

IFRS APPLICATION AROUND THE WORLD

JURISDICTIONAL PROFILE: **Macedonia**



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This Profile provides information about the application of IFRS Standards in Macedonia. 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	Ministry of Finance of the Republic Macedonia
Role of the organisation	According to the Trade Company Law (<i>Official Gazette</i> no. 28/04, 84/05, 25/07, 87/08, 42/10, 48/10 and 24/11) the Minister of Finance is authorised to prescribe regulations for keeping accounting records. The translation into Macedonian of unaccompanied IFRS and IFRS for SMEs is published in the <i>Rulebook on Keeping Accounting Records</i> in the <i>Official Gazette of the Republic of Macedonia</i> . The Rulebook is adopted by the Minister of Finance.
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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.
What is the jurisdiction's status of adoption?	Macedonia has adopted the 2009 version of IFRS Standards for all or some companies.
Additional comments provided on the adoption status?	<p>In the Republic of Macedonia, the application of International Accounting Standards was required from 1 January 1998. IAS Standards as issued by the International Accounting Standards Committee were for the first time published in 1997 in the <i>Rulebook on Keeping Accounting Records</i> (Official Gazette of the Republic of Macedonia no.40/97).</p> <p>A new Rulebook of Accounting was published on 29 December 2009 (<i>Official Gazette of the Republic of Macedonia</i> 159/09 and 164/10) and has been effective from 1 January 2010. This Rulebook comprises the basic text of IFRS Standards including Interpretations as issued by the IASB Board at 1 January 2009.</p>
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?	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?	Yes.

For instance, are IFRS Standards required or permitted for companies whose securities do not trade in a public market?

According to the Trade Company Law, IFRS Standards as published in the *Official Gazette of the Republic of Macedonia*, IFRS Standards are required for all:

- large and medium-sized commercial entities;
- commercial entities specified by law;
- commercial entities performing banking activities and insurance activities;
- commercial entities listed on the Stock Exchange; and
- all subsidiaries of the above.

All other entities are obliged to use the *IFRS for SMEs* Standard as published in the *Official Gazette of the Republic of Macedonia*.

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 Board at 1 January 2009.

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?

New and amended IFRS Standards are translated into Macedonian and published in the *Official Gazette of the Republic of Macedonia*. As noted above, new and amended IFRS Standards issued after 1 January 2009 have not been translated into Macedonian or published in the *Official Gazette*.

The IFRS Standards adopted in 2009 were published in the [*Official Gazette of the Republic of Macedonia* 159/09](#).

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 Minister of Finance reviews new and amended IFRS Standards and publishes them in the <i>Official Gazette of the Republic of Macedonia</i> .
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?	No.
If yes, what are the changes?	While Macedonia has not eliminated options or made modifications, the most recent IFRS Standards published in the <i>Official Gazette</i> are those issued on or before 1 January 2009.
Other comments regarding the use of IFRS Standards in the jurisdiction?	Not applicable.

TRANSLATION OF IFRS STANDARDS

Are IFRS Standards translated into the local language?	Yes, they are translated and the translation is provided / coordinated by the IFRS Foundation. However, new and amended IFRS Standards issued after 1 January 2009 have not been translated into Macedonian because funding for the translation has not been available.
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?	<p>The translation process is done according to the Agreement of waiver of copyright signed by the IFRS Foundation and the Ministry of Finance of the Republic of Macedonia. The requirements of full IFRS Standards through 1 January 2009 and the <i>IFRS for SMEs</i> Standard may be downloaded from the following links:</p> <p><i>Official Gazette of the Republic of Macedonia 159/09</i>.</p> <p>Ministry of Finance – <i>IFRS for SMEs</i> Standard.</p>

APPLICATION OF THE IFRS FOR SMEs STANDARD

Has the jurisdiction adopted the <i>IFRS for SMEs</i> Standard for at least some SMEs?	Yes, Macedonia has adopted the <i>IFRS for SMEs</i> Standard.
If no, is the adoption of the <i>IFRS for SMEs</i> Standard under consideration?	Not applicable.
Did the jurisdiction make any modifications to the <i>IFRS for SMEs</i> Standard?	No.

If the jurisdiction has made any modifications, what are those modifications?	Not applicable.
Which SMEs use the <i>IFRS for SMEs</i> Standard in the jurisdiction, and are they required or permitted to do so?	<p>All SMEs except those required to use full IFRS Standards under the Trade Company Law are required to use the <i>IFRS for SMEs</i> Standard. Full IFRS Standards are required for:</p> <ul style="list-style-type: none"> • large and medium-sized commercial entities; • commercial entities specified by law; • commercial entities performing banking activities and insurance activities; • commercial entities listed on the Stock Exchange; and • all subsidiaries of the above.
For those SMEs that are not required to use the <i>IFRS for SMEs</i> Standard, what other accounting framework do they use?	Not applicable.
Other comments regarding use of the <i>IFRS for SMEs</i> Standard?	None.