreb Stock Exchange

<http://www.zse.hr/default.aspx?id=122>

Rules for listed filings

IFRS required or permitted for listed companies?

Required for consolidated and standalone/separate financial statements

Version of IFRS

IFRS as adopted by the EU

Are subsidiaries of foreign companies or foreign companies listed on local exchanges subject to different rules?

Yes. Foreign companies whose securities trade in a regulated market in Croatia (and generally in the EU) are required to report under IFRS for their consolidated financial statements unless the European Commission has deemed their local accounting standards to be equivalent to IFRS, in which case they may use their local standards.

Rules for statutory filings

Is IFRS or IFRS for SMEs required, permitted or prohibited for statutory filings?

Pursuant to the Croatian Accounting Act, the consolidated and separate financial statements of all “large entrepreneurs” are required to be prepared in accordance with IFRS. The “large entrepreneurs” are defined in the law as:

- all banks, insurance companies, leasing companies, and other financial institutions regardless of their size;
- other companies that have met two of the following three conditions in their previous financial year: (1) total revenue greater than 260 million HRK (approximately US\$45 million); (2) total assets greater than 130 million HRK (approximately US\$23 million); and (3) an average number of employees in excess of 250

All other companies are required to prepare their consolidated and separate financial statements in accordance with Croatian Financial Reporting Standards.

IFRS for SMEs is prohibited.

Version of IFRS

IFRS as adopted by the EU

In addition to local GAAP statutory financial statements, are there any other regulatory financial statement requirements that permit or require the use of IFRS?

No

IFRS conversion plans

Plans for converging

The local standard setting body has not announced any adoption or convergence plans to IFRS for SMEs.

Other useful websites

Croatian Association of Accountants and Financial Experts

<http://www.rif.hr/naslovnica>

Tax information

Type of tax regime

Quasi-dependent. Taxable profit is principally based on the legal entity statutory accounts with a number of adjustments provided in the tax law.

Plans for IFRS converging as the basis of tax reporting

The local tax authorities have not announced any adoption or convergence plans of tax reporting to IFRS or IFRS for SME.