International Accounting Comparison

The following International Accounting Standards are included in this comparison:

IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Cash Flow Statements
IAS 8	Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies
IAS 10	Events after the Balance Sheet Date
IAS 11	Construction Contracts
IAS 12	Income Taxes
IAS 14	Segment Reporting
IAS 16	Property, Plant and Equipment
IAS 17	Accounting for Leases
IAS 18	Revenue
IAS 19	Employee Benefits
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance
IAS 21	The Effects of Changes in Foreign Exchange Rates
IAS 22	Business Combinations
IAS 23	Borrowing Costs
IAS 24	Related Party Disclosures
IAS 25	Accounting for Investments
IAS 27	Consolidated Financial Statements and Accounting for Investments in Subsidiaries
IAS 28	Accounting for Investments in Associates
IAS 29	Financial Reporting in Hyperinflationary Economies
IAS 30	Disclosures in the Financial Statements of Banks and Similar Financial Institutions
IAS 31	Financial Reporting of Interests in Joint Ventures
IAS 32	Financial Instruments: Disclosure and Presentation
IAS 33	Earnings per Share
IAS 34	Interim Financial Reporting
IAS 35	Discontinuing Operations
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 38	Intangible Assets
IAS 39	Financial Instruments – Recognition and Measurement

International Accounting Comparison

Comparison of International Accounting Standards with generally accepted accounting practice in Albania, Bulgaria, Byelorussia, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Republic of Macedonia, Romania, Slovakia and Slovenia.

The comparison was performed based upon the accounting legislation effective in the above 14 countries as of December 31, 2000. In certain countries, changes to the accounting legislation have occurred as of January 1, 2001. This comparison does not include differences between IAS and generally accepted accounting practice in these countries, subsequent to December 31, 2000.

Abbreviations

AL	Accounting Law
B/S	Balance Sheet
CF	Cash Flow
ČNB	Czech National Bank
CZK	Czech Koruna (currency)
EAL	Estonian Accounting Law
EASB	Estonian Accounting Standards Board
EU	European Union
FIFO	First-in-First-Out (inventory valuation)
F/S	Financial Statements
GAAP	Generally Accepted Accounting Practice
HAS	Hungarian Accounting Standard
HNB	Hungarian National Bank
HUF	Hungarian Forint (currency)
IAS	International Accounting Standard
LIFO	Last-in-First-out (inventory valuation)
LVL	Latvian Lats (currency)
NAS	National Accounting Standard
P&L	Profit and Loss
RAS	Romanian Accounting Standard
RAL	Romanian Accounting Law
R&D	Research and Development
SAL	Slovak Accounting Law
SAS	Slovenian Accounting Standard
SIC	Standing Committee on Interpretations
SKK	Slovak Koruna (currency)
VAT	Value-Added-Tax
JV	Joint Venture
EPS	Earnings per Share

1. Presentation of Financial Statements

Topic	International (IAS 1)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Components and format of financial statements	Complete set of financial statements includes: • balance sheet; • income statement; • statement of non-owner movements in equity; • cash flow statement; and • notes to the financial statements. No particular format or order for presentation mandated. Encouraged to present a review by management of financial and operating activities, outside the financial statements.	Complete set of financial statements includes: • balance sheet; • income statement; • appendix. A determined format for presentation is mandated.	Complete set of financial statements includes: • balance sheet; • income statement; • statement of non-owner movements in equity; • cash flow statement; and • notes to the financial statements. Notes to the financial statements are presented primarily in tabular format specified by the National Institute of Statistics. In addition disclosures are required in a textual format specified by the relevant NAS. Banks, insurance companies, investment funds, non-for-profit organizations and budget funded entities also issue the above set of financial statements but information is in compliance with relevant NAS applicable for their specific activities.	Complete set of financial statements includes: • balance sheet; • statement of profit and loss; • statement of changes in equity; • notes to the financial statements; • accounting policies. All statements have a standard form, including analytical report of the management on financial and operating activities.	IAS 1 applies to all companies incorporated under the Commercial Code.	Comparable to IAS, except cash flow statement and the statement of changes in equity are treated as parts of the notes to the Financial Statements. Prescribed format is required to be used. A management report is not a required component of the annual accounts.	Comparable to IAS, except cash flow statement and the statement of changes in equity are treated as parts of the notes to the Financial Statements. Comparable to IAS, but a core format prescribed by the EAL and Commercial Code. The formats used by credit institutions and insurance companies are prescribed in separate acts. A management report is a required component of the annual accounts.	Complete set of financial statements includes: • Annual report is composed of the balance sheet, the profit and loss account, the supplementary notes, and the business report. • Simplified annual report is composed of the balance sheet, the profit and loss account, and the supplementary notes. • Consolidated annual report is composed of the consolidated balance sheet, the consolidated profit and loss account, and the consolidated supplementary notes and consolidated business report. Cash flow statement should be presented as part of the supplementary notes, but it is not compulsory for the simplified annual report. The balance sheet and the profit and loss account has a prescribed form based on the law. (See appendix 1 and 2)	Financial statement should include • balance sheet • income statement • statement of changes in the capital • cash flow statement • notes to the financial statements Besides the financial statement a report must be prepared where the management of the company reports on current period developments. These requirements doesn't refer to: • private, rustic and pescatory farms whose revenues for the year do not exceed 45 000 LVL • institutions that are financed from state budget or municipality	Complete set of financial statements includes: • balance sheet; • income statement; • cash flow statement; • explanation to the financial statements. Particular format for presentation is mandated for banks and other companies.	Complete set of financial statements includes: • balance sheet; • income statement; • notes to the financial statements (called 'additional information'). Companies, which are obliged to have an annual statutory audit, should also prepare cash flow statement. Publicly traded companies should also prepare statement of changes in equity. Directors' report should be attached to the financial statements. Detailed formats of balance sheet, income statement and cash flow statement are described by relevant regulations.	Only balance sheet and income statement required. Comparable to IAS, but a standard format prescribed by the Accounting Law (further "AL") and the Company Law. The formats used by banks and financial institutions and insurance companies are prescribed in separate acts.	Comparable to IAS, except cash flow statement and the statement of changes in equity that is not a required part of the financial statements. A particular format of financial statements issued by the Ministry of Finance is mandatory. The formats used by credit institutions and insurance companies are prescribed in separate acts. A management report is a required component of the annual accounts.	Complete set of financial statements includes: • balance sheet; • income statement; • notes to the financial statements The Movement in Equity and Cash Flow Statement are regarded as part of the notes (not required in the case of the consolidated financial statements.) Particular format for presentation of balance sheet and income statement mandated. Rules for the notes to the financial statements mandated.	(SAS 24, 25, 26) Comparable to IAS, except that: • No requirement for statement of non-owner movements in equity; • Particular formats for presentation mandated. Annual business report presents a review by management of financial and operating activities; for further specification of inclusion in an annual business report see the Law on Commercial Companies.
Compliance with relevant accounting standards	If financial statements comply with IAS, this fact should be stated. Such a statement should not be made unless there is full compliance. In the rare circumstances where non-compliance with IAS is necessary in order to achieve a fair presentation, disclose: • that management has concluded that the financial statements achieve a fair presentation;	The annual accounts shall comply with Albanian accounting law and rules. They should present a true and fair view of the entity's financial situation.	The annual accounts shall comply with Bulgarian GAAP and this fact shall be stated. NAS can not be applied before its effective date.	All statements should be prepared in compliance with Belarussian Rules of Accounting. These rules have substantial distinction from the International Accounting Standards.	Comparable to IAS.	The annual accounts shall comply with Czech accounting law and rules.	The annual accounts shall comply with Estonian GAAP and this fact shall be stated. Where the annual accounts do not present true and fair view of the accounting entity's financial situation, the "true and fair" override in EAL § 18.7 may be applied. Any such departure must be	This Act contains accounting rules which are in accordance with International Accounting Standards and based upon reliable information providing a true overall view in respect: • of the income producing capability	Comparable to IAS	Not defined.	No requirement for statement of compliance – other than in audit report. Companies are required to comply with the Accounting Act and all applicable regulations – no provision for override of laws and regulations in order to achieve a 'fair presentation'.	The annual accounts shall comply with Macedonian accounting regulations and principles and this fact shall be stated.	The annual accounts shall comply with Romanian GAAP but this fact is not stated. Non-compliance with the general accounting principles has to be disclosed.	The financial statements should comply with Slovak Accounting Law (SAL) and regulations. This fact should be stated in the first part of the notes. Non compliance is not allowed.	(Preface to SAS, 6. Fundamental Accounting Assumptions) Comparable to IAS.

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	• that the financial statements comply with IAS except for the departure necessary to achieve a fair presentation; • details of the departure and the reasons for it; and • the financial impact of the departure. When an IAS is applied before its effective date, that fact should be disclosed.						disclosed in the notes with the reason for the departure and its effect on the assets, liabilities, owners` equity and profit/ loss of the accounting entity.	• the development of the assets, • the financial situation and the future plans of such entities falling under the effect of this Act.							
Underlying assumptions	Going concern, consistency and accruals are presumed to be followed - otherwise disclosure required. Any significant uncertainties about the entity's ability to continue as a going concern should be disclosed.	Major considerations are: • going concern, • comparability, • consistency, • carry-forward, • accruals and prudence.	Going concern, consistency and accrual basis are defined in the Accountancy Act as a part of the 12 basic principles underlying the accounting in Bulgaria. Any significant uncertainties about the entity's ability to continue as a going concern is not required but usually disclosed.	The main accounting and reporting principles are as follows: • completeness; • accuracy; • accrual concept, which implies recognition of revenues and costs as they are earned or incurred. The revenues and costs should be recorded in the financial statements of the periods to which they relate. Accrual concept is optional. A company may choose the alternative cash basis of accounting for revenues. Going Concern, being one of the IAS fundamental accounting assumptions, is neither applied nor considered in the Belarussian law.	Comparable to IAS.	Comparable to IAS. Usually form over substance is applied (but not defined as a general principle). Less emphasis on going concern. Any significant uncertainties about the entity's ability to continue as a going concern should be disclosed. Major considerations are: • concept of historical costs • accruals concept • concept of prudence • prohibition of compensation • continuity of accounts • recognition at the moment of realization • consistency of methods used	Major considerations are: • going concern, • comparability, • consistency, • materiality, • disclosure, • accruals and prudence.	The 'basic accounting principles' shall be enforced when preparing the annual report and in the course of bookkeeping. The basic accounting principles may be departed from only in the manner regulated in this Act. Basic accounting principles are going concern, completeness, authenticity, lucidity, consistency, continuity, commensurability, prudence, gross settlement, item-by-item evaluation, accruals, substance over form, essentiality and cost-benefit comparison.	Comparable to IAS.	Going concern, consistency and accruals are presumed to be followed. Any significant uncertainties about the entity's ability to continue as a going concern should be disclosed.	Going concern, matching, prudence and consistency defined as fundamental accounting concepts. In general emphasis on prudence is higher than in IAS.	Major considerations are: • going concern, • comparability, • consistency, • materiality, • disclosure, • accruals and prudence.	Major considerations are: • Prudence; Although prudence is recognized as a principle in the RAS, the detailed rules do not always reflect it. • Consistency • Going concern • Accruals The opening balance sheet balances can not be changed. Any departure from the accounting principles has to be disclosed.	Comparable to IAS. Going concern, consistency and accruals are presumed to be followed – otherwise disclosure required. Any significant uncertainties about the entity's ability to continue as a going concern should be disclosed.	(Preface to SAS, 6. Fundamental Accounting Assumptions) Comparable to IAS.
Basis for selection of accounting policies	In the first instance, to comply with IAS. Where there is no specific guidance, policies should be selected in order to ensure that information is: • relevant to users' needs; and • reliable in that it is a faithful representation,	The enterprise is free to choose the way of keeping the accounting, but in all the cases accounting policies must comply with Albanian Accounting Law.	Accounting policies are developed in compliance with: • Bulgarian GAAP and • Requirements of the IAS, where there is no specific guidance of the	An enterprise is obliged to adhere to strict local accounting reporting rules, although having right to chose from alternative accounting policies in some areas, such as:	Comparable to IAS.	Accounting policies must comply with Czech accounting law and regulations. Under Czech accounting law is usually preferred over substance. What to do when	Accounting policies must comply with Estonian GAAP, which is in line with IAS except where noted below.	Within the framework of the accounting policy the regulations and procedure of stocktaking assets and liabilities; the regulations of evaluating assets and liabilities; the internal regulations of	Comparable to IAS	Not required to comply with IAS. Annual financial statements (annual accounts) of legal persons should be prepared in accordance with major requirements	Compliance with law and regulations. Selection of alternative accounting policies stipulated by the Accounting Act should be justified by the best presentation of the company's	The annual accounts shall comply with Macedonian accounting regulations and principles and this fact shall be stated.	Accounting policies must comply with Romanian GAAP.	Accounting policies must comply with SAL and regulations. When there is no specific guidance on the approach, in practice comparable to IAS.	(Preface to SAS, 6. Fundamental Accounting Assumptions) Comparable to IAS, also: • the following considerations should govern the selection and application

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	reflects substance over form, neutral, prudent and complete in all material respects.		guidance of the NAS.	• accounting for revenues and costs (accrual basis vs. cash basis); • depreciation accounting (straight line method vs. accelerated depreciation); • inventory cost formulae (LIFO, weighted average and others); • cost of sales and overheads accounting; • some other methods and principles of accounting.		there is no specific guidance is not specified but in practice comparable to IAS.		calculating production costs; the cash handling regulations shall be identified. The determinant elements of the accounting policy, any change thereof, and the consequence of any change on the profit or loss shall be detailed in the supplementary notes.		which do not generally contradict IAS.	results of operations and financial position. While making selection of alternative accounting policies, prudence concept should be followed.				by management of the appropriate accounting policies and the preparation of financial statements: prudence, substance over form, and materiality.
Disclosure of accountin g policies	Disclose the measurement basis used in preparing the financial statements and each specific accounting policy that is necessary for an understanding of the financial statements. Appropriate to disclose policy for each issue not covered by existing IAS. May be presented as a separate component of the financial statements or in the notes to the financial statements (recommended as the second note, immediately following the statement of compliance with IAS).	The appendix shall disclose the following: • accounting principles and guidelines applied in preparing the financial statements; • valuation and measurement assumptions used.	The Notes shall disclose the recognition and measurement basis as well as each specific accounting policy applied for the preparation of the financial statements.	Must be presented as a separate component of the financial statements or in the analytical management report, which is submitted, to the tax inspectorate. All significant changes in adopted accounting policies must be reported in an explanatory note to annual financial statements.	Comparable to IAS.	The notes shall disclose the accounting principles and valuation assumptions used in preparing financial statements and conform to the requirements set out in Accounting Act and accounting regulations.	The notes shall disclose the accounting principles and valuation assumptions used in preparing financial statements (EAL §18.6, Appendix 3) and conform to the requirements set out in EASB's guidelines.	Based on the basic accounting principles and evaluation rules defined in this Act, an accounting policy best suiting the characteristics and circumstances of the entrepreneur shall be formed and put in writing, which shall specify the methods and means of implementing this Act. Within the framework of the accounting policy, amongst other things, those rules, prescriptions and methods characteristic of the entrepreneur shall be specified which establish what the entrepreneur considers significant from an accounting point of view.	Comparable to IAS	Accounting methods employed in the preparation of the annual financial statements should be disclosed.	Disclose all significant accounting policies with emphasis on a selection from existing acceptable alternatives. Include as a part of the additional information to the financial statements. In practice disclosures are less comprehensive.	The notes shall disclose the accounting principles and valuation assumptions used in preparing financial statements.	There is no equivalent provision under the RAS and the required disclosure (Annex 7 to the financial statements and Administrators Report) is not considered adequate (the notes should disclose the valuation assumptions used in the preparation of the financial statements and also the departures from the accounting principles and the reasons therefor). Under the RAS (Annex 7 to the financial statements and Administrators Report) the disclosure can be split between two places and the disclosure required is not considered adequate.	The notes shall disclose the accounting principles and valuation assumptions used in preparing financial statements and conform to the requirements set out in Accounting Act and accounting regulations. Presented as a component in the notes to the financial statements (recommended as the second part, immediately following the first part - general information).	(Preface to SAS, 3. The Systematic of SAS) Comparable to IAS. (In the areas where there are no SAS, assistance should be found in the relevant IAS.)
Materiality and aggregatio n	Each material item should be presented separately in the financial statements. Immaterial amounts should be aggregated with amounts of a similar nature or function and need not be presented separately.	Not specified. However headings and specific items must be presented in the order prescribed in the balance sheet and income statement formats prescribed by law. Sub-headings may be added in order to present	Financial statements should be prepared according to the concept of materiality as specified by the Accounting Law.	No such principle exists.	Comparable to IAS.	Headings and specific items must be presented in the order prescribed in the balance sheet and income statement formats prescribed by the law.	Headings and specific items must be presented in the order prescribed in the balance sheet and income statement formats prescribed by law. Sub-headings may be added in order to present material items	Not specified	Comparable to IAS	Standard form of financial statement items is defined.	Not specified.	Headings and specific items must be presented in the order prescribed in the balance sheet and income statement formats prescribed by AL. Sub-headings may be added in order to present material items	Headings and specific items must be presented in the order prescribed in the balance sheet and income statement formats prescribed by law.	Prescribed format for presentation. • There is a general rule: The notes to the financial statements should contain all facts important to an understanding of the current period's	(Preface to SAS, 3. The Systematic of SAS) Comparable to IAS. (In the areas where there are no SAS, assistance should be found in the relevant IAS.)

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		material items separately.					separately.					separately.		financial statements.	
Offsetting	Assets and liabilities should not be offset except where offsetting is required or permitted by another International Accounting Standard. Items of income and expense should be offset when, and only when: • an IAS requires or permits it; or • gains, losses and related expenses arise from the same or similar transactions and events that are not material.	The offsetting of assets and liabilities or income and expenses is not permitted. The accounting standards and guidelines do not deal with exceptions or special cases in this regard.	Assets and liabilities, income and expenses should not be offset except where offsetting is permitted by another NAS, or is necessary for better understanding of the nature of the activity of the entity.	Assets and liabilities should not be offset except where offsetting is required or permitted by another Belarussian Accounting Rule. Items of income and expense should be offset only when Belarussian Accounting Rules require or permit it.	Comparable to IAS.	Offset of assets and liabilities permitted only when there is a legal right of set-off. The offsetting of income and expenses is not permitted.	The offsetting of assets and liabilities or income and expenses is not permitted, with the exception of special cases dealt with in accounting standards and guidelines.	Revenues and costs (expenditures), and receivables and liabilities may not be offset against one another (principle of gross settlement).	Comparable to IAS	Comparable to IAS.	Assets and liabilities, items of income and expenses, extraordinary gains and losses should not be offset except where offsetting is required or permitted by law.	The offsetting of assets and liabilities or income and expenses, is not permitted.	The offsetting of assets and liabilities or income and expenses is not permitted, with the exception of special cases dealt with in accounting standards and guidelines.	Offset of assets and liabilities is generally permitted only when there is a legal right of set off – specifically only when short-term receivables and liabilities are due from /due to the same debtor/creditor in the same currency from or to the same person in the same currency, Offsetting of income and expenses is not permitted.	(Preface to the SAS, 3. The Systematic of SAS) Comparable to IAS. (In the areas where there are no SAS, assistance should be found in the relevant IAS.)
Comparative information	Unless an IAS permits or requires otherwise, comparative information should be disclosed in respect of the previous period for all numerical information in the financial statements. Comparative information should be included in narrative and descriptive information when it is relevant to an understanding of the current period's financial statements. When the presentation or classification of items in the financial statements is amended, comparative amounts should be reclassified, unless it is impracticable to do so. The nature, amount of, and reason for any reclassification should be disclosed. When it is impracticable to reclassify comparative amounts, disclose the reason for not reclassifying and the nature of the changes that would have been made if amounts were reclassified.	The balance sheet and the income statement should contain information in respect of the previous period.	The balance sheet, the income statement and the cash-flow statement should contain comparative information in respect of the previous period. When the presentation or classification of items in the financial statements is amended, comparative amounts should be reclassified to meet the requirements of the new reporting format.	Unless the Belarussian Accounting Rules permits or requires otherwise, comparative information should be disclosed in respect of the previous period for all numerical information in the financial statements, except cash flows and statement of equity.	Comparable to IAS.	Comparative information should be disclosed in respect of the previous period for all numerical information in the financial statements. Comparative information should be included in narrative and descriptive information when it is relevant to an understanding of the current period's financial statements. No reclassification of comparative amounts is allowed.	Comparative information required Comparable to IAS comparative information shall be restated. Disclosure is required, of the nature of the restatement.	The balance sheet, the income statement and the cash-flow statement should contain comparative information in respect of the previous period. When the presentation or classification of items in the financial statements is amended, comparative amounts should be reclassified to meet the requirements of the new reporting format.	Comparable to IAS	Current accounting year and at least one previous year data have to be presented in the annual financial statements. If it is impossible to compare data of current and previous periods because of changes in accounting methodology, information on recalculations has to be reflected in the Notes about the annual financial statements. Together with the recalculated data used for comparison, there must be presented the data calculated assuming no changes in accounting methodology during the accounting period.	Comparative information should be disclosed in respect of the previous period for all numerical information in the financial statements. Comparative information should be included in narrative and descriptive information when it is relevant to an understanding of the current period's financial statements. When the presentation or classification of items in the financial statements is amended, comparative amounts are not reclassified. In such a case information allowing comparison of current period's financial statements with not reclassified prior year financial statements should be included in the notes to the accounts.	Comparative information required Comparative information shall be restated. Disclosure is required of the nature of the restatement.	Comparative information required. If restatements are made, disclosure is required, of the nature of the restatement. When it is impracticable to state the comparatives the reasons have to be disclosed.	Comparable to IAS, except that reclassification of comparative amounts is not allowed.	(Preface to the SAS, 3. The systematic of SAS) Comparable to IAS. (In the areas where there are no SAS, assistance should be found in the relevant IAS.)
Classification as to current/non-current	Enterprise can choose whether or not to present current and non-current assets and current and non-current liabilities as separate classifications.	A distinction between current and non-current assets and liabilities should be made on the	A distinction between current and non-current assets and liabilities should be made on the	An enterprise must present current and non-current assets and current and non-current liabilities	Comparable to IAS	The prescribed format regulates the classification of assets. The current/non-current distinction	The current/non-current distinction is mandatory. Assets and liabilities are	The division of the balance sheet, as well as further rules regarding the contents of the individual items is	Comparable to IAS.	Separate classifications for current and non-current assets and liabilities are required.	No specific requirement – but financial statements formats described in the Accounting	The current/non-current distinction is mandatory. Assets and liabilities are	The current/non-current distinction is made in the prescribed format of balance sheet.	Enterprises should present current and non-current assets and current and non-current liabilities	(SAS 24, 9) Current and non-current assets and current and non-current liabilities are required to be

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	Where this distinction is not made assets and liabilities should be presented broadly in order of their liquidity. For each asset and liability item that combines amounts expected to be recovered or settled before and after 12 months from the balance sheet date, the amount expected to be recovered or settled after 12 months should be disclosed.	face of the balance sheet, based on 12 months after the balance sheet date for recovery or settlement. Assets and liabilities are presented in order of their liquidity.	face of the balance sheet, based on 12 months after the balance sheet date for recovery or settlement.	as separate classifications. The regulatory bodies in each industry established official charts of accounts, which prescribe strict separate classification of current and non-current assets and liabilities. Exception: A peculiarity of presentation of the financial reports by Byelorussian corporate entities is non-separation of current and non-current accounts receivable and payable.		is mandatory. Assets and liabilities are presented in order of their liquidity. The notes to financial statements shall disclose information about the recovery or settlement of monetary non-current assets and liabilities.	presented in order of their liquidity. The notes to financial statements shall disclose information about the recovery or settlement of monetary non-current assets and liabilities.	contained in Schedule No. 1. Assets shall be divided into invested assets and current assets on the basis of their purpose and utilization. In the balance sheet, equity, provisions, liabilities, and accrued expenses and deferred income shall be entered among liabilities.			Act specify separate heads for fixed assets and current assets.	presented in order of their liquidity. The notes to financial statements shall disclose information about the recovery or settlement of monetary non-current assets and liabilities.	Assets and liabilities are presented in order of their liquidity. The notes to financial statements shall disclose the split of amounts to be recovered or settled between current (less than one year) and non-current (more than one year).	as separate items in the prescribed format of financial statements (except long-term receivables are presented under current assets) Assets and liabilities are generally presented in descending order of their liquidity (from fixed assets to cash)	classified and disclosed separately. Short –term liabilities are those which are going to be settled within one year.
Current assets	A current asset is an asset which: • is expected to be realized, sold or consumed in the normal course of the enterprise's operating cycle; • is held primarily for trading purposes or for the short-term and is expected to be realized within 12 months of the balance sheet date; or • is cash or a cash equivalent asset, which is not restricted in its use. All other assets to be classified as non-current.	A current asset is an asset, which is expected to be realized within 12 months of the balance sheet date.	Current assets are listed in the Accounting Law and comprise of: • inventory-materials, finished goods, stock, work in progress etc.; • short-term receivables-expected to be recovered within 12 months after the balance sheet date; • short-term investments-held primarily for trading purposes or expected to be realized within 12 months after the balance sheet date; and • cash in hand and at bank accounts.	A current asset is an asset which: • is expected to be realized, sold or consumed in the normal course of the enterprise's operating cycle; • is held primarily for trading purposes or for the short-term and is expected to be realized within 12 months from the balance sheet date; or • is cash or a cash equivalent asset, which is not restricted in its use. All other assets should be classified as non-current.	Comparable to IAS.	Comparable to IAS.	Comparable to IAS.	A current asset is an asset, which is expected to be realized within 12 months of the balance sheet date. therein.	Comparable to IAS	Comparable to IAS.	Not specified - but financial statements formats described in the Accounting Act include inventories, receivables (other than long-term), short term investments and cash under current assets heading.	Comparable to IAS.	Not specified, but in practice is comparable to IAS.	Comparable to IAS.	(SAS 24, 5, 6) Comparable to IAS.
Current liability	A liability is classified as current when it: • is expected to be settled in the normal course of the enterprise's operating cycle; or • is due to be settled within 12 months of the balance sheet date. Long-term liabilities should continue to be classified as non-current, even when they are due to be settled within 12 months of the	A liability is classified as current when it is due to be settled within 12 months of the balance sheet date.	Current liabilities include: • trade creditors • short-term loans • advances from customers • liabilities due to the state.	A liability is classified as current when it: • is expected to be settled in the normal course of the enterprise's operating cycle; or • is due to be settled within 12 months of the date of the liability	Comparable to IAS.	A liability is classified as current when it: • is due to be settled within 12 months of the balance sheet date ; or • represent current part of long term loan (i.e. part of loan, which will be repaid within 12 months).	Comparable to IAS.	A liability is classified as current when it is due to be settled within 12 months of the balance sheet date	Comparable to IAS.	Comparable to IAS.	Not specified – in practice failing due before one year. Publicly traded companies should show current portion of long-term liabilities separately under 'current liabilities' heading.	Comparable to IAS.	Not specified, but in practice is comparable to IAS.	Comparable to IAS.	(SAS 24, 9, 11) Short-term liabilities are liabilities to be settled within one year. Long-term liabilities are liabilities to be settled within a period exceeding one year.

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	balance sheet date, if: • the original term was for a period of more than twelve months; • the enterprise intends to refinance the obligation on a long-term basis; and • that intention is supported by an agreement to refinance, or to reschedule payments, which is completed before the financial statements are approved. Any amount excluded from current liabilities on this basis should be disclosed, together with the justification.			recognition. Long-term liabilities should continue to be classified as non-current, even when they are due to be settled within 12 months of the balance sheet date, if: • the original term was for a period of more than twelve months; The above statements do not relate to trade payables that are classified as current liabilities.											
General disclosures	Disclose prominently: • name of enterprise or other identification; • whether the financial statements cover the individual enterprise or a group of enterprises; • the balance sheet date or the period covered by the financial statements; • the reporting currency; and • the level of precision used in the presentation of the figures in the financial statements. In addition the notes should disclose: • the domicile and legal form of the enterprise, country of incorporation and address; • a description of the nature of the enterprise's operations and its principal activities; • the name of the parent enterprise and ultimate parent enterprise of the group; and • either the number of employees at the end of the period or the average for the period.	Disclose prominently: • name, legal form, country of incorporation and address of the enterprise; • the balance sheet date and the period covered by the financial statements; • the date of signing the financial statements;	Disclose prominently: • name, legal form, country of incorporation and address of the enterprise; • the balance sheet date and the period covered by the financial statements; • the date of signing of the financial statements.	Disclose prominently: • name of enterprise or other identification; • the balance sheet date or the period covered by the financial statements; • the reporting currency; and • the level of precision used in the presentation of the figures in the financial statements. In addition the notes should disclose: • the domicile and legal form of the enterprise, country of incorporation and address;	Comparable to IAS.	Comparable to IAS. In addition the following information should be disclosed: • the date of establishment of company; • names of shareholders, which own 20% or more of registered capital, the amount of their ownership in percent, description of changes in the accounting period provided in business register; • description of organization structure and its significant changes during accounting period; • names of members of statutory and supervisory boards as of balance sheet date; • average number of employees split into management and employees, amount of personal costs per mentioned group, bonuses paid to members supervisory and	Comparable to IAS, except it is presented in introduction to annual accounts or in management report.	Disclose prominently: • name of enterprise or other identification; • whether the financial statements cover the individual enterprise or a group of enterprises; • the balance sheet date or the period covered by the financial statements; • the reporting currency; and • the level of precision used in the presentation of the figures in the financial statements. In addition the notes should disclose: • the domicile and legal form of the enterprise, country of incorporation and address; • a description of the nature of the enterprise's operations and its principal activities; • the name of the	Comparable to IAS.	Comparable to IAS except that: • the financial statements can not be presented for more than one company, • financial statements can only be presented in national currency; • amounts presented in the financial statements can only be in single units or thousands of units of the national currency – litas.	Generally comparable to IAS. Require disclosure of all significant information, which is relevant to the understanding of financial statements.	Comparable to IAS.	Comparable to IAS No consolidation accounts are prepared under RAS. The nature and principal activities are presented in management report	Disclose: • name of enterprise or other identification; • whether the financial statements cover the individual enterprise or a group of enterprises; • the balance sheet date or the period covered by the financial statements; • the reporting currency; and • the level of precision used in the presentation of financial statements (full disclosure, condensed disclosure) • the domicile and legal form of the enterprise, country of incorporation and address; • a description of the nature of the enterprise's operations and its principal activities; • the name of the parent enterprise and ultimate parent enterprise of the	(No SAS covers this area directly) Best current practice: Disclosures: • name of enterprise or other identification • the domicile and legal form of the enterprise, country of incorporation and address; • a description of the nature of the enterprise's operations and its principal activities; • the name of the parent enterprise and ultimate parent enterprise of the group; • the balance sheet date or the period covered by the financial statements; • the reporting currency; • the level of precision used in the presentation of the figures in the **financial statements;** • **whether the financial statements cover the individual**

Topic	*International (IAS 1)*	*Albania*	*Bulgaria*	*Byelorussia*	*Croatia*	*Czech Republic*	*Estonia*	*Hungary*	*Latvia*	*Lithuania*	*Poland*	*Republic of Macedonia*	*Romania*	*Slovakia*	*Slovenia*
						statutory boards; and • amount of loans, borrowings, guarantees given to shareholders, partners, members of supervisory and statutory boards.		parent enterprise and ultimate parent enterprise of the group; and • either the number of employees at the end of the period or the average for the period.						group; • the average of employees for the period, management from it;	**enterprise or a group of enterprises;** • ownership structure; • type of format of balance sheet, income statement and funds flow statement; • name of the general director and other members of the board of directors.
Reporting Period	Financial statements should generally be presented at least annually. In exceptional circumstances, where the balance sheet date is changed and the financial statements are presented for a period longer or shorter than one year, disclose: • the period covered by the financial statements; • the reason for a period other than one year being used; and • the fact those comparative amounts for the income statement, changes in equity, cash flows and related notes are not comparable.	Generally, financial statements should be presented at least annually. Any exceptions should be authorized by the Ministry of Finance.	Financial statements should generally be presented at least annually. The financial year is 12 months for the year ended 31 December. In the case where financial statements cover period shorter/longer than one year this fact should be separately disclosed.	Reporting period for enterprises is regarded as being from January 1 to December 31. The first reporting year for the new company (that are registered until the October 1st) starts from the date of the state registration and ends on December 31, for companies that are registered after October 1st the first reporting year starts from the date of the state registration and ends on the December 31 in the next year. Budget companies submit on monthly, quarterly and annual basis their financials to the high-level authorities. Banks provide National Bank of Belarus with their daily balances and statutory audited balances on annual basis.	A 31 Dec year-end is not mandatory. However the tax year-end is 31 Dec with returns due by 30 April in following year.	Czech Accounting Law specifies that the accounting year should be January 1 to December 31. The accounting period of an accounting entity commencing it's business activity or terminating its business activities, may be shorter but not longer than 12 months. In those cases disclosure as under IAS.	The financial year is 12 months. The following accounting periods are permitted: Jan.1 – Dec.31; April 1 – March 31; July 1 – June 30; Oct.1 – Sept.30. Permission shall be sought from the Estonian Ministry of Finance to use an accounting period other than those listed above (EAL §17.2) Subsidiaries and parent's must use the same financial year. No permission is required for these changes (EAL §17.4) The accounting period of an accounting entity commencing it's business activity, changing its fiscal year or terminating its business activities, may be shorter than 12 months, but may not exceed 18 months (EAL §17.3)	Financial statements should generally be presented annually in each case.	Comparable to IAS.	Comparable to IAS.	Financial statements should generally be presented annually, except in the first reporting period after incorporation or after change in a reporting period, in which cases reporting period could be shorter or longer than 12 months.	The financial year is 12 months from January 1 to December 31. Subsidiaries and parent companies must use the same financial year. No exceptional circumstances are permitted.	The financial year is 12 months from January 1 to December 31. The financial statements are mandatory to be issued at least annually and in case of merger or cease of activity. The Ministry of Finance can decide that financial statements can also be issued at dates other than the end of the financial year.	The Slovak Accounting Law specifies that the accounting year should be January 1 to December 31. The accounting period of an entity commencing or terminating its business activities, may be shorter but not longer than 12 months. In those cases the disclosure is similar as under IAS.	(SAS 23) Financial statements need to be presented at least annually. No exceptions possible.
General disclosures – balance sheet	Disclose: • restrictions on title to assets; • security given in respect of liabilities; • the methods of providing for pension and retirement plans; • contingent assets and contingent liabilities,	Comparable to IAS (disclosed in the appendix) Amounts committed for future expenditure is disclosed in the management report.	Disclose: • contingent assets and contingent liabilities, quantified if possible; • subsequent events.	Financial statements of Belarussian corporate companies and financial institutions are not legally required to comprise the following information generally disclosed	Comparable to IAS.	Comparable to IAS except disclosure regarding pension and retirement plans, which is not specified.	Comparable to IAS (disclosed in the notes). Amounts committed for future expenditure is disclosed in the management report.	The following shall be introduced in the supplementary notes: • Of the liabilities entered in the balance sheet, the full amount of the liabilities, the remaining maturity of	Comparable to IAS.	Not defined.	Disclose: • security given in respect of liabilities; • contingent liabilities; • restrictions on title to assets;	Only contingent assets and liabilities (if possible to quantify) and amounts committed for future capital expenditure.	No such disclosures are required as per the prescribed format of the financial statements.	Comparable to IAS except the disclosure regarding pension and retirement plans is not specified. In addition the following disclosures are specified:	(Preface to the SAS, 3. The Systematic of SAS) Comparable to IAS, except for: • no requirement to disclose the methods of providing for pension

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	quantified if possible; and • amounts committed for future capital expenditure.			according to the International Accounting Standards: • restrictions on title to assets; • security given in respect of liabilities; • the methods of providing for pension and retirement plans; • contingent assets and contingent liabilities, quantified if possible; and • amounts committed for future capital expenditure.				which is longer than five years; the full amount of the liabilities which are collateralized by a lien or similar rights, indicating the type and form of such collateral; and • the full amounts of any financial liabilities, which are of importance from the point of view of evaluating the financial situation of the entrepreneur, but are not shown in the balance sheet.						• Commitments from the privatization contracts; • subordinated liabilities;	and retirement plans;
Specific disclosures – balance sheet	As a minimum on the face of the balance sheet: • property, plant and equipment; • intangible assets; • financial assets; • equity-accounted investments; • inventories; • trade and other receivables; • cash and cash equivalents; • trade and other payables; • tax liabilities and assets; • provisions; • non-current interest-bearing liabilities; • minority interests; and • issued capital and reserves. Additional headings and subtotals should be provided where necessary for a proper understanding. Other line items may be prescribed by specific IAS. Either on the face of the balance sheet or in the notes - further sub-classifications in a manner appropriate to the enterprise's circumstances. For each line item, segregate amounts payable to and receivable from parent enterprise, fellow subsidiaries and associates and other related parties.	The balance sheet format complies with IAS requirements except that the differences (negative or positive) arising from the exchange rates is also included.	As a minimum the information to be disclosed on the face of the balance sheet is as follows: • property, plant and equipment; • intangible assets; • financial assets; • investments; • inventories; • trade and other receivables; • cash and cash equivalents; • trade and other payables; • tax liabilities and assets; • provisions for bad and doubtful debts; • minority interests; and • issued capital and reserves. Amounts payable to and receivable from parent enterprise, subsidiaries and associates, and other related parties should be stated on the face of the balance sheet.	As a minimum on the face of the balance sheet: • property, plant and equipment, including leased assets; • construction in progress; • intangible assets; • financial assets; • inventories; • trade and other receivables; • cash and cash equivalents; • trade and other payables; • tax liabilities and assets; • provisions; • current and non-current interest-bearing liabilities; • issued capital and reserves. Additional headings and subtotals should be provided where necessary for a proper understanding. Other line items may be prescribed by specific statutory rules. Either on the face of the balance sheet or in the	Comparable to IAS.	Prescribed format for the balance sheet is mandatory. The balance sheet format is more detailed than under IAS.	The balance sheet format complies with IAS requirements (EASB, Balance Sheet Accounts).	The division of the balance sheet, as well as further rules regarding the contents of the individual items is contained in Schedule No. 1. Balance sheet items as described in Schedule No. 1 may be further divided. Invested assets, current assets, and deferred expenses and accrued income shall be shown in the balance sheet as assets. Assets shall be divided into invested assets and current assets on the basis of their purpose and utilization. Inventories, receivables, securities and liquid assets shall be placed in the group of current assets. In the balance-sheet equity, provisions, liabilities, and accrued expenses and deferred income shall be entered among liabilities. Equity is composed of issued capital -	Balance Sheet: • Intangible assets • Fixed assets • Long term financial investments • Inventory • Accounts receivable • Cash • Share capital and reserves • Provision • Long term liabilities • Current liabilities Comparable to IAS.	As a minimum on the face of the balance sheet: • Formation cost; • Intangible assets; • Tangible assets; • Financial long term assets; • Amounts receivable after one year; • Stocks and contract in progress; • Amounts receivable within one year; • Investments and term deposits; • Cash at bank and in hand; • Capital; • Share premium account; • Revaluation reserve; • Reserves; • Profit (loss) brought forward; • Provisions; • Postponed taxes; • Amounts payable after	As a minimum on the face of the balance sheet: • intangible assets; • tangible fixed assets; • long-term financial assets; • long-term receivables; • inventories; • trade and other receivables; • short-term securities; • cash and cash equivalents; • deferred expenses; • equity; • provisions; • long-term liabilities; • short-term liabilities; • accruals and deferred income. Additional headings and subtotals should be provided by medium and large size companies.	The balance sheet format complies with IAS requirements.	As per IAS Tax liabilities and assets to be disclosed together with other payables / receivables No requirement for presentation of minority interests.	Prescribed format of financial statements covers all IAS items required. In the notes further sub-classifications in a manner appropriate to the enterprise. In addition for each line item the amounts payable to and receivable from parent enterprise, fellow subsidiaries and associates, and other related parties, should be disclosed.	(SAS 24) As a minimum on the face of the balance sheet: • property, plant and equipment; • intangible assets; • long term investments; • treasury stock; • inventories; • non-current receivables; • trade and other current receivables; • short term investments; • cash and cash equivalents; • prepaid expenses and accrued revenue; • equity: • basic capital, • share premium, • reserves, • retained earnings, • revaluation, • current year profit or loss;

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				sheet or in the notes - further sub-classifications in a manner appropriate to the enterprise's circumstances.				issued capital - decreased by the issued but unpaid capital, capital reserve, accumulated profit reserve, evaluation reserve, and the balance sheet profit or loss figure of the subject year. Liabilities are the acknowledged payments to be performed in cash and arising from supply, work, service and other contracts which are related to supplies, services and the provision of money already performed by the supplier, entrepreneur, service provider, creditor or the party extending a loan, and accepted and acknowledged by the entrepreneur. There are long-term and short-term liabilities.		one year and long term liabilities; • Amounts payable within one year and short-term liabilities. • All of these accounts should be further classified into a smaller account on the face of the balance sheet. This format is set by supervisory bodies and can not be changed.					• provisions; • long-term liabilities from financing; • long-term operating liabilities; • short-term liabilities from financing; • trade and other payables; • accrued expenses and deferred revenue; Small enterprises that do not belong to a group for which a consolidated balance sheet is prepared, should include in their balance sheet at least the items above, while medium size enterprises should also disclose more details on items of fixed assets and inventories. Additional disclosures (further sub-classifications) should be provided either on the face of the balance sheet or in the notes where necessary and prescribed by specific IAS. For each line item, segregate amounts payable to and receivable from parent enterprise, fellow subsidiaries and associates, and other related parties.
Specific disclosures –share capital	For each class of shares, disclose: • the number of shares authorized; • the number of shares issued and fully paid, and issued but not fully paid; • the par value per share or that the shares have no par value; • a reconciliation of the number of shares outstanding at the beginning and end of the year;	Not specified.	Not specified.	No specific disclosure requirements exist.	Comparable to IAS.	Comparable to IAS.	Comparable to IAS (EAL Appendix 3).	In the case of a share company, the number and face value of shares with a breakdown by types of shares shall be indicated in the supplementary notes.	Comparable to IAS.	Should be disclosed: • structure of capital, indicating amounts of common and preferred stocks, • state owned capital, • number of shares, • uncalled amounts and	For each class of shares, disclose: • the number of shares subscribed; • par value of subscribed shares; • the number of shares with privileges.	Comparable to IAS.	On the face of the balance sheet only a disclosure is made regarding nominal value of share capital issued and paid out of total value of share capital issued. In the notes, information are presented in relation with the foreign investors only: percentage of ownership (%),	Comparable to IAS.	Comparable to IAS, except for: • dividends proposed but not formally approved;

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	• dividend and capital rights and restrictions; • shares in the enterprise held by the enterprise itself or by its subsidiaries or its associates; • arrears of cumulative dividends; • dividends proposed but not formally approved; and • shares reserved for future issuance.									amounts and called amounts unpaid, separately disclosing the largest shareholders or debtors. • The possibility of converting debts into shares must be discussed.			contribution kind/cash, increase/decrease during the year, conversion debts to shares, if any.		
Specific disclosures – other equity	Provide a description of the nature and purpose of each reserve within owners' equity.	The nature and the purpose of the reserves are established by law.	Not specified.	No specific disclosure requirements exist. The breakdown and movements of components of other equity is presented on the face of statement of changes in equity.	Comparable to IAS.	Basically comparable to IAS.	Not specified.	The non-distributable capital reserve and the non-distributable profit reserve broken down per legal titles should be presented in the supplementary notes.	Comparable to IAS.	Not defined.	Not specified	All types of equity must be identified and disclosed in the financial statements, including: shareholders' capital, reserves, revaluation reserves, other funds, etc.	Not specified.	Comparable to IAS.	Obligatory disclosures of equity: • Basic capital – share capital, • Share premium, • Reserves (statutory reserves, other reserves), • Retained earnings, • Revaluation (separately disclose): • Revaluation of share capital, • Revaluation of share premium, • Revaluation of reserves, • Revaluation of retained earnings); • Current year profit or loss.
Statement of changes in equity	Present a separate component of the financial statements showing: • the net profit or loss for the period; • each item of income or expense, gain or loss which is recognized directly in equity and the total of those items (irrespective of format chosen); and • the cumulative effect of prior period adjustments. Either within this statement, or in a separate note, disclose: • capital transactions with owners;	Not specified.	Present a separate component of the financial statements showing: • a reconciliation between the carrying amount of each class of equity capital, share premium and each reserve at the beginning and at the end of the period, disclosing each movement; • the net profit or loss for the period;	The equity statement has four columns: opening balance, debit turnover, credit turnover, and closing balance with rows showing components of equity.	Comparable to IAS.	Statement of changes in equity is required as a part of the notes. The requirement is comparable to IAS. In addition disclosure regarding distributions of profit and how loss will be covered. No recognition directly on equity is allowed except transactions with owners and grant received specifically in order to improve the capital of the company.	Comparable to IAS (EAL, Appendix 3), except information about non-monetary contributions and dividends must be added.	Not specified.	Comparable to IAS.	Should disclose: • information on changes in capital if these changes have occurred, including the reason for such changes.	Disclosure is required in the notes of movements in the equity balances. No separate component of the financial statements, except for publicly traded companies. Publicly traded companies are required to prepare a separate component of the financial statements showing: • equity opening balance as previously	Comparable to IAS.	• As per IAS • Not applicable • Not applicable • Not applicable	Statement of changes in equity is required as part of the footnotes in a prescribed table format. The requirement is comparable to IAS.	Not specified.

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	• the balance of accumulated profits at the beginning and at the end of the period, and the movements for the period; and • a reconciliation between the carrying amount of each class of equity capital, share premium and each reserve at the beginning and at the end of the period, disclosing each movement. These disclosures will usually be provided in a columnar format, which reconciles between the opening and closing balance of each element within shareholders' equity. Alternatively, a separate statement may be prepared which includes only the first category and the items in the second category are shown in the notes to the financial statements.		• the balance of accumulated profits at the beginning and at the end of the period, and the movements for the period; • each item of income or expense, gain or loss which is recognized directly in equity and the total of those items (irrespective of format chosen); and • the effect of changes in accounting policies. These disclosures are to be provided in a columnar format where the opening and closing balance of each element within shareholders' equity is reconciled.								reported; • effects of changes in accounting policies; • effects of corrections of fundamental errors; • restated equity opening balance; • movements in all equity balances; • the net profit or loss for the period; • equity closing balance.		• Not applicable • Not specified		
Specific disclosures – income statement	At a minimum, on the face of the income statement, disclose: • revenue; • results of operating activities; • finance costs; • share of profits and losses of associates and joint ventures accounted for using the equity method; • tax expense; • profit or loss from ordinary activities; • extraordinary items; • minority interests; and • net profit or loss for the period Either on the face, or in the notes: • an analysis of expenses either by nature or function (in either case, depreciation and amortization, and staff costs should be disclosed); and • the amount of dividends per share, declared or proposed, for the period covered by the financial statements.	Comparable to IAS.	At a minimum, on the face of the income statement, disclose: • revenue; • operating expenses; • financial income/expenses; • extraordinary income/expenses; • financial result before taxation; • tax expense; • net profit or loss for the period.	On the face of the income statement, disclose: • revenue; • results of operating activities; • finance costs; • profit or loss from ordinary activities; • extraordinary items; • net profit or loss for the period; Income allocation and breakdown of taxes paid is to be provided in additional disclosure that accompanies income statement.	Comparable to IAS.	Prescribed format for the income statement is mandatory. The income statement format is more detailed than under IAS. The format presents expenses by nature. Disclosure of revenues from main activity of the company divided between foreign activities and Czech activities. Disclosure of personal costs divided between categories of employees and management. Disclosure regarding dividends per share is not specified.	Comparable to IAS. The income statement formats in EAL comply with IAS disclosure requirements. An enterprise can choose between the cost by nature or cost by function format. Dividends proposed are shown in an allocation of profit report (a component of the approved annual accounts).	At a minimum, on the face of the income statement, disclose: • revenue; • operating expenses; • financial income/expenses; • extraordinary income/expenses; • financial result before taxation; • tax expense; • net profit or loss for the period.	Profit and loss statement: • Turnover • Cost of Sales • Selling costs • Administrative expenses • Other operating income • Income from subsidiaries and associates • Income from securities and long term loans • Other interest income • Other interest expense • Extraordinary income • Extraordinary expense • Income tax • Other taxes • Net profit or loss for the period Additional disclosure requirements are	For profit and loss statements format is defined, including the following captions: • Sales and services (turnover from sales of goods and turnover from services rendered); • Cost of goods sold and services rendered (raw materials, consumables and goods for resale; services, works and research); • Gross profit; • Operating expenses (selling expenses; general and administrative expenses); • Profit from operations; • Other operations (other operating revenue; other operating expenses);	At a minimum, on the face of the income statement, disclose: • revenue; • cost of sales; • gross profit; • distribution costs; • administration expenses; • other operating income; • other operating expenses; • profit or loss on operating activities; • financial revenues; • finance costs; • profit or loss on ordinary activities; • extraordinary gains; • extraordinary losses; • profit before taxation; • income tax;	Comparable to IAS. The income statement formats in the AL comply with IAS disclosure requirements. An enterprise can choose between the cost by nature or cost by function format. Dividends proposed are shown in an allocation of profit report (a component of the approved annual accounts).	Comparable to IAS	The income statement should be presented in a mandatory prescribed format, which is more detailed than under IAS. This format presents the expenses by nature. Disclosure of turnover (sales) should be made by chosen segments (generally product or geographical area). Disclosure regarding dividends per share is not required.	(SAS 25) At a minimum, on the face of the income statement, disclose: • Net sales revenues and capitalized own products or services; • Purchase value or cost of goods sold; • Gross profit; • Operating expenses; • Operating profit or loss; • Interest revenues and other revenues from financing; • Interest expense and other expenses from financing; • Profit or loss from ordinary activities; • Extraordinary revenues and expenses; • Total profit or loss;

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									comparable to IAS.	• Financial and investing activities (revenue from financial and investing activities; expenses of financial and investing activities); • Profit from ordinary activities; • Extraordinary gain; • Extraordinary losses; • Current year profit before taxes; • Income taxes; • Net profit of the current year for appropriation.	• net profit or loss for the period. Either on the face, or in the notes: an analysis of expenses either by nature or function.				• Taxes on profit; • Net profit or loss for the financial year. Either on the face, or in the notes: • (SAS 25.5) Medium sized and large enterprises should break down revenues into domestic market and abroad, as well as net revenues from other enterprises in the group, associated enterprises, and others. Furthermore they should give a breakdown of interest income from enterprises in the group, associated enterprises, and others. An analysis of expenses either by nature or function (in both case, depreciation and amortization, and staff costs should be disclosed).

2. Inventories

Topic	International (IAS 2)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Measurement of inventories	State at the lower of cost and net realizable value (NRV). Standard cost and retail methods permitted if the results approximate cost. NRV is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.	Not specified.	State at the balance sheet date at the lower of cost and fair value. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Cost is calculated on the basis of the direct costs incurred in the normal course of the business plus an apportionment of overheads.	Measurement at the lower of cost and net realizable value is permitted but not obligatory.	Comparable to IAS.	Inventory is stated at lower of NRV and acquisition cost (purchase price plus relating costs) or own cost incurred (direct costs and directly attributed production overheads).	Comparable to IAS (EAL §34). NRV is the estimated selling price less marketing expenses (EAL §34).	Inventory is stated at lower of NRV and acquisition cost (purchase price plus relating costs) or own cost incurred (direct costs and directly attributed production overheads).	Comparable to IAS.	In the accounting, inventories shall be evaluated at the price of acquisition, and in financial statements – at actual costs. While calculating the actual cost, earlier inventory acquired shall be written off.	State at the lower of cost (stated as real cost, which does not preclude the inclusion of abnormal losses) and net selling price (NSP). The costs of purchase of inventories may not include transport and handling costs if not materially effects assets and financial results. Work-in-progress may be carried at direct cost of production or even at cost of direct materials, if not materially effects assets and financial results. Standard cost and retail methods permitted only during the year. At the balance sheet date such inventories should be valued using general measurement rules. Inclusion of foreign exchange losses not allowed. Costs of developed film and software is shown as inventory and charged to P&L exactly in the amount of revenue for the maximum of 36 months after which it is written off to P&L.	Comparable to IAS	The inventories are stated at cost but provision to be made for any diminution in value of inventory is suggested. This is not equivalent to the IAS definition and will not result in a similar valuation. Additionally, the RAS definition of cost is not as wide as that of the IAS. There are also cases when general administration costs are taken into the cost of inventories. Standard cost and retail method permitted as per IAS. NBV is not defined.	State at the lower of cost and net realizable value (NRV). Standard cost not mentioned in legislation. Retail method not defined in legislation. NRV is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.	(SAS 4) State at the lower of cost and net realizable value (NRV). Net realizable value – comparable to IAS
Cost measurement techniques	Benchmark treatment - use specific cost, FIFO or weighted average cost formulas. Alternative treatment allowed - LIFO. The same cost formula should be used for all inventories having similar nature and use to the enterprise. For inventories with different nature or use, different cost formulas may be justified. **[SIC 1]**	Comparable to IAS benchmark treatment – Under Albanian Accounting Law only the FIFO method is permitted.	Allowed treatment – use FIFO, LIFO, weighted average or specific cost formulas. No specific guidance for measurement of inventories with different nature.	The rules prescribe application of the following treatments: • LIFO; • Weighted average; • Standard cost and deviation accounting.	Comparable to IAS.	Only FIFO, weighted average, or specific identification methods are acceptable. LIFO is not permitted. Standard cost and retail method permitted, if the results approximate cost.	Comparable to IAS (EAL §34,5). LIFO is not permitted (EAL §34,5)	Use FIFO, sliding average cost, weighted average cost or „elszámoló ár" formulas. LIFO is not allowed in accordance with the Hungarian accounting law.	According to Latvian legislation only FIFO and average cost methods are allowed for measuring inventories.	Basic raw material, materials and complete plant used in the process of production and included in the produced stocks (products) cost shall be valued in the financial statements by means of the FIFO method. In the event that stocks or its certain kind moves otherwise in the enterprise, it may be estimated and reflected in the financial	FIFO, weighted average, and LIFO. Specific identification allowed where relates to specific projects. No direct requirement in the 'Act" to use the same cost for inventories having similar nature and use.	Comparable to IAS. LIFO is benchmark – not alternative treatment.	Weighted average cost, FIFO and LIFO are allowed (RAL art. 68) No requirement for use of the same cost formula.	FIFO and weighted average only allowed. LIFO not allowed. No legislation but the practice is: • The same cost formula should be used for all inventories having similar nature and use to the enterprise. For inventories with different nature or use, different cost formulas may be	When latest purchase price or the cost of the latest produced items differ in the accounting period from the prices and/or cost of items of inventory of the same class, the following methods may be used: • moving average prices, • weighted average prices,

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										statements by means of the LIFO method or lever or progressive average value, concrete price or other methods corresponding to stocks' movement in the enterprise. Information on it shall be given in references attached to the Notes relating to the Annual Accounts; the said references among other things shall report profit that would be earned by the enterprise should it resort to FIFO method in stock valuation.				may be justified.	• FIFO and LIFO. When the LIFO cost formula is used the net realizable value and the carrying value of inventory should be determined so that the difference between the lower of two values and the value of inventories based on the use of LIFO can be disclosed in the financial statements. The CV or carrying value: amount of money needed for acquiring certain item at date of balance.
Write down to net realizable value	Recognize as an expense in the period in which the write-down or loss occurs - any reversal should be recognized in the income statement in the period in which the reversal occurs.	Not specified.	Recognize as an expense in the period in which the write-down or loss occurs. In accordance with provisions of the Accounting Law, the write down to fair value is made as at the balance sheet date.	Recognize as an expense in the period in which the write-down or loss occurs - any reversal should be recognized in the income statement in the period in which the reversal occurs.	Comparable to IAS.	Comparable to IAS.	Comparable to IAS (EAL §34).	Recognize as a cost (Material cost – total costs method; Other general overheads - turnover costs method), no reversal is allowed.	Comparable to IAS	If accounted stocks value exceeds its current market price, the stocks may be re-valued by means of the LCM (lower of cost or market value) method, i.e. reporting their acquisition (production) cost or market price in accounts and statements subject to which of these two is less. The difference between the former value and the re-valued one is given under the extraordinary charges of the profit and loss account.	Write down to net realizable value recognized in the period in which it occurs. Additionally, value of inventories of products and goods for resale (except for used goods kept at sale outlets and those planned to be sold over a number of years) should be written down gradually over a period not exceeding five years and commencing with the financial year following the year of purchase or manufacture.	Comparable to IAS.	Net realizable value is not defined under RAS but provisions for diminution in value of inventory are suggested and are recognized as expenses in the period in which it occurs.	Recognize as an expense in the period in which the write-down or loss occurs - any reversal should be recognized in the income statement in the period in which the reversal occurs.	Comparable to IAS.
Disclosure	Disclose: • accounting policy and cost formula adopted; • classification as appropriate to the enterprise; • inventories carried at NRV, write- downs and reversals; • inventories pledged as security for liabilities; • where LIFO is used, the difference between carrying value and either the lower of cost (as calculated using FIFO or weighted average) and NRV, or the lower of current cost at the balance sheet date and NRV; and	No specific disclosure requirements exist.	Disclosure is not required but encouraged: • accounting policy and cost formula adopted; • inventories pledged as security for liabilities; • basis for apportionment of overheads.	No disclosure requirements exist.	Comparable to IAS.	Disclosure: • accounting policy and cost formula adopted; • classification as appropriate to the enterprise; • inventories carried at NRV, write- downs and reversals, if material; • inventories pledged as security for liabilities, if material	Disclosure required for write downs of assets (EAL, Appendix 3).	Disclose: • accounting policy and cost formula adopted; • classification as appropriate to the enterprise; • the quantity and value figures of the opening and closing inventories of any dangerous waste materials, and any increase and decrease in the quantity and value of	Comparable to IAS, however LIFO does not apply.	The following should be disclosed on the face of balance sheet: Inventories: • raw material and consumables; • work in progress; • finished production; • goods purchased for resale; • immovable property intended for	Disclose: • accounting policy and cost formula adopted; • inventories pledged as security for liabilities; • write-downs; • inventories recognized as an expense in the period.	Comparable to IAS, except with respect to LIFO.	Disclose: • the accounting policies used for valuation and cost formula adopted; • classification in the prescribed format of the balance sheet; • inventories carried at net realizable value, write-down and reversal; Not applicable; • Not applicable; • Not applicable	Disclose: • accounting policy and cost formula adopted; • classification in the prescribed format of balance sheet; • inventories carried at net realizable value, write-downs and reversals; • inventories pledged as security for liabilities; • Inventories	(SAS 4, 24) Comparable to IAS, plus additional disclosures of: • Components of cost/unit of inventory, specifically disclose fixed production overhead that is not directly linked with inventories (indirect costs), necessary to bring the inventory item to its current status or point of sale

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	• inventories recognized as an expense in the period or operating costs classified by their nature.							dangerous waste materials in the subject year; • inventories carried at NRV, write-downs, base of determination of NRV; • inventories pledged as security for liabilities.		resale; • prepayments; • contracts in progress. Where LIFO is used, the difference between carrying value and either the lower of cost (as calculated using FIFO or weighted average) and NRV, or the lower of current cost at the balance sheet date and NRV.			• Not applicable	recognized as an expense in the period or operating costs classified by their nature.	

3. Cash Flow Statements

Topic	International (IAS 7)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Enterprises required to present a cash flow statement	All commercial, industrial or business enterprises (not intended to apply to employee benefit plans, investment companies and not-for-profit organizations).	Cash Flow Statement is not a required part of the financial statements. So in the Albanian Accounting no reference and guidelines are established. There are no mandatory requirements to prepare cash flow statements.	All commercial, industrial or business enterprises except insurance companies, investment funds, employee benefit plans and budget funded enterprises.	There is no mandatory requirement to prepare the cash flow statement.	Comparable to IAS.	All reporting entities.	All reporting entities.	All enterprises who prepare an annual report. The supplementary appendix contains the cash flow statement. The form of the cash flow statement is prescribed by Act on Accounting.	All business enterprises should prepare cash flow statements.	All enterprises that are subject to long-form financial reporting forms are also subject to cash flow statement presentation.	Banks, insurance companies, investment funds, brokers and dealers in securities, joint stock companies. In addition other entities which have achieved or exceeded at least two of the following three criteria in the financial year preceding the financial year for which the financial statements are drawn up: • average annual employment – 50 people; • total assets as at the end of the financial year – 1,000,000 Euro • revenues and financial income – 3,000,000 Euro are also required to present a cash flow statement.	No such obligations for companies in the Republic of Macedonia. .	Not applicable because a cash-flow statement is not required by RAS.	All commercial, industrial or business enterprises with the obligation of the statutory audit (all joint stock companies, other business companies with the equity over 20 mil. SKK or revenues over 40 mil. SKK). No obligation for cash flow statement in consolidated financial statements.	(Law on Commercial Companies, paragraph 56) Funds Flow statement – obligatory for those companies, which need audited financial statements according to the law on Commercial Companies (paragraph 53).
Definition of 'cash'	Cash on hand and demand deposits.	Not specified	Comparable to IAS.	Not specified.	Comparable to IAS.	Monetary (cash funds) is understood to be, cash in hand including stamps and vouchers, cash in bank including any balance on the current accounts and cash in transit.	Comparable to IAS (EASB, Balance Sheet Accounts).	Includes cash on hand, checks, current accounts and short term (within 1 year) bank deposits.	Cash on hand and current accounts including foreign currency.	Not defined.	Cash (bank notes and coins) and domestic and foreign monetary (settlement) units, both on hand and at bank or in form of money deposits.	Comparable to IAS.	Not applicable.	Comparable to IAS.	(SAS 24) Cash on hand, checks, cash at banks and other financial institutions
Definition of 'cash equivalent'	A short-term, highly liquid investment that is readily convertible to a known amount of cash, and subject to an insignificant risk of changes in value (interest rate risk and credit risk). Guidance notes indicate that an investment normally qualifies when it has a short maturity of, say, three months or less from the date of acquisition. Equity investments are normally excluded, unless they are in substance a cash equivalent (e.g. preferred shares acquired within three months of their specified redemption date).	Not specified	A short-term, highly liquid asset that is readily convertible to a known amount of cash, and subject to an insignificant risk of changes in value (interest rate risk and credit risk). Additional guidance indicates that an investment, which has a short maturity of up to three months from the date of acquisition, qualifies as cash equivalent.	Cash on hand, current accounts in national and foreign currency in bank, special accounts with a bank, money in transfer and other cash-denominated documents (like paid flight tickets, postal stamps etc.)	Comparable to IAS.	Cash equivalents are understood to be short-term assets which can be easily converted into a predetermined amount of cash and whose value is not subject to significant fluctuations over a period of time.	Comparable to IAS (EASB, Balance Sheet Accounts).	Cash equivalent is understood to be cash on hand, cash at banks denominated in local and foreign currency, and special accounts.	Cash equivalent is short-term investments with high liquidity, which when converted does not change value significantly.	Not defined.	Checks and bills of exchange issued by other entities if they are payable within 3 months of the date of drawing, as well as precious metals, if not included in tangible assets.	Comparable to IAS.	Not applicable.	Comparable to IAS.	(SAS 7) Definition of cash equivalents in terms of business finance comprise instruments that may easily and quickly or in the near future reliably be translated into predetermined amount of cash, when the risk is low that their value might change prior to translation into cash. Cash equivalent (not considered to be cash): • monetary assets whether or not they are

Topic	International (IAS 7)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
															set aside for specific purposes with the possibility or obligation to use them for any other payment when there is a shortage of cash; • time bank deposits subject to short notice; • short-term bank deposits; • generally acceptable foreign currencies; • checks received for redemption; • bills of exchange received for redemption; • sight deposits subject to short notice, and short-term deposits in foreign banks denominated in generally acceptable foreign currencies; • foreign exchange denominated in generally accepted foreign currencies; • marketable securities quoted on a stock exchange. These items are recorded as part of receivables, short term investments or short term liabilities, and do not refer to SAS 7–Cash.
Borrowings to be included in cash and cash equivalents	Bank overdrafts which are repayable on demand and which form an integral part of an enterprise's cash management.	Not specified.	Comparable to IAS.	No type of borrowing is included in cash and cash equivalents.	Comparable to IAS.	Overdrafts are not included as a component of cash and cash equivalents.	Comparable to IAS (EASB, Balance Sheet Accounts).	Borrowings are not part of 'cash' or 'cash equivalent'.	Statutory regulations do not specify, therefore IAS should be used.	Not defined.	Borrowings are not permitted to be netted against the aggregate balance of cash and cash equivalents.	Comparable to IAS.	Not applicable.	Comparable to IAS.	Bank overdraft– not included. Bank overdraft in a form of credit line is presented as regular debt.
Classification of cash flows	Analyzed between operating, investing and financing activities. Interest and dividends received and paid may be	Not specified	Analyzed between operating, investing and financing activities.	Not applicable.	Comparable to IAS.	Analyzed between operating, investing and financing activities.	Comparable to IAS (EAL Appendix 3).	Comparable to IAS. Interest and dividends paid, interests received	Comparable to IAS.	Statement of the changes in financial position reports cash flows during the current period from the	Analyzed between operating, investing and financing activities.	Comparable to IAS	Not applicable.	Comparable to IAS.	Comparable to IAS.

Topic	International (IAS 7)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
	classified as operating, investing or financing, provided that they are classified consistently from period to period. Cash flows arising from taxes on income are normally classified as operating, unless they can be specifically identified with financing or investing activities. Separate components of a single transaction may be classified differently.		Interest received and paid is classified as financing activity. Dividends received and dividends paid are classified as investing and financing activity respectively. Cash flows arising from taxes on income are normally classified as operating activity.			Cash flows connected with transactions that create extraordinary profit or loss, cash flows related to collection and payment of interest and dividends or profit shares and income tax payments are reported in the CF statement on separate lines.		are considered as operating. Dividend received is considered as investing. Cash flows arising from taxed are classified as operating.		operating, investing and financial activities of the enterprise.	Interest and dividends received are classified as investing, while paid should be classified as financing. Cash flows arising from taxes on income are classified as operating.				
Direct Method (DM) or Indirect Method (IM) of presentation for operating cash flows	DM encouraged, but IM acceptable.	Not specified.	Both DM and IM are acceptable.	Not applicable.	Comparable to IAS.	Not specified, indirect is used more often in practice.	Not specified, but in practice comparable to IAS (EAL, Appendix 3).	Operating cash flow is presented by IM, investing and financing cash flow is presented by DM.	Comparable to IAS.	Indirect method.	IM required. Publicly traded companies – use of either method allowed.	Not specified – Both of them acceptable	Not applicable.	DM or IM acceptable.	(SAS 26) Funds flow statements: Indirect method of funds flow accepted.
Extraordinary items	Classify cash flows relating to extraordinary items as operating, investing or financing as appropriate and disclose separately.	Not specified	Comparable to IAS.	Not applicable.	Comparable to IAS.	Extraordinary accounting events are usually considered as part of operating activities, unless they can be recorded within financial or investment activities.	Not specified, but in practice comparable to IAS.	Classify cash flows relating to extraordinary items as appropriate to the transaction type.	Comparable to IAS.	Not defined.	Separate disclosure of cash flows pertaining to extraordinary items is not required.	Not specified	Not applicable.	Comparable to IAS.	(SAS 26) Extraordinary items are classified as operating.
Exchange rate used for transactions denominated in foreign currency	The rate in effect at the date of the cash flows (permitted to use an average rate to approximate the actual rate).	Comparable to IAS	The rate in effect at the date of the cash flows.	Not applicable.	Comparable to IAS.	Comparable to IAS.	Comparable to IAS (EAL 26)§.	The rate in effect at the date of the cash flows.	These transactions are translated into LVL at the official Bank exchange rate on the date of the transaction.	Not defined.	Not specified.	Comparable to IAS	Not applicable.	The rate in effect at the date of the cash flows.	Use middle exchange rate per Bank of Slovenia: • as of the date of transaction for profit and loss items, and • as of the balance sheet date for balance sheet items.
Exchange rate used to translate the cash flows of a foreign subsidiary	The rate in effect at the date of the cash flows (permitted to use an average rate to approximate the actual rate).	Not specified.	The closing exchange rate of Bulgarian National Bank is used to translate the cash flows of a foreign entity and the exchange rate at the date of the cash flows is used for the foreign operation that is an integral part of operations of the reporting enterprise.	Not applicable.	Comparable to IAS.	Comparable to IAS.	Comparable to IAS (EAL §26).	Not specified.	Not specified.	Not defined.	Not specified.	Comparable to IAS.	Not applicable.	In the case of consolidated financial statements cash flow statement not required	Middle exchange rate of Bank of Slovenia: • average exchange rate for the period for income statement • as of the balance sheet date for balance sheet items
Cash flows of associates and joint ventures	Where equity method used, report only cash flows between the investor and the investee. Proportionate consolidation - include the venture's share	Not specified.	Proportionate consolidation (applied for both associates and joint ventures) – include the associate's/	Not applicable.	Comparable to IAS.	Comparable to IAS. Proportionate consolidation is not allowed under Czech accounting	Comparable to IAS (EASB, Equity Method Guideline). The equity method is used in	Not specified.	Comparable to IAS.	Not defined.	Report only cash flows between the investor and the investee. Proportionate consolidation not	Comparable to IAS	Not applicable.	Comparable to IAS. In the case of consolidated financial	Not specified.

Topic	International (IAS 7)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
	of the cash flows.		venture's share of the cash flows.			law.	the separate and consolidated accounts of the venture under EAL and EASB guidelines.				allowed.			financial statements cash flow statement not required.	
Separate disclosure of cash flows relating to acquisitions and disposals of subsidiaries and other business units	Aggregate cash flows relating to acquisitions and disposals should be presented separately and classified as investing activities. Disclose: • total purchase or disposal consideration; • the portion of the consideration discharged by means of cash and cash equivalents; • the amount of cash and cash equivalents in the entity acquired or disposed of; and • the amount of the assets and liabilities in the subsidiary or business unit acquired or disposed of, summarized by each major category. The aggregate cash paid or received as consideration is reported net of cash and cash equivalents acquired or disposed of.	Not specified	Cash flows relating to acquisitions and disposals should be presented separately and classified as investing activities. No additional disclosure is required.	Not applicable.	Comparable to IAS.	No specific requirements. Cash flow relating to acquisition and disposals of subsidiaries and other business units is presented as a part of cash flow from investment activities.	Comparable to IAS (EAL, Appendix 3).	Not specified.	Comparable to IAS.	Not defined.	Aggregate cash flows relating to acquisitions and disposals of shares in subsidiaries, associates, other business units and short term investments should be presented separately and classified as investing activities. No further disclosures required. The aggregate cash paid or received as consideration is reported net of cash and cash equivalents acquired or disposed of.	Comparable to IAS	Not applicable.	In consolidated financial statements, the cash flow statement is not required. In single company separate financial statements cash-flows relating to acquisitions and disposals of shares in subsidiaries, associates and other business units are classified as investing activities, separate disclosure not required.	(SAS 26) Classified as investing activity, separate disclosure not required.
Non-cash transactions	Exclude from the cash flow statement investing and financing transactions which do not require the use of cash, but ensure that they are disclosed elsewhere so as to provide all of the relevant information.	Not specified	Exclude from the cash flow statement any transaction, which does not require the use of cash.	Not applicable.	Comparable to IAS.	Comparable to IAS.	Comparable to IAS.	Non-cash transactions are excluded from the cash flow statement, there is no requirement to disclose.	Comparable to IAS.	Not defined.	Only cash transactions presented in investing and financing activities of the cash flow statement. No further disclosures of non-cash transactions required.	Comparable to IAS	Not applicable.	Comparable to IAS.	Not specified.
Reconciliation with balance sheet figures	Disclose the components of cash and cash equivalents, and present reconciliation to amounts reported in the balance sheet.	Not specified.	Comparable to IAS.	Not applicable.	Comparable to IAS.	Comparable to IAS.	Comparable to IAS.	Change on Cash by cash flow statement agrees to change of Cash on the balance sheet.	Comparable to IAS.	Not defined.	Disclose the components of cash and cash equivalents reported in the cash flow statement, which should be equal to figures presented in the balance sheet.	Comparable to IAS	Not applicable.	Comparable to IAS.	Not specified.
Amounts not available for use by the group	Disclose, together with a commentary by management, the amount of cash and cash equivalents held by the enterprise that is not available for use by the group.	Not specified.	Not specified.	Not applicable.	Comparable to IAS.	Not specified.	Comparable to IAS - may be in evidence in supervised industries.	Not specified.	Comparable to IAS.	Not defined.	Not specified.	Comparable to IAS	Not applicable.	General requirement to disclose in footnotes assets with restricted access.	Not specified.

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4. Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies

Topic	International (IAS 8)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Net Profit or Loss for the Period	Comprises the following components, to be disclosed on the face of the income statement: ▪ profit or loss from ordinary activities; and ▪ extraordinary items. All items of income and expense recognized in a period should be included in the determination of the net profit or loss for the period unless an IAS requires or permits otherwise.	Comparable to IAS	Comprises the following components, to be disclosed on the face of the income statement: • profit or loss from ordinary activities; • financial items; and • extraordinary items. All items of income and expense recognized in a period should be included in the determination of the net profit or loss for the period unless otherwise required or permitted. Surpluses from revaluation of fixed assets and long-term investments and profit/loss from translating of foreign operation financial statements are excluded from the net profit or loss for the period.	Comprises the following components, to be disclosed on the face of the income statement: • profit or loss from ordinary activities; and • extraordinary items. Some categories of income and expense (bonuses, financial aid, bad debt provisions for corporate entities and some others) recognized in a period are not included in the determination of the net profit or loss for the period. These categories are recorded on respective reserve accounts.	Comparable to IAS	Comprises the following components, to be disclosed on the face of the income statement: • operating profit or loss • financial profit or loss • extraordinary profit or loss	Comparable to IAS they must be disclosed separately on the face the income statement (EAL Appendix 2) and (EAL §5).	Two permitted forms of profit and loss account (total costs and turnover costs method). Components are the same. Recognition of income and expenses are comparable to IAS.	Comparable to IAS.	Comparable to IAS.	Format for profit and loss account specified by regulations for each specific type of enterprise. All items of income and expense recognized in a period should be included in the determination of the net profit or loss for the period.	Comparable to IAS they must be disclosed separately on the face of the income statement.	Operating, financial and the result from non-recurrent operations are separately disclosed on the face of the income statement. Recognition of income and expenses is comparable to IAS.	Prescribed format of financial statements covers all IAS items required. In the notes further sub-classifications in a manner appropriate to the enterprises. In the notes for each line item, segregate amounts of income and expense to and from parent enterprise, fellow subsidiaries and associates, and other related parties.	Comparable to IAS, except to disclose additionally: • profit or loss from operating activities; • profit or loss from ordinary activities; • gross profit and loss (profit and loss after extraordinary activities); • taxes on profit.
Extraordinary items	Extraordinary items arise from events that are clearly distinct from the ordinary activities of the company and therefore are not expected to recur frequently or regularly - examples given are the expropriation of assets or an earthquake or other natural disaster. Ordinary activities are those which are undertaken as part of the enterprise's business and such related activities in furtherance of, incidental to, or arising from those activities. Nature and amount of extraordinary items to be separately disclosed (total on the face of the income statement, analysis in the notes).	Comparable to IAS	Extraordinary items arise from events that are clearly distinct from the ordinary activities of the company and therefore are not expected to recur frequently or regularly – examples given are the expropriation of assets or an earthquake or other natural disaster. Ordinary activities are those through and by which the enterprise enters into relations with other enterprises, as well as auxiliary activities, which contribute for the enterprise development. Ordinary activity can be subdivided into operating, financial and investing activities.	Comparable to IAS.	Comparable to IAS.	Extraordinary profit and loss shall be considered to be such profit or loss which is the result of: ▪ a change in the method of valuation of assets and liabilities ▪ shortages and damage ▪ surpluses in financial accounts and financial investments or, if applicable, surpluses in purchased inventory (but no surpluses of intangible and tangible fixed assets) ▪ adjustments of expenses or revenues	Comparable to IAS (EASB, Income Statement Guideline; EAL, Appendix 3).	In general the definition is the same, but there are exact transaction types which are determined as extraordinary by the Act on Accounting.	Comparable to IAS.	Not defined.	Extraordinary items arise from unique events, outside the usual business of the entity, in particular caused by: ▪ forces of nature, ▪ the discontinuation or suspension of a certain type of activity (including a significant change in production methods or the sale of an organized part of the entity), and ▪ compromise arrangement proceedings or	Comparable to IAS	In the RAS exists "exceptional" items. This appears to be intended to be the equivalent of "extraordinary" per the IAS, but the items included, as "exceptional" do not support this definition. The "exceptional" items are separately disclosed, but together with other non-recurrent items which are not considered extraordinary as per IAS. Analysis of these accounts ("exceptional" income and expenses) has to be disclosed in the notes.	Extraordinary items arise from events that are clearly distinct from the ordinary activities of the company and therefore are not expected to recur frequently or regularly - examples given are, e.g.: • changes in the valuation of assets, • errors in incomes and expenses from the previous years, • the natural disaster, • discontinued operations, etc. Ordinary activities are not defined.	(SAS 18) Extraordinary items include: EXTRAORDINARY REVENUES ▪ unusual items; ▪ prior period items; ▪ payments received to cover losses from prior years; ▪ profit from the sale of fixed assets. EXTRAORDINARY EXPENSES ▪ unusual items; ▪ prior period items; ▪ provisions for potential losses; ▪ losses from previous

Topic	International (IAS 8)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
						or revenues of previous accounting periods, if significant ▪ other accounting transactions of an extraordinary nature with regard to the ordinary activities of the enterprise, in particular the proceeds from transferring or closing the business or a part of the business of the accounting unit, etc.					corporate recovery proceedings. Definition of ordinary activities not specified. Nature and amount of extraordinary items should be disclosed separately (total on the face of the income statement, analysis in the notes).			Nature and amount of extraordinary items should be disclosed separately (totals in the income statement, description in the notes).	years; ▪ loss from the sale of fixed assets.
Abnormal/ exceptional items	Items within profit or loss from ordinary activities of such size, nature or incidence that their disclosure is relevant to explain the performance for the period. The nature and amount of such items should be separately disclosed (usually in the notes).	Not specified	Not specified.	No disclosure requirements exist.	Comparable to IAS.	Comparable to IAS.	Comparable to IAS.	Same (Supplementary Notes should include all the figures to those contained in the balance sheet and the profit and loss account, which are necessary for the true and fair presentation of the entrepreneur's particular financial situation, and the results of its operations for the owners, investors and creditors).	Comparable to IAS.	Not defined.	Not specified, but so-called other operating income and expenses are shown separately. They include proceeds and NBV from sale of fixed assets (shown separately as income and expense), donations, write-offs of bad debts, inventories and other assets and liabilities.	Comparable to IAS	There is no concept of separate disclosure of material figures in the RAS.	There is a general rule: The notes to the financial statements should contain all facts important to an understanding of the current period's financial statements.	Comparable to IAS.
Correction of fundamental accounting errors	Fundamental errors are of such significance that the financial statements of one or more prior periods can no longer be considered to have been reliable at the date of their issue. Benchmark treatment - treat the correction of a fundamental accounting error as an adjustment of the opening balance of retained earnings and restate comparative information. Disclosures required: ▪ the nature of the error; ▪ effect in current and prior periods; ▪ effect on periods prior to those shown in comparative information; and ▪ the fact that comparative information has been restated or that it is impracticable to do so.	Comparable to IAS The benchmark treatment is to be applied to all material items. Disclosure requirement not specified.	Fundamental errors are of such significance that the financial statements of one or more prior periods can no longer be considered to have been reliable at the date of their issue. Benchmark treatment - treat the correction of a fundamental accounting error as an adjustment of the opening balance of retained earnings. Restate comparative information but do not amend the approved financial statements. Disclosures required:	No regulatory rules in this area exist.	Comparable to IAS.	Not specifically defined as a separate category of errors. Under Czech accounting law disclosure about significant items are required, when they are considered important (material) for the understanding of the financial statements. Correction of a fundamental accounting error must be included in the current period's results and comparative information presented as previously reported.	Comparable to IAS (EASB, Income Statement Accounts – Fundamental error, changes in accounting policies and changes in accounting estimates.) The benchmark treatment is to be applied to material items. Disclosure requirements comparable to IAS (EAL, Appendix 3). The alternative treatment may be applied to immaterial amounts.	Comparable to IAS; however the determination of an error as fundamental is based on financial parameters; those being an error greater that 1% of total assets or in excess of 500 mil. HUF.	Comparable to IAS.	Not defined.	Not specifically defined. Generally defined and dealt with as 'prior period items'. The financial impact of 'prior period items is dealt with in the current year profit and loss account. Disclosure of information about significant events related to previous periods accounted for in the current year financial statements required. For public companies IAS benchmark treatment is the only permitted treatment since 1999.	Comparable to IAS The **benchmark treatment** is to be applied to material items. Disclosure requirements comparable to IAS. The **alternative treatment** may be applied to the financial statements	The term "fundamental error" has no equivalent in the RAS. The amount of the corrections is included in the current period's results. Although the RAS allow for disclosure of errors there is no requirement for disclosure of nature, amount and correction of fundamental error as required by the IAS.	Correction of fundamental accounting errors of prior periods, is treated as an adjustment to the extraordinary items. Comparative information is not restated. Disclosure in the notes is required (amount, description).	According to SAS, all fundamental accounting errors are corrected as extraordinary expenses or revenues in the current period financial statements.

Topic	International (IAS 8)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
	Allowed alternative treatment - the amount of the correction may be included in the current period's results and comparative information presented as previously reported.		▪ the nature of the error; ▪ effect in current and prior periods; ▪ effect on prior periods to those shown in comparative information; and ▪ the fact that comparative information has been restated or that it is impracticable to do so. The alternative treatment is not specified in NAS.						**Only the alternative treatment under IAS is allowed** - the amount of the correction <u>must be</u> included in the current period's results and comparative information presented as previously reported.		Disclosures required: ▪ specification of corrections made; ▪ explanation of their nature.				
Changes in accounting policy	A change in accounting policy should only be made if required by statute or by a standard setting body or so as to give a more appropriate presentation. A change made on the basis of a new IAS should be accounted for in accordance with the transitional provisions specified in the standard. Benchmark treatment - other changes should be applied retrospectively with an adjustment to the opening balance on retained earnings. Comparative information should be restated where practicable. Disclosures: • the reasons for the change; • effect in current and prior periods; • effect on periods prior to those shown in comparative information; and • the fact that comparative information has been restated or that it is impracticable to do so. Allowed alternative treatment - the effect of the retrospective application of the accounting policy may be included in the current period's results and comparative information presented as previously reported. A change in accounting policy should be applied prospectively when the	Requirement for change in accounting policy. No further guidelines exist – comparable to IAS.	A change in accounting policy should only be made if required by statute or by a standard setting body or so as to give a more appropriate presentation. The change in accounting policy is applied prospectively. Disclosures: • the reasons for the change; • effect in current and prior periods; • effect on periods prior to those shown in comparative information; and • the fact that comparative information has been restated or that it is impracticable to do so.	Adopted accounting polices should be consistent during reporting period. A change in accounting policy may be made only: ▪ if required by statute or by a rules setting body; ▪ in the case of an entity's reorganization; ▪ in the case of change of ownership; ▪ in the case of necessity to optimize the accounting. The rules require disclosure of the reason for the accounting policy change. Any changes are not applied retrospectively and no adjustments to the opening balance on retained earnings should be made.	Comparable to IAS.	A change in accounting policy should be applied prospectively in the current and future periods. Comparative information should be presented as previously reported.	Comparable to IAS - if required under an EASB guideline (EASB, Income Statement Accounts – Fundamental error, changes in accounting policies and changes in accounting estimates.) As of IAS (EAL §21.3 and EASB guidelines). As of IAS (EAL, Appendix 3). Alternative treatment is allowed for immaterial items.	The evaluation principles applied in the preparation of the balance sheet for the previous year may be changed only if the factors causing the change prevail on a permanent basis, that is, for no less than a period of one year, and the change consequently qualifies as permanent or long-term. In this case the factors causing the change, and the effect thereof expressed in figures shall be detailed in the supplementary appendix. No retrospective application is allowed.	A change in accounting policy should only be made if required by a standard setting body, <u>Latvian laws and regulations</u> or so as to give a more appropriate presentation. Benchmark treatment - other changes should be applied retrospectively with an adjustment to the opening balance on retained earnings and to the open information in financial statement's annex. Comparative information should be restated where practicable. Disclosure requirement comparable to IAS Alternative treatment is allowed	Comparable to IAS.	A change in accounting policy should only be made so as to give a more appropriate presentation. No adjustment to the opening balance of retained earnings and restatement of comparative figures is required for companies other than publicly traded companies. Disclosures: ▪ the reasons for the change; ▪ effect on financial result of the year; and ▪ additional information securing comparability of prior period figures. For publicly traded companies an adjustment to the appropriate equity balance with restatement of comparative figures is required. Additional disclosures of the effect of change on financial position, profitability and	A change in accounting policy may be made based on a management decision approved by the Board of Directors. The bench mark treatment and disclosure requirements are comparable to IAS. Alternative treatment is allowed for immaterial items.	The term "accounting policies" has no equivalent in the RAS. Per RAS, a unilateral change of policy is not allowed without an accompanying legal change. The RAS does not allow amendments to be made regarding previous periods. Any adjustments have to be made in the current period. As the concept of accounting policies is not applied in the RAS, the treatment does not meet this standard	A change in accounting policy should only be made if required by the changes in the accounting law or accounting regulations or so as to give a more appropriate presentation. The effect of the retrospective application of the accounting policy may be included in the current period's results and comparative information presented as previously reported. The notes should disclose: ▪ the reason for the change, ▪ total effect. The IAS benchmark treatment is not allowed. Any changes are applied only prospectively and no adjustments to the opening balance on retained earnings should be made. Accordingly, no restatement of comparative information should be performed.	(Preface to SAS, number 6) A change in an accounting policy that has a material effect in the current period or may have a material effect in subsequent periods should be disclosed together with the reasons. The effect of the change should, if material, be disclosed and quantified.

Topic	International (IAS 8)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
	adjustment to opening retained earnings cannot be reasonably determined.		The following does not constitute a change in accounting policy: ▪ Adoption of accounting policy for transaction and events that significantly differ by nature from transactions and events accounted for in prior periods; and ▪ Adoption of a new accounting policy for transactions and events which happen for the first time or are of no significant size.	Accordingly no restatement of comparative information should be performed.							liquidity.				
Changes in accounting estimates	The effect of a change in accounting estimate should be included in the period of change and, if affected, in future periods. The nature and amount of a change in accounting estimate that has a material effect in the current period or which is expected to have a material effect in subsequent periods should be disclosed. If it is impracticable to quantify the effect, that fact should be disclosed.	In case of changes in presentation of annual accounts and of estimation methods used, these changes should be detailed and explained in the annex to the financial statements specifying their effects on equity and financial results of the enterprise.	The effect of a change in accounting estimate should be included in the period of change.	The effect of a change in accounting estimate should be included in the period of change.	Comparable to IAS.	Comparable to IAS.	Comparable to IAS (EASB, Income Statement Accounts – Fundamental error, changes in accounting policies and changes in accounting estimates.)	Not specified	Comparable to IAS.	Not defined.	Not specified.	Comparable to IAS.	There is no concept of accounting estimates in RAS.	The effect of a change in accounting estimate should be included in the period of change and, if affected, in future periods. According to a general rule: the notes to the financial statements should contain all facts important to an understanding of the current period's financial statements.	Comparable to IAS.
Discontinued operations	A discontinued operation results from the sale or abandonment of an operation i.e. a separate, major line of business, of which the assets, results and activities can be distinguished physically, operationally and for reporting purposes. Disclose for each discontinued operation: • nature of the operation; • industry and geographical segments in which it is reported; • effective date of discontinuance;	Not specified	Comparable to IAS.	Not specified.	Comparable to IAS.	Not specified.	Not specified.	Not specified.	Not specified.	Not defined.	No specific definition of a discontinued operation. Disclose for operations discontinued in the current period or intended to be discontinued in the following period: ▪ revenue; ▪ costs; and ▪ profit or loss of the operation.	Such disclosure is not required by the AL.	There is no concept of discontinued operations in the RAS.	Profit and loss items related to discontinued operations are recorded together with those in the normal course of business. They are then deducted from operating profit in a special line of the P&L and presented in the extraordinary section of the P&L. The notes should disclose: ▪ (amount, description).	Comparable to IAS.

Topic	International (IAS 8)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
	• manner of discontinuance; • gain/loss on discontinuance and the policy used to measure that gain or loss; and • revenue and profit/loss on ordinary activities for the period, and corresponding amounts for each prior period presented. For operations discontinued after the year-end, disclose as far as is practicable. Note: IAS 35 Discontinuing Operations (periods commencing on or after January 1, 1999) defines the critical event for discontinuing operations as the initial disclosure event and specifies comprehensive disclosures for periods between the initial disclosure event and the date of completion of the discontinuance.														

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5. Events after the Balance Sheet Date

Topic	International (IAS 10)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Post balance sheet events	Adjust for events: • that provide additional evidence of amounts relating to conditions existing at the balance sheet date; or • that indicate that the going concern assumption in relation to the whole or part of the enterprise is not appropriate. Disclosure should be made of other events that are of such importance that non-disclosure would affect the ability of users to make proper evaluations and decisions. Dividends that are proposed or declared after the balance sheet date, but before approval of the financial statements, may be either adjusted for or disclosed.	Comparable to IAS Not specified Not specified Comparable to IAS	Adjusting events are events occurring after the balance sheet date that provide additional evidence of amounts relating to conditions existing at the balance sheet date. Non-adjusting events are events occurring after the balance sheet date for which no conditions existed at the balance sheet date. For adjusting events: • account for expenses/liabilities to be incurred if a reliable estimate can be made; • when expenses/liabilities cannot be estimated reliably do not adjust but disclose in the Notes to the financial statements • expected income is not recognized but disclosed in the notes only when it is considered probable that it will be realized. Events occurring between the date of the preparation of the financial statements and the date of their approval are not accounted for but are disclosed.	No statutory requirements as to either disclosure or adjustment for any material post balance sheet events which exist.	Comparable to IAS.	Comparable to IAS. The treatment of dividends that are proposed or declared after the balance sheet date, but before approval of the financial statements are not specified in Czech law.	Comparable to IAS.	Comparable to IAS.	Comparable to IAS Profit can be divided only after financial statement is approved but suggested that the management profit distribution scheme is shown in the management report.	Not defined.	In theory, post balance sheet period extends to the date when financial statements are approved by Shareholders Meeting. Adjust for events occurring after the balance sheet date, which might have a significant impact on the financial statements before they are approved. Disclose information about significant post balance sheet events not recognized in the financial statements. Not allowed to adjust for proposed dividends.	Not specified in the Law.	The RAS does not recognize this concept. Dividends declared before approval of the financial statements are adjusted for.	No definition of post balance sheet evens, just the examples, but the general rule exists: Disclosure should be made of events that are of such importance that non-disclosure would affect the "true and fair view". Dividends which are disclosed in the notes.	No SAS covers this area, use IAS.
Disclosure of post balance sheet events	Disclose: • the nature of the event; and • an estimate of the financial effect, or a statement that such an estimate cannot be made.	Comparable to IAS	Disclose: For adjusting events: • the nature of the event; and • an estimate of the financial effect, and the methods applied in arriving at this estimate.	No statutory requirement exists.	Comparable to IAS.	Comparable to IAS.	Comparable to IAS (EAL §33). Development costs are amortized using the straight-line method over a period not exceeding 5 years (EAL § Comparable to IAS (EASB, Balance Sheet	Comparable to IAS.	Comparable to IAS.	Not defined.	Disclosure of information about significant post balance sheet events not recognized in the financial statements. No specific disclosure requirements.	Not specified in the Law	Not specified.	Disclose: • the nature of the event; and • the estimate of the financial effect is not required	No SAS covers this area, use IAS.

Topic	*International (IAS 10)*	*Albania*	*Bulgaria*	*Byelorussia*	*Croatia*	*Czech Republic*	*Estonia*	*Hungary*	*Latvia*	*Lithuania*	*Poland*	*Republic of Macedonia*	*Romania*	*Slovakia*	*Slovenia*
			For non-adjusting events: • the nature of the event; • an estimate of the effect of the event on the assets, liabilities and the financial result of the company • any uncertainty in arriving at the estimate. Disclose information in relation to non-applicability of the “going concern” concept. Disclose the accounting policy and the procedures undertaken for identification of events occurring between the date of the balance sheet and the date of the approval of the financial statements by the Management of the company.				Comparable to IAS (EAL Appendix 3). Accounts). 33).								

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6. Construction Contracts

Topic	International (IAS 11)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Definition of contracts	A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely related or interdependent in terms of their design, technology and function or their ultimate purpose or use (includes contracts for the rendering of services directly related to the construction of the asset and contracts for the destruction or restoration of assets and restoration of the environment following the demolition of assets). Special rules apply for segmenting and combining contracts for the purposes of the standard.	Not specified.	A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are one object. Activities defined as construction are construction of buildings, dams, tunnels, bridges, ships and other complex equipment. Special rules apply for segmenting and combining contracts for the purposes of the standard.	A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely related or interdependent in terms of their design, technology and function or their ultimate purpose or use (includes contracts for the rendering of services directly related to the construction of the asset and contracts for the destruction or restoration of assets and restoration of the environment following the demolition of assets).	Comparable to IAS.	Not specified.	Comparable to IAS (EASB, Revenue Recognition under the Revenue Principle).	Hungarian Civil Code defines the meaning of any contract.	Not specified.	Constructions in progress and prepayments include the value of fixed assets incomplete at year-end, as well as the prepayments on contracts related to these fixed assets. Long-term assets for resale acquired by an enterprise are treated as stocks and are disclosed in the item “Goods for resale” or “Immovable property intended for resale”. The value of a construction in progress or the finished construction for sale is also treated as stock and is disclosed respectively in items: “Contracts in progress” or “Immovable property intended for resale”.	Not specified.	Comparable to IAS.	There is nothing in the RAS equivalent to this IAS.	Comparable to IAS	No SAS covers the definition of construction contracts, use IAS.
Basis for recognizing revenue and costs	Where the outcome of a construction contract can be estimated reliably, revenue and costs should be recognized by reference to the stage of completion of contract activity. If the outcome cannot be estimated reliably, no profit can be recognized. Instead, contract costs should be expensed as incurred and contract revenue recognized only to the extent that contract costs incurred are expected to be recoverable. Detailed guidance provided as to when the outcome can be measured reliably.	Not specified.	Comparable to IAS. Detailed guidance is provided as to when the expenses will be considered as non-recoverable.	Construction costs are recognized in the period in which they are incurred. Revenues are recognized at the moment of completion and acceptance of every contractually agreed stage of construction. The amount of revenues being recognized is initially defined on a budgetary basis and is adjusted in view of actual costs according to a method prescribed by construction contract.	Comparable to IAS.	Work-in -progress is valued at costs without profit. Revenues and profit are recognized on the completion of the contract (or contract milestone).	Comparable to IAS (EASB, Revenue Recognition).	There is no standard rule for recognizing revenue and cost. Usually the contract contains the terms of payment and completion of the construction. These to are usually matched to each other. The main rule defined in HAS is that the recognized revenues of the performance in the period concerned of the activities and costs (expenditures) corresponding to such revenues shall be taken into account, regardless of their financial settlement. The revenues and costs shall relate to the period in which they were economically incurred.	Not specified	Not defined.	Not directly addressed. In practice: • revenue recognized based on work completed and invoiced; • costs matching revenue recognized (costs applicable to work completed and invoiced). Before billing no revenue is recognized and costs are accumulated as work-in-progress.	Comparable to IAS.	Not specified.	Comparable to IAS.	(SAS 18.19) As per IAS.
Foreseeable losses	If it is probable that total contract costs will exceed total contract revenue, the expected loss should be recognized immediately.	Not specified.	Comparable to IAS.	In case it is probable that total contract costs will exceed total contract revenue,	Comparable to IAS.	Comparable to IAS.	Comparable to IAS (EAL §5).	Comparable to IAS.	Not specified.	Not defined.	Certain or probable losses on economic activities in process should be provided for if:	Comparable to IAS.	Not specified.	Comparable to IAS	No SAS covers this area, use IAS.

Topic	International (IAS 11)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
				the rules do not require recognition of the expected loss.							• information derived from an appropriate source (document) or can be reliably justified; • a reasonable estimate of the loss can be made.				
Determination of stage of completion	May be determined in a variety of ways, including: • the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs; • surveys of work performed; or • completion of a physical proportion of the contract work.	Not specified.	Comparable to IAS.	Not applicable.	Comparable to IAS.	Not specified.	Comparable to IAS (EASB, Revenue Recognition).	Comparable to IAS	Not specified.	Not defined.	Not applicable – stage of completion method is not used in practice.	Comparable to IAS.	Not specified, but the same in practice.	May be determined in a variety of ways, including: • the proportion that contract costs incurred for work performed to date bear to the estimated total actual budgeted costs (this can be misleading as there is not requirement to update budget and overruns might not be reflected); • surveys of work performed; or • Completion of a physical proportion of the contract work.	No SAS covers this area, use IAS.
Disclosure	Disclose: • contract revenue recognized in the period; • the methods used to determine contract revenue; and • the methods used to determine the stage of completion of contracts. For contracts in progress at the year end, disclose: • aggregate costs incurred and recognized profits (less recognized losses) to date; • the amount of advances received; and • the amount of retentions. Present: • gross amount due from customers for contract work as an asset; and • gross amount due to customers for contract work as a liability.	Not specified	Comparable to IAS.	Disclose: • contract revenue recognized in the period; • aggregate costs incurred and recognized profits (less recognized losses) to date; • the amount of advances received; • gross amount due from customers for contract work as an asset; and • gross amount due to customers for contract work as a liability.	Comparable to IAS.	Not specified.	Comparable to IAS (EAL, Appendix 3).	Comparable to IAS	Not specified.	Not defined.	No specific disclosure requirements.	Comparable to IAS.	Not specified.	Comparable to IAS.	No SAS covers this area, use IAS.

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7. Income Taxes

Topic	International (IAS 12)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Recognition – current tax	Record tax for the current and prior periods as a liability to the extent that it has not been settled, and as an asset to the extent that the amounts already paid exceed the amount due. The benefit of a tax loss, which can be carried back to recover current tax of a prior period, should be recognized as an asset.	Comparable to IAS.	Comparable to IAS. As it is not allowed to carry a tax loss back, no deferred tax asset can arise therefrom.	Comparable to IAS.	Comparable to IAS.	Comparable to IAS. As it is not allowed to carry a tax loss back, no deferred tax asset can arise therefrom.	Comparable to IAS (EASB, Balance Sheet Accounts). Not specified, as tax losses cannot be carried back in Estonia.	Record tax for the current and prior periods as a liability to the extent that it has not been settled, and as an asset to the extent that the amounts already paid exceed the amount due. As it is not allowed to carry a tax loss back, no deferred tax asset can arise therefrom	Comparable to IAS.	Recognition of deferred tax assets or liabilities is not allowed. Loss incurred in previous reporting periods can be carried forward to offset current reporting period profit for five years.	Comparable to IAS. Tax losses cannot be carried back in Poland therefore no treatment specified.	Comparable to IAS.	Comparable to IAS. The RAS does not consider the concept of recognizing tax losses as an asset.	Comparable to IAS. A tax loss cannot be carried back.	No SAS covers this area, use IAS.
Measurement – current tax assets and liabilities	Liabilities (assets) to be measured at the amount expected to be paid to (recovered from) taxation authorities, using the rates/laws that have been enacted or substantively enacted by the balance sheet date.	Comparable to IAS.	Liabilities (assets) to be measured at the amount expected to be paid to (recovered from) taxation authorities, using the rates that have been enacted at the date they should have been paid.	Comparable to IAS.	Comparable to IAS.	Comparable to IAS.	Comparable to IAS (EASB, Balance Sheet Accounts).	Comparable to IAS.	Comparable to IAS.	No recognition of deferred tax assets or liabilities are allowed.	It is not specified which rates should be used for the measurement of current tax liabilities (assets). In practice they are measured using the rates/laws that have been enacted or substantially enacted by the balance sheet date and are applicable for the period.	Comparable to IAS	Comparable to IAS.	Comparable to IAS.	No SAS covers this area, use IAS.
Recognition - deferred tax liabilities	A deferred tax liability should be recognized for all taxable **temporary** differences other than differences arising from: • goodwill which is not deductible for tax purposes; • the initial recognition of an asset/liability other than in a business combination which, at the time of the transaction, does not affect the accounting or the taxable profit; and • undistributed profits from investments where the entity is able to control the timing of the reversal of the difference and it is probable that the reversal will not occur in the foreseeable future.	Not specified	A deferred tax liability should be recognized for taxable timing differences.	According to the statutory rules deferred tax liabilities are not accounted for.	Comparable to IAS.	Deferred tax liability is only obligatory for entities which constitute a Group of entities. In this case it is the difference between tax expenses and accounting expenses due to differences between tax and accounting depreciation.	A deferred tax liability is provided for, if it is reasonably probable that this liability will require the entity to give up resources in a future accounting period (EAL, Appendix 3). As Estonia is set on a course of doing away with corporate income taxes, the recognition criteria may not be satisfied.	There is no concept of deferred tax in HAS.	Comparable to IAS.	No recognition of deferred tax liabilities is allowed.	The 'Act' does not specify whether deferred tax liability should be recognized for: • all taxable temporary differences; or • the excess of taxable temporary differences over deductible temporary differences. In practice both methods are used. Temporary differences are identified using an income statement method (different moments of revenue and cost recognition for tax and accounting purposes). Temporary differences, which arose prior to the implementation of the 'Act' (1995), are treated as permanent	There is no concept of deferred tax in the AL	There is no concept of deferred tax assets and liabilities in the RAS.	A deferred tax liability should only be recognized if the company is part of a group of companies - on the taxable **temporary** differences, arising from the temporary differences between tax and accounting depreciation.	Not specified. (However, the Institute is contemplating the introduction of deferred taxes in Slovenia.)

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Topic	International (IAS 12)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
											differences and not recognized. Treatment of deferred tax in business combinations is not specified.				
Recognition - deferred tax asset	A deferred tax asset should be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible timing differences can be utilized, unless the deferred tax asset arises from: • negative goodwill which is treated as deferred income under IAS 22 *Business Combinations*; or • the initial recognition of an asset/liability other than in a business combination which, at the time of the transaction, does not affect the accounting or the taxable profit. Deferred tax assets for deductible timing differences arising from investments in subsidiaries, associates, branches and joint ventures should be recognized to the extent that it is probable that the temporary difference will reverse in the foreseeable future and that taxable profit will be available against which the temporary difference will be utilized.	Not specified	A deferred tax asset should be recognized for deductible timing differences, tax losses carried forward and unutilized tax credits. No specific rules exist for the recognition of a deferred tax asset in respect of negative goodwill or tax assets arising from investments in subsidiaries, associates, branches and joint ventures.	According to the statutory rules deferred tax assets are not accounted for.	Comparable to IAS.	As for deferred tax liabilities.	Comparable to IAS. However, as Estonia is set on a course of doing away with corporate income taxes, the recognition criteria may not be satisfied.	There is no concept of deferred tax in HAS.	Not specified.	No recognition of deferred tax assets is allowed.	The 'Act' does not specify whether deferred tax asset is recognized for: • all deductible temporary differences; or • excess of deductible temporary differences over taxable temporary differences to the extent that it is probable that they can be utilized against taxable profits in the following and future periods. Recognition of deferred tax asset is optional to the entity.	There is no concept of deferred tax in the	There is no concept of deferred tax assets and liabilities in the RAS.	A deferred tax asset should only be recognized if the company is part of a group of companies - on the taxable **temporary** differences, arising from the temporary differences between tax and accounting depreciation.	Not applicable.
Unused tax losses and unused tax credits	A deferred tax asset should be recognized for the carryforward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.	Not specified	Not specified.	Not applicable.	Comparable to IAS.	Deferred tax is calculated as difference between accounting and tax depreciation only.	Comparable to IAS. However as Estonia is set on a course of doing away with corporate taxation, the recognition criteria may not be satisfied.	There is no concept of deferred tax in HAS.	Not specified.	No recognition of deferred tax assets is allowed	Unused tax losses are not treated as temporary differences in view of the definition provided above and should not be included in deferred tax calculation. Unused tax credits are treated as amounts recoverable from tax authorities and presented as tax receivables.	There is no concept of deferred tax in the AL	There is no concept of deferred tax assets and liabilities in the RAS.	No specified.	Not applicable.
Measurement - deferred tax assets and liabilities	Deferred tax assets and liabilities should be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled (liability method), based on tax rates/laws that have been enacted or substantively enacted by the balance sheet date. The measurement should reflect the entity's expectations, at the balance	Not specified	Deferred tax assets and liabilities are measured at the tax rates that were applied to the period when they occur. In subsequent periods when the tax rate is changed, the remaining balance (asset or liability) is	Not applicable.	Comparable to IAS.	Deferred tax assets and liabilities are calculated as the difference between tax and accounting depreciation multiplied by tax rate for the following accounting period, stated in Act on Income Tax.	Estonia is set on a course of doing away with corporate taxation. If the draft law is passed in Parliament before 31st December 1999 the tax rate expected to apply in the future is 0%. At present, the corporate tax rate is 26%.	There is no concept of deferred tax in HAS.	Not specified.	No recognition of deferred tax assets or liabilities are allowed.	Not specified – in practice deferred tax liabilities/assets measured using tax rates that are expected to apply when the temporary differences will reverse (the asset is realized or liability is settled) based on the tax rates/laws that have been enacted	There is no concept of deferred tax in the AL	There is no concept of deferred tax assets and liabilities in the RAS.	Deferred tax assets and liabilities should be measured at the tax rate applicable for the next accounting and tax period (In Slovakia they are the same – calendar year) No recoverability is specifically	Not applicable.

Topic	International (IAS 12)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
	expectations, at the balance sheet date, as to the manner in which the carrying amount of its assets and liabilities will be recovered or settled. Deferred tax assets and liabilities should not be discounted. The carrying amount of deferred tax assets should be reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized. Any such reduction should be reversed to the extent that it becomes probable that sufficient taxable profit would be available.		(asset or liability) is adjusted by applying the new rate.								have been enacted or substantively enacted by the balance sheet date.			mentioned – only the general prudence concept should be applied. Discounting is not mentioned in the Slovak regulation.	
Effect of revaluation of assets	Not specifically addressed in IAS 12 (Revised 1996) - general rules will require provision for tax consequences to be made and offset against the revaluation reserve.	Not specified.	Not specified.	Not applicable.	Comparable to IAS.	Not specified.	Not specified.	Not specified.	Not specified.	Not defined.	Revaluation gains or losses (only revaluation required by law is permitted) are not treated as temporary differences under the income statement method.	Not specified.	Not specified.	Revaluation is not allowed.	Not applicable.
Undistributed earnings of subsidiaries and associates	Provision should be made for taxable temporary differences unless the investor is able to control the timing of the reversal of the difference and it is probable that it will not reverse in the foreseeable future.	Not specified.	Not specified.	Not applicable.	Comparable to IAS.	Not specified.	Equity method gains / losses do not affect taxable income in accordance with effective legislation.	Not specified	Not specified	No recognition of deferred tax assets or liabilities are allowed.	Not specified.	Not specified.	Not specified.	Not allowed, as deferred tax is applicable only to differences between accounting and tax depreciation – as specifically mentioned in the regulations.	Not applicable.
Offset	Current tax assets and current tax liabilities should be offset if, and only if, the entity has a legal right of set-off and it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Deferred tax assets and deferred tax liabilities should be offset if, and only if, the entity: • has a legal right to set-off current tax assets against current tax liabilities; and • the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to settle on a net basis during the period of settlement/recovery of the deferred tax differences.	Not specified.	Current tax assets and current tax liabilities should be offset if, and only if, the entity has a legal right of set-off and it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.	Current tax assets and current tax liabilities should be offset if, and only if, the entity has a legal right of set-off and it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.	Comparable to IAS.	Comparable to IAS.	Comparable to IAS (EAL §25). Deferred tax assets should be offset to extent that the net amount has a credit balance. When the net amount has a debit balance, the deferred tax asset is not recognized.	Not specified	Comparable to IAS.	No recognition of deferred tax assets or liabilities are allowed.	Optional to the company: • if deferred tax liability/asset recognized for the difference between temporary taxable and deductible differences – automatic offset; • if deferred tax liability and deferred tax asset recognized separately – either separate presentation or offset. In practice separate presentation of deferred tax assets and liabilities is rare.	There is no concept of deferred tax in the AL	Not specified.	Offset of the current tax assets and current tax liabilities is not allowed except for additional tax and tax returns of the corporate tax and indirect taxes identified for prior periods. Not specifically addressed with respect to deferred taxes.	Offset is not permitted.

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Financial statement presentation	Current and deferred tax should be recognized as income or an expense and included in net profit or loss for the period, except to the extent that the tax arises from: • a transaction or event which is recognized directly in equity; or • a business combination that is an acquisition. If the tax relates to items that are credited or charged directly to equity, the tax should also be charged or credited directly to equity. If the tax arises from a business combination that is an acquisition, it should be recognized as an identifiable asset or liability at the date of acquisition in accordance with IAS 22 *Business Combinations* (thus affecting goodwill or negative goodwill). Tax assets and liabilities should be presented separately from other assets and liabilities in the balance sheet. Deferred tax assets and liabilities should be distinguished from current tax assets and liabilities. When an enterprise makes a distinction between current and non-current assets and liabilities in its financial statements, it should not classify deferred tax assets and liabilities as current assets and liabilities.	Not specified.	Current and deferred tax should be recognized as income or as an expense and included in net profit or loss for the period. Tax assets and liabilities should be presented separately on the face of the balance sheet. Disclose separately on the face of the balance sheet deferred tax assets and deferred tax liabilities.	Current tax assets and liabilities are charged to profit and loss Tax assets and liabilities should be presented separately from other assets and liabilities in the balance sheet.	Comparable to IAS.	Current and deferred tax always recognized as income or an expense and included in income statement. Tax assets and liabilities are presented separately on the balance sheet within current assets or current liabilities.	Comparable to IAS Presentation of tax on transactions recognized directly on equity is not specified.	Tax liability or asset has to be presented as Other Liabilities or Other Assets.	Comparable to IAS.	No recognition of deferred tax assets or liabilities are allowed.	Current and deferred tax should be recognized as income or an expense and included in net profit or loss for the period. No specific rules regarding taxes arising from a business combination. Current tax assets and liabilities (including both income taxes and other tax and social security items) should be presented separately from other assets and liabilities either on the face of the balance sheet or in the notes. Deferred tax liabilities should be presented separately either on the face of the balance sheet or in the notes under the 'provisions' heading. Deferred tax assets should be presented under the 'deferred expenses' heading.	There is no concept of deferred tax in the AL	Not applicable Tax assets and tax liabilities are presented as current assets/liabilities in the primary financial statements. Within the notes those tax assets / liabilities are specifically disclosed. Deferred taxation is not recognized.	Current and deferred tax should be recognized as income or an expense and included in net profit or loss for the period. Tax assets and liabilities should be presented separately from other assets and liabilities in the balance sheet. The deferred tax assets and liabilities are always classified as current assets and liabilities (this comes from the prescribed balance sheet). No other regulations.	Current tax presentation is much like that described in IAS 12: a) tax receivables and liabilities should be presented separately; b) current tax should be recognized and included in net profit or loss for the year.
Disclosures - general	The tax expense/income relating to profit or loss from ordinary activities should be presented on the face of the income statement. The major components of tax expense/income should be disclosed. An explanation should be provided of the relationship between the tax expense/ income and the accounting profit in either or both of the following forms: • a numerical reconciliation between the tax expense/income and the product of accounting profit multiplied by the applicable tax rate, disclosing also the basis on which the applicable tax rate is computed; or • a numerical reconciliation between the average effective tax rate and the	Comparable to IAS Not specified. Not specified. Not specified.	Tax assets and liabilities should be disclosed separately on the face of the balance sheet.	The tax expense relating to profit or loss from ordinary activities should be presented on the face of the income statement. The major components of tax expense should be disclosed.	Comparable to IAS.	Income tax from extraordinary activities disclosed separately on the income statement. Tax paid disclosed in cash flow.	Disclose calculated and paid income tax amounts, income taxes calculated from extraordinary transactions (EAL, Appendix 3).	In the supplementary notes the company has to present the differences between the profit (loss) before tax and the tax base.	All explanations are outside of the financial statements as disclosures of income tax declarations.	No recognition of deferred tax assets or liabilities are allowed.	The tax expense/income relating to profit or loss for the period (including extraordinary items) should be presented on the face of the income statement. Disclose: • a numerical reconciliation between accounting profit or loss before tax and taxable basis; • tax expense/income relating to extraordinary items recognized during the period;	Disclose calculated and paid income tax amounts, income taxes calculated from extraordinary transactions.	The RAS discloses the tax expense, but it appears below "exceptional" items and it is not related specifically to ordinary activities. The RAS does not require these detailed disclosures as for IAS.	The tax expense/income relating to profit or loss from ordinary and extraordinary activities should be presented in the income statement.	• Disclose the tax expense/income relating to profit or loss from ordinary activities comparable to IAS. • Disclose he major components of tax expense/income comparable to IAS. • Explanation only of the relationship between the tax expense/ income and the accounting profit required. • Disclosure of aggregate current tax relating to items

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	applicable tax rate, disclosing also the basis on which the applicable tax rate is computed. Disclose: • the aggregate current tax relating to items that are charged or credited to equity; • tax expense/income relating to extraordinary items recognized during the period; • an explanation of changes in the applicable tax rate compared to the previous accounting period; and • in respect of discontinued operations, the tax expense/income relating to the gain/loss on discontinuance and to the result of the discontinued operation for both the current and prior periods. If IAS 12 (Revised) *Income Taxes* is applied for financial statements covering periods beginning before January 1, 1998, that fact should be disclosed.										• amount of future income tax liabilities. Additional disclosures for publicly traded companies: • reconciliation of the tax expense/income in the profit and loss account and the product of taxable basis multiplied by the applicable tax rate and especially: - amount of investment relief and investment premium; - amount of donations deducted from taxable income; - reasons and amount of tax exemptions, relinquishments or reductions.				relating to items that are charged or credited to equity is not applicable. • Disclosure of tax expense/income relating to extraordinary items recognized during the period is not applicable. • Disclose explanation of changes in the applicable tax rate compared to the previous accounting period comparable to IAS. • Disclosure of the tax expense/income relating to the gain/loss on discontinuance and to the result of the discontinued operation is not applicable.
Disclosures – deferred tax	Disclose: • the aggregate deferred tax relating to items that are charged or credited to equity; • the amount (and expiry date, if any) of deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax asset is recognized in the balance sheet; • the aggregate amount of temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures, for which deferred tax liabilities are not recognized; • the amount of the deferred tax assets and liabilities recognized in the balance sheet for each period presented in respect of each type of temporary difference, and in respect of each type of unused tax losses and unused tax credits; and • the amount of deferred tax income or expense recognized in the income	Not specified	Tax assets and liabilities should be disclosed separately on the face of the balance sheet.	Not specified.	Comparable to IAS.	Disclose the nature and amount of the deferred tax.	Disclose the nature and amount of the deferred tax (EAL, Appendix 3).	There is no concept of deferred tax in HAS.	Comparable to IAS.	No recognition of deferred tax assets or liabilities are allowed.	No specific disclosure requirements in the 'Accounting Act'. Disclosures for publicly traded companies: • reconciliation of the balance of deferred tax assets and deferred tax liability at the beginning and end of the period; • the amount of deferred tax liability at the end of the period and its major components (taxable temporary differences) with applicable tax rates; • the amount of deferred tax asset at the end of the period and its major components (deductible temporary differences);	There is no concept of deferred tax in the AL	There is no concept of deferred tax assets and liabilities in the RAS	• The amount of deferred tax assets and liabilities recognized in the balance sheet for each period • The amount of deferred tax income/expense is presented on the face of the P&L.	Not applicable.

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	statement in respect of each type of temporary difference, and in respect of each type of unused tax loss and unused tax credit, where not readily apparent from the changes in the amounts recognized in the balance sheet. When the utilization of a deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable timing differences, and the enterprise has suffered a loss in either the current or the preceding period in the tax jurisdiction to which the deferred tax asset relates, the amount of such asset and the nature of the evidence supporting its recognition, should be disclosed.										• effect on tax expense/income of changes in tax rates; • the amount of deferred tax asset write off due to probable non-recoverability of the asset.				

8. Segment Reporting

Topic	International (IAS 14)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Enterprises required to disclose segmental information	Enterprises whose securities are publicly traded and other economically significant entities, including subsidiaries. IAS 14 (Revised), which is effective for accounting periods commencing on or after July 1, 1998, does not specifically refer to 'other economically significant entities', but will apply to enterprises in the process of issuing securities to the public. In addition, any enterprise voluntarily providing segmental information should comply with the revised IAS. In general, the requirements of the revised standard are more detailed.	Not specified.	No statutory rules exist in this area.	Statutory rules do not require any specific disclosure of segmental information.	Comparable to IAS.	The required disclosures of segment information listed below apply for all companies, which issue financial statements under Czech accounting legislation.	Disclosure by business activity, markets and geographic region is required (EAL Appendix 3).	There are no segmental reporting requirements under HAS.	Only applies to large enterprises.	Not defined.	Certain minimal segmental information disclosures required for all companies preparing financial statements under the regulations of the 'Accounting Act'.	No segment reporting is required	There is nothing in the RAS equivalent to this IAS.	All enterprises.	No segment reporting is required.
Analysis of financial information required	The different industries and geographical areas in which the entity operates. The activities of each reported industry and the composition of each reported geographical area should be described. Under IAS 14 (Revised), either industry or geographical segmentation should usually be specified as primary (and the other as secondary), according to which predominantly affects an enterprise's risks and returns. Detailed guidance is provided for the identification of reportable segments - generally on the basis of the enterprise's internal organizational and management structure and its system of internal reporting to the board of directors and the chief executive officer.	Not specified	No statutory rules exist in this area.	Not applicable.	Comparable to IAS.	Classification of main activities required but not specified in detail.	Comparable to IAS.	N/A	Comparable to IAS.	Not defined.	Limited segment information (comprising solely disclosure of turnover) by classes of business (types of activity) and geographical areas (domestic, export sales) should be disclosed.	No segment reporting is required	There is nothing in the RAS equivalent to this IAS.	The different industries and geographical areas in which the entity operates. The activities of each reported industry and the composition of each reported geographical area should be described.	Not applicable.
Information reported	For each industry and geographical segment, disclose: • sales and other operating revenues (segregate inter-segment); • segment result; • segment assets employed either as monetary amounts or as a proportion of the total; and • the basis of inter-segment pricing. Reconciliation required between the sum of the information on individual segments and the aggregated information in the financial statements. IAS 14 (Revised) specifies more extensive disclosure requirements - according to whether the segment has been identified as primary or	Not specified	No statutory rules exist in this area.	Not applicable.	Comparable to IAS.	Only information about sales from geographical segments (domestic versus export) is required.	Comparable to IAS.	N/A	Comparable to IAS.	Not defined.	For sales of products and goods for resale disclosure of turnover by class of business and geographical area required.	No segment reporting is required	There is nothing in the RAS equivalent to this IAS.	For each industry and geographical segment, disclose sales. No other regulation.	Not applicable.

Topic	International (IAS 14)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
	secondary.														
Changes in reported information	Changes in the identification of segments and in accounting practices used to report segment information should be disclosed - including details of the change, the reason for it and, where practicable, the financial effect. IAS 14 (Revised) requires prior information to be restated where there has been a change in the identification of segments. If this is not practicable, segment data should be reported for both the old and new bases of segmentation in the year of change.	Not specified	No statutory rules exist in this area.	Not applicable.	Comparable to IAS.	Not specified.	Comparable to IAS.	N/A	Not specified.	Not defined.	Not specified.	No segment reporting is required	There is nothing in the RAS equivalent to this IAS.	Not specific guidance.	Not applicable.

9. Property, Plant and Equipment

Topic	International (IAS 16)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Scope of Standards	IAS 16 prescribes the rules for recognition, measurement, depreciation and other impairments of property, plant and equipment. IAS 4 contains generalized rules on depreciation, which are consistent with those set out below in relation to property, plant and equipment. Investment properties are dealt with under IAS 25. *Note: IAS 36* ***Impairment of Assets****, effective for periods commencing on or after January 1, 1999 will supersede the provisions of IAS 16 dealing with impairments.*	Comparable to IAS.	NAS 4 prescribes the rules for recognition, measurement, depreciation and other impairments of property, plant and equipment. NAS 4 and Accounting Law define the rules on depreciation in relation to property, plant and equipment. Investment properties are dealt with under NAS 25.	Belarussian accounting regulations prescribe the rules for recognition, measurement, depreciation and other impairments of property, plant and equipment. The Government of the Republic of Belarus sets annual depreciation rates in the document "Standard depreciation rates for fixed assets in Belarus" on 01/01/1991.	Comparable to IAS.	Comparable to IAS, Czech Accounting Procedures for businessmen.	Comparable to IAS. (EAL §19-32 and EASB, Balance Sheet Accounts.)	HAS prescribes the rules for recognition, measurement, depreciation and other impairments of property, plant and equipment. HAS contains specific rules related to the depreciation of property, plant and equipment. Hungarian companies often adopt the tax rules for depreciation.	LR FM letter Nr 02 – 5/357 as of 30.5.94 Rule W339 on enterprise accounting.	Not defined.	Not specified.	Property, plant & equipment is recorded at cost upon acquisition. Throughout the Company's history, such Property, plant & equipment is restated by applying to its historical cost and accumulated depreciation, the change in the general price index from the date of acquisition to the balance sheet date. Such restatement is not in accordance with IAS which requires that property, plant & equipment be carried at cost less accumulated depreciation or at appraised value, being the fair value at the date of appraisal.	RAL art. 46-60	Impairment is not specifically covered by the regulations.	(SAS 1) As per IAS. Depreciation is set forth in SAS 13, consistent with IAS. LT investments are dealt with under SAS 3.
Recognition of asset	An asset should be recognized when: • it is probable that future economic benefits associated with the asset will flow to the enterprise; and • the cost of the asset can be measured reliably.	Comparable to IAS.	An asset should be recognized when: • it is probable that future economic benefits associated with the asset will flow to the enterprise; • the cost of the asset can be measured reliably; • the asset has been acquired for the purpose of the production activity, rent, administrative and other specific needs (environmental etc.); • it is expected to be used for more than one reporting period; and • its acquisition cost exceeds 150 Lev (new).	An asset (property, plant and equipment) should be recognized when: • It is held by an enterprise for use in the production or supply of goods or services, for rental to others, or for administrative purposes and is expected to be used during more than one year. • Capital expenditure was made to develop or maintain the activities or assets covered in (a) including leasehold improvements. Exception: An asset which value does not exceed a definite amount set up by Ministry of Finance is recognized as a low value item.	Comparable to IAS.	Fixed assets should be recognized when the accounting unit has the ownership right (title) or the right of management to the property. There is a limit for the recognition of fixed assets in CZK 40 000 for tangible and 60 000 CZK for intangible (Income Tax Law). Assets which are valued less than CZK 40 000 (tangible) or less than CZK 60 000 (intangible) and the economic lifetime is longer than 1 year, are classified as low-value assets.	Comparable to IAS (EAL §27).	Comparable to IAS.	Comparable to IAS.	Comparable to IAS.	Not specified.	Comparable to IAS.	There is no equivalent concept of asset recognition in the RAS.	The same approach applicable.	(SAS 1.21) As per IAS.
Initial Measurement	Initially recorded at cost. Where the asset is acquired in exchange for another asset, the cost will be recorded as:	Comparable to IAS.	Comparable to IAS. Where the asset is	Initially recorded at cost. The cost includes any directly	Comparable to IAS.	Where the asset is acquired in exchange for another asset, the old one should be	Comparable to IAS (EAL §29).	Comparable to IAS. Non-monetary exchange is not	Comparable to IAS.	Initially recorded at cost.	Initially recorded at cost (an acquisition price or asset production cost).	Comparable to IAS. Non – monetary exchange is not	Initially recognized at cost with the following amendments: per RAS the cost	Initially recorded at cost. Recorded at replacement cost	Same as IAS. (SAS 1.5) When

Topic	International (IAS 16)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
	• in the case of a dissimilar asset, the fair value of the asset acquired which will be the fair value of the asset given up; and • in the case of an asset which has a similar use in the same line of business, at the carrying value of the asset given up (no gain or loss recognized on the transaction). The fair value of the asset acquired may provide evidence of a permanent diminution in value of the asset given up, for which provision should be made.		acquired in exchange for another asset, the cost will be recorded at the carrying value of the asset given up. In case the transaction is effected through third parties, the cost will be the fair value of the asset given up.	attributable costs of bringing the asset to working condition for its intended use: • development and construction costs; • transportation costs, setting up and implementation. Relevant borrowing costs are capitalized during the entire term of the borrowing.		disposed of, and the resulting gain or loss recorded. The acquired assets are recorded at acquisition costs, replacement costs, purchase price or own costs incurred (when produced or developed internally by the accounting unit)	Comparable to IAS (EASB, Cost principle).	specifically addressed in HAS.			If received for no consideration (particularly in the form of a free gift) – the value should be determined on the basis of the selling price of the same or a similar item. No specific regulations regarding exchange of assets. No discounting of deferred consideration All spare parts are treated as inventory under Polish rules.	specifically addressed..	recognition criteria is not always met as assets are capitalized before future benefits could be expected with reasonable certainty. Also, a minimum recognition level is given. The appropriate materiality level for a company capitalizing its fixed assets will generally be different from that imposed by law. There is no regulation if the asset is acquired in exchange for another asset.	where the asset is acquired as: • a gift • at no cost (free of charge) • recently discovered and not previously recorded in the accounting records. There is no regulation if the asset is acquired in exchange for another.	the item is acquired in exchange for a similar asset which has a similar use in the same line of business and which has a similar fair value, the cost of the asset acquired should be measured at the net carrying amount of the asset given up, adjusted for any balancing payment or receipt of cash or other consideration.
Subsequent expenditure on asset	Added to the carrying value of the asset where it is probable that the future economic benefits have been increased beyond those originally assessed - otherwise expense.	Comparable to IAS.	Added to the carrying value of the asset where it is probable that: • the useful life will be prolonged; • the production capacity will be increased; • a higher quality of the products will be achieved; • the functional designation of the asset will be changed; and • production costs will be reduced. Otherwise subsequent expenditure on the asset is recognized as expense.	Subsequent expenditure on property plant and equipment is only recognized as an asset when the expenditure improves the condition of the asset beyond its originally assessed standard of performance. These instances may be: • modification of an item of plant to extend its useful life, including an increase in its capacity; • upgrading machine parts to achieve a substantial improvement in the quality of output; • adoption of new production processes enabling a substantial reduction in previously assessed operating costs.	Comparable to IAS.	Comparable to IAS.	Comparable to IAS (EAL §29).	HAS: Added to the gross value of the asset (if it is not yet written off) where it is probable that the future economic benefits have been increased beyond those originally assessed – otherwise expensed	Comparable to IAS.	Comparable to IAS.	Added to the carrying value of the asset if it increases the use value of the asset measured by the length of its useful life, productivity, quality of products, reduction of operational expenses or other measures.	Comparable to IAS.	In RAS no equivalent.	Added to the carrying value of the asset where it is probable that the future economic benefits have been increased beyond those originally assessed - otherwise expensed.	(SAS 1.6) Subsequent expenditure related to a tangible fixed asset represent improvements that ought to be added to the gross carrying amount, provided they increase the future benefits from the existing assets beyond their previously assessed standard of performance; in this context the expenditures related to an extension of the assets' estimated useful life represent a reduction of the previous accumulated depreciation made to the value of the assets.
Depreciation	For all depreciable assets: • allocate the depreciable amount over the asset's useful life; • total depreciation must be charged to the income statement, unless it is capitalized as part of	Comparable to IAS.	Comparable to IAS.	For all depreciable assets, allocate the depreciable amount over the asset's useful life through charging the annual expense to income statement	Comparable to IAS.	Comparable to IAS, the depreciation method should be consistent, total depreciation is charged to income statement.	Comparable to IAS (EAL §30).	Comparable to IAS..	Comparable to IAS.	Comparable to IAS.	For all depreciable assets (except for land not used for extraction of minerals, works of art and museum exhibits): • allocate the depreciable	Comparable to IAS.	The depreciable amount is allocated over the asset's useful life that is established by government decision. Per the RAS, there can be a move	For all depreciable assets: • allocate the depreciable amount over the asset's useful life; • total	Same as IAS, and additionally disclose and quantify the effect of the change in depreciation method used. Also justify the change in the depreciation method

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	another asset; • where the estimate of the asset's useful life changes, adjust depreciation charge for the current and future periods; and • where depreciation method changes, due to a change in the expected pattern of benefits, adjust the charge for the current and future periods.			income statement on monthly basis. In specific limited conditions enterprises are allowed to use accelerated method of depreciation, which implies application of rates that should not be two times higher than the statutory rates for the categories of assets under consideration. Where depreciation method changes, due to a change in the expected pattern of benefits, adjust the charge for the current and future periods.							depreciable amount over the asset's expected useful life; • where the estimate of the asset's useful life changes, adjust depreciation charges for the current and future periods; • assets of low unit value can be depreciated in a simplified way through summary charges for groups of similar assets or through a one-off charge.		from straight line to accelerated depreciation, but there are no specific requirements for such a change.	depreciation must be charged to the income statement, unless it is capitalized as part of another asset; • where the estimate of the asset's useful life changes, adjust depreciation charge for the current and future periods; and • where depreciation method changes, due to a change in the expected pattern of benefits, adjust the charge for the current and future periods.	method.
Subsequent Remeasurement	**Benchmark treatment** - continue to record at cost less accumulated depreciation. **Allowed alternative treatment** - record at fair value at the date of valuation less subsequent depreciation. Revaluations are to be carried out regularly, so that the carrying value does not differ materially from the fair value. Where an item is revalued, the entire class of assets to which that asset belongs should be revalued.	Comparable to IAS. The alternative treatment is not specified.	Revaluation of fixed assets, except land and forests, is carried out at year-end with defined percentage not exceeding the change of production prices published by the National Institute of Statistics (Accounting Law). Land and forests are valued at fair market value.	Benchmark treatment - continue to record at cost less accumulated depreciation. In view of the fact that since early 1990's the Belarussian economy suffers hyperinflation, property, plant and equipment of Belarussian enterprises undergo annual statutory revaluations which is carried out on the balances as of January, 1 by means of applying indexes assigned for each category of asset by the Government. The last statutory revaluation was performed in 1997. Allowed alternative treatment – record at fair value at the date of valuation less subsequent depreciation. The valuation should be done by an independent licensed valuator or internally on the basis of market prices confirmed by manufacturer/dealer statement/price-list.	Comparable to IAS.	**Comparable to IAS.** **The alternative treatment, revaluation, is not allowed under Czech GAAP as fixed assets are valued at historical cost.**	Comparable to IAS (EASB, Balance Sheet Accounts). Allowed alternative treatment may not be applied.	Comparable to IAS. Recorded at fair value at the date of valuation. No depreciation on the difference, but the revaluation must be performed on regular basis (yearly) Revaluated items determined by the company.	Comparable to IAS.	Long-term tangible assets, which market value, exceed purchase and production costs of the said assets may be re-valued provided such an increase in value is substantiated and have long duration. If such assets are necessary to the enterprise to carry out business, they may be re-valued up to the limit of the sum that can be justified by the profitability. Depreciation, in every year subsequent to the year on which the revaluation took place, shall be estimated based on the newly re-valued value of the long-term assets and reflected in the items of the Profit and Loss account.	Record at cost or revalued amount less accumulated depreciation. Only periodical revaluations imposed by legal regulations are permitted. Both gross value and accumulated depreciation are subject to revaluation (using imposed revaluation indexes).	Property, plant & equipment is recorded at cost upon acquisition. Throughout the Company's history, such Property, plant & equipment is restated by applying to its historical cost and accumulated depreciation, the change in the general price index from the date of acquisition to the balance sheet date. No alternative treatment allowed.	Fixed assets are carried at cost less accumulated depreciation. Revaluation of fixed assets is decided by government and can be mandatory or optional. Per RAS, revaluations are subject to Government Orders when all fixed assets are normally revalued at the one time.	Benchmark treatment – continue to record at cost less accumulated depreciation. Revaluation is not allowed except for: Permanent diminution in a case of damage. A temporary decline in the value is accounted for at the Balance Sheet date through a provision (under the principle of conservatism). If the book value is higher than fair value at the Balance Sheet date, this should be disclosed in the notes.	Not applicable. Same as IAS – record at fair value except in an inflationary economy the carrying amounts of costs of purchase and adjustments for depreciation relevant to tangible fixed assets should be revalued at the end of each period to the new level of prices. A consumer price index is applied to revalue tangible fixed assets, but the revalued purchase price should not on average and over a longer-term period be higher than the purchase prices and/or cost of construction or manufacture of identical or similar classes of new tangible fixed assets, if the principle of the lower of two values is to be observed. Under no circumstances should revaluation of tangible fixed assets result in their carrying amount being greater than the recoverable amount of assets

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				The rules do not prescribe that the revaluations should be carried out regularly, so that the carrying value would not differ materially from the fair value. Revaluation of an item does not mean that the entire class of assets to which that item belongs should be revalued.											of this class. See also discussion regarding inflation in SAS in the foreword.
Treatment of revaluation movement	Where a revaluation gives rise to a value uplift, it should be credited to the revaluation surplus (equity) unless it represents the reversal of a revaluation decrease of the same asset previously recognized as an expense, in which case it should be recognized as income. A decrease arising as a result of a revaluation should be recognized as an expense in so far as it exceeds the amount that can be charged to the revaluation surplus (i.e. the amount held in the revaluation surplus relating to the same asset).	Not specified	Comparable to IAS (Accounting Law).	The statutory revaluations imply the value uplift and should be credited to the revaluation surplus (equity). Results of revaluations performed by independent valuators should be as an income or expense in the profit and loss accounts.	Comparable to IAS.	Not applicable.	Not specified.	HAS: revaluation gain has to be recorded on separate balance sheet line; revaluation differential debited among assets, revaluation surplus credited to equity. The revalued assets have to be revalued each subsequent year; the revaluation difference arising is recorded as described above. No revaluation decrease can be recorded over the existing revaluation surplus; in this case extra amortization must be charged.	Comparable to IAS.	The sum by which value of long-term assets has been increased as the result of their revaluation shall be reflected without making any impact on the current period result but in the revaluation reserve account under shareholders' equity.	Increase in net value of fixed assets resulting from revaluation (statutory revaluation only) should be credited to the revaluation reserve (equity), which is non-distributable. No downward revaluation. Any decrease should be treated as impairment as described below.	Comparable to IAS The treatment of a decrease is specified	At the last revaluation (June 30, 1999) the revaluation amount was credited to revaluation surplus. The previous revaluation results (December 31, 1994) went directly to share capital rather than to a revaluation surplus. The RAS does not address the situation where the revaluation produces a lower valuation. The RAS has no equivalent rules for recognizing decreases in the carrying value of the assets following a revaluation.	An increase in the value of property, plant and equipment is not accounted for unless prescribed by this or by any other special legislation. A decrease arising, as a result of a revaluation should be recognized as an expense, i.e. depreciation charges in a case of permanent diminution and addition to provision in a case of temporary decline.	For SAS, any increase in value of an asset due to a formal appraisal or valuation is recorded as increasing the value of the asset (only where all conditions are met for such an increase, such as reversal of previous decrease) and recording extraordinary revenue. Any decreases should be charged to the income statement in the period in which they are determined. .
Impairment	When the recoverable amount has declined below the carrying amount, the carrying amount should be reduced to the recoverable amount. The write-down should be recognized as an expense in so far as it exceeds the amount held in the revaluation surplus relating to the same asset. The provision should be written back when the circumstances that led to the write-down cease to exist and the new circumstances are expected to persist. The write-back should be reduced by the depreciation that would have been charged had the write-down not occurred. *IAS 36* ***Impairment of Assets****, effective for periods beginning on or after July 1, 1999, introduces specific*	Not specified	Not specified.	No statutory accounting rules regarding impairment of the assets exist.	Comparable to IAS.	A permanent reduction in the value of fixed assets is accounted through the accumulated depreciation accounts; in this case the depreciation policy should be revised. A temporary reduction in the value of fixed assets is accounted for when closing books through an adjustment (provision); this applies particularly to price reductions resulting from an anticipated lower sales price than the book value of particular assets.	Comparable to IAS (EAL §31, EASB, Balance Sheet Accounts).	Comparable to IAS. Revaluation surplus can not be depreciated or decreased. No provision in HAS regarding writing back.	Not specified.	Not defined.	Recognize in case of change of production technology, intention of no further usage or other circumstances indicating impairment. Charge to profit and loss account through unplanned depreciation bringing the net book value of a fixed asset to its net sales value.	Not specified	The RAS does not consider the concept of recoverable amount. When there is impairment in the value of fixed assets a provision is made or the provision already made is increased. Per RAS there is no concept of writing back subsequent increases in the recoverable amount of assets.	Recoverable amount is not specifically mentioned, but a temporary decrease in value is mentioned, in which case a provision needs to be made. The write-down should be recognized as an expense. The provision should be written back when the circumstances that led to the write-down cease to exist and new circumstances are expected to persist. The write-back is recognized as income.	Same as IAS. (SAS 1.11, 1.12) The write-down should be recognized as a depreciation expense of the period. No SAS covers writing back, use IAS. Compensation for loss is treated comparable to IAS.

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	impairment tests for both tangible and intangible assets. Where a review at the balance sheet date indicates impairment, then the entity is required to estimate the recoverable amount of the asset and make an appropriate provision. The specific rules of IAS 36 will supersede the IAS 16 provisions regarding impairments. Any compensation for loss from third parties should be dealt with as a separate event and should be accounted for separately. **[SIC 14]**					Compensation for loss is treated comparable to IAS		Compensation for loss is treated comparable to IAS.						income.	
Realization of the revaluation reserve	Revaluation reserve may be transferred directly to retained earnings when the reserve is realized. The whole reserve for an asset may be realized upon retirement/disposal of the asset or part of the reserve may be realized as the asset is used (the difference between depreciation based on carrying value and depreciation based on historical cost). The transfer to retained earnings should not be made through the income statement.	Transfer to retain earnings should not be made through the income statement. Comparable to IAS.	The whole revaluation reserve for an asset should be realized to retained earnings upon retirement/disposal of the asset.	Revaluation surplus reserve is treated as the part of the shareholder's equity and no transfers to other reserves are considered.	Comparable to IAS.	Not applicable.	Not specified.	Realized Revaluation reserve appears in profit and loss account. Revaluation reserve cannot be transferred directly to retained earnings; only through the profit and loss account when the reserve is realized.	Comparable to IAS.	The revaluation reserve may be used (reduced): • if the re-valued assets are transferred or written off, or if the revaluation is reversed; • the revaluation reserve can be included into the capital at any moment.	Only revaluation gains on fixed assets sold or disposed are transferred from revaluation reserve to reserve capital. Depreciation or write-down is not considered to give rise to realization of the reserve. The transfer to reserve capital should not be made through the income statement.	Comparable to IAS.	Revaluation reserve is used to increase the share capital.	Not applicable.	Not applicable. Revaluation is treated in the sense of adjusting the carrying value of tangible fixed assets for inflation. Annual revaluation of cost and accumulated depreciation goes through income statement. If the assets are appreciated, in the sense of assessing their fair value, the difference between the net carrying value and the fair value goes through profit and loss statement, through extraordinary income/expense.
Retirements and disposals	The asset should be removed from the balance sheet on disposal or when it is withdrawn from use and no future economic benefits are expected from its disposal. The gain or loss on disposal is the difference between the proceeds and the carrying amount and should be recognized in the income statement.	Comparable to IAS	Comparable to IAS.	The asset should be removed from the balance sheet on disposal or when it is withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising from the retirement or disposal of an item of property, plant and equipment should be determined as the difference between net disposal proceeds and the carrying amount of the asset and should be recognized as	Comparable to IAS.	Comparable to IAS.	Comparable to IAS (EASB, Balance Sheet Accounts).	Comparable to IAS.	Comparable to IAS.	Comparable to IAS.	The asset should be removed from the balance sheet on disposal or when it is withdrawn from use. Carrying amount of the asset at the moment of disposal should be recognized as other operating cost, while proceeds from disposal respectively as other operating income.	Comparable to IAS.	Per RAS, assets are not required to be eliminated from the balance sheet on permanent withdrawal from use. The RAS does not treat gains or losses on disposal in accordance with the IAS. The carrying amount is recognized in expenses and the proceeds are recognized in income.	The asset should be removed from the balance sheet on disposal or when it is withdrawn from use and no future economic benefits are expected from its disposal. The gain or loss on disposal is the difference between the proceeds and the carrying amount and should be recognized in the income statement.	(SAS 1.3) Same as IAS. Gains or losses arising from the retirement or disposal of tangible fixed assets are credited to extraordinary revenues and charged to extraordinary expenses respectively.

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				income or expense in the income statement.											
Transitional provisions	None specified.	Not specified	None specified.	Not specified.	Comparable to IAS.	Not specified.	Not specified.	Not specified.	N/A	Not specified.	Not applicable.	Not specified	Not specified.	Not specified.	Not applicable.
Disclosure	In respect of each major class of asset: • measurement bases used; • depreciation method used; • useful life or depreciation rates used; • gross carrying amount and accumulated depreciation at the beginning and end of the period; and • reconciliation of opening to closing amounts analyzing significant movements during the year. Also: • whether, in determining the recoverable amount of items, expected future cash flows have been discounted to their present values; • the existence and amounts of restrictions on title and assets pledged as security; • accounting policy for restoration costs; • expenditure on assets in the course of construction; and • commitments for the acquisition of assets. For assets which have been revealed: • basis of revaluation; • effective date of revaluation; • whether an independent valuator was involved; • the nature of any indices used to determine replacement costs; • the carrying amount of each class of asset on a historical cost basis; and • the revaluation surplus, showing the movement for the period and any restrictions on distribution.	Comparable to IAS.	In respect of each major class of asset: • gross carrying amount, accumulated depreciation and net book value at the end of the period; • depreciation method and rates used; • depreciation charged for the period; • the existence and amounts of restrictions on title and assets pledged as security. For assets which have been revalued: • method of revaluation; • effective date of revaluation; • the revaluation surplus by classes of fixed assets.	In respect of each major class of asset: • gross carrying amount and accumulated depreciation at the beginning and end of the period; and • reconciliation of opening to closing amounts for the reporting period. Some other specific disclosure items may be included in the analytical management report.	Comparable to IAS.	Comparable to IAS. Revaluation not used. Assets which have a higher market value than in accounting, should be specified in notes, if material.	Comparable to IAS (EAL Appendix 3).	Comparable to IAS.	Comparable to IAS. (all significant events from the end of prior financial year).	State of tangible fixed assets, including re-valuation, indexations, amounts written off and depreciation. If amounts constituting revaluation reserves or their changes are considerable, they shall be provided in footnotes of the Notes relating to the Annual Accounts indicating the amount of the reserve as at the beginning of the current period, giving instances of its increase or reduction during the current period, providing cases of those changes and reporting amounts of the revaluation reserve at the end of the current period. Instances of revaluation of long-term assets shall be discussed in corresponding references of the Notes relating to the Annual Accounts, differences between the purchase price and production cost of the assets and their new value being reported for each type of revalued assets. Substantial sums shall be discussed in notes attached to corresponding references.	Disclose: • a description of valuation methods available under the 'Act' adopted by the entity (including depreciation); • in respect of each major class of asset – a detailed reconciliation of opening to closing balances of gross carrying amount and accumulated depreciation showing significant categories of movements during the year; • value of land in perpetual usufruct; • value of fixed assets which are used on the basis of rent, operating lease or similar agreements; • liabilities to the state or local community in respect of obtained property rights for buildings and constructions; • listing of liabilities groups secured on the entity's assets; • amounts and reasons for unplanned depreciation charges; • cost of construction in progress and fixed assets manufactured for entity's own needs during the period; • reconciliation of opening to	Comparable to IAS	In respect of each major class of asset: the disclosure requirement is similar to IAS • However disclosure of useful life or depreciation rates used is not required because useful life is established by government decision. • The RAS requires some disclosure for restoration costs but these are not sufficiently detailed. No additional disclosure requirement for assets which have been revalued:	In respect of each major class of asset: • measurement bases used; • depreciation method used; • useful life or depreciation rates used; • gross carrying amount and accumulated depreciation at the beginning and end of the period; and • reconciliation of opening to closing amounts analyzing significant movements during the year. Also: • the existence and amounts of restrictions on title and assets pledged as security; • expenditure on assets in course of construction; • commitments for the acquisition of assets; • insurance of assets; • review of assets with market value significantly higher than carrying value; • property leased to others and leased from others recorded as off-balance sheet item. In relation to provision to assets: • basis of creation of such provision;	In respect of each class of assets, comparable to IAS. Additionally, only the following is required: • the existence and amounts of restrictions on title and assets pledged as security; • expenditure on assets in the course of construction; and • commitments for the acquisition of assets. Where revaluation: only required to disclose the price index used for revaluation. Assessment of the value of assets: disclose basis of revaluation only.

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											closing balance of revaluation reserve.			• additions; and • disposals.	

10. Accounting for Leases

Topic	*International (IAS 17)*	*Albania*	*Bulgaria*	*Byelorussia*	*Croatia*	*Czech Republic*	*Estonia*	*Hungary*	*Latvia*	*Lithuania*	*Poland*	*Republic of Macedonia*	*Romania*	*Slovakia*	*Slovenia*
Classification of leases	**Finance lease** - a lease that transfers substantially all the risks and rewards incidental to ownership. Such a lease is normally non-cancelable and secures for the lessor the recovery of his capital outlay plus a return for the funds invested. **Operating lease -** any lease other than a finance lease.	Not specified	Finance lease – a lease that transfers substantially the entire risks and rewards incidental to ownership. Such a lease has to meet at least two of the following criteria: • there is a clause for transfer of ownership on the assets; • the ownership is transferred at the termination of the contract; and • the period of the contract covers most of the useful life of the leased asset. **Operating lease -** any lease other than a finance lease.	Financing lease - usually a long-term transaction, which transfers substantially all the risks and rewards incidental to ownership. Such a lease is normally non-cancelable and secures for the lessor the recovery of his capital outlay plus a return for the funds invested. Title of ownership may or may not be transferred. Operating lease **–** any lease other than a finance lease. Ownership title is not transferred.	Comparable to IAS.	Comparable to IAS with the difference that the accounting concept of financial lease does not exist, all leases are treated as operational .	Finance lease – a non-cancelable lease. Operating lease – a cancelable lease.	Comparable to IAS..	**Not specified.** **Practice in Latvia is as follows:** • Finance lease – a lease that transfers substantially all the risks and rewards incidental to ownership. Such lease should have a purchase option. • Operating lease – any lease other than a finance lease**.**	Comparable to IAS.	No definition and classification of leases provided in the Accounting Act where reference is made to other regulations. In those regulations an operating lease is a lease which meets at least one of the following criteria: • the lease agreement signed for an unspecified period; • lease agreement for a specified period but does not contain a purchase option or contains a cancelable purchase option; • for a fixed asset other than land - lease agreement for a specified period, contains non-cancelable purchase option and the lease term is for 40% or more of the assets useful life and the sum of minimum lease payments in the basic lease term is less than 100% of the assets net book value. • for land – lease agreement for a specified period, contains non-cancelable purchase option and the sum of minimum lease payments in the basic lease term is less than the land market value at the moment of agreement. Finance lease – any lease other than operating lease.	Comparable to IAS.	Finance lease is recognized when one or more of the following four criteria are met: • The risks and rewards incidental to ownership are transferred to the lessee from the inception of the leasing contract; • The parties to the contract agreed that at the end of the leasing contract, the ownership is transferred to the lessee; • The lessee has the option to purchase the leased property, and the purchase price is not greater than 50% of the cost (fair value) at the date the option is made. • The lease term is equal to 75% or more of the estimated economic life of the leased property even if at the end the ownership is not transferred. Operating lease is any lease other than finance lease.	No definitions. Strongly under influence of the tax law.	(SAS 18.19) Same as IAS.
Accounting treatment in the financial	Record an asset and a liability at the lower of: • the fair value of the asset;	Not specified	Lessees record: • A long-term liability equal to	Record an asset and a liability at the present value of the minimum	Comparable to IAS.	The accounting concept of financial lease does not exist, all	Comparable to IAS (EASB, Accounting for Leases)	Record an asset and a liability at the contracted lease payments	Leased assets should be included in the books of the	Comparable to IAS.	Accounting treatment of leases not directly addressed in the	Comparable to IAS.	Record an asset and a liability at the acquisition cost. Interest	No regulation. Under the	(SAS 1.7 1.8) Same as IAS.

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statements of lessees - finance leases (or equivalent)	and • the present value of the minimum lease payments (discounted at the interest rate implicit in the lease, if practicable, or else at the enterprise's incremental borrowing rate). Apportion rentals between finance charge and reduction of the outstanding liability. Finance charge to be allocated as a constant periodic rate on the remaining balance of the liability. Depreciation policy should be consistent with that for owned assets. If there is no reasonable certainty that the lessee will obtain ownership at the end of the lease - depreciate over the shorter of the lease term or the life of the asset. *Note: IAS 17 (Revised)* ***Leases*** *which is effective for accounting periods beginning on or after January 1, 1999 specifies that initial costs incurred which are directly attributable to activities performed for a finance lease, should be included as part of the amount recognized as an asset under the lease.*		the value of the leased contract; • The asset at fair (selling) price; • The difference between lease contract value and the fair value of the leased asset as deferred financial expense; financial charge is allocated on a constant basis relative to the proportion of installments in the total lease contract value; • Depreciation of the leased assets which is the same as for similar own assets; and • Installments paid, which decrease the initially recorded long-term liability.	lease payments that are subject to agreement by both parties. Apportion rentals between finance charge and reduction of the outstanding liability. Finance charge to be allocated as a constant periodic rate on the remaining balance of the liability. Depreciation policy should be consistent with that for owned assets.		leases are treated as operational The leased asset is not included in the assets of lessee, the lessee deferred the advance payment/first extraordinary payment, the leased price is released over the period of the lease agreements.	Leases).	lease payments amount (excluding the interest payable). Interest payable must be settled in the lease contract, registered as an expense and the time-proportionate amount must be accrued. Depreciation policy should be consistent with that for owned assets.	lessee. Normally further accounting treatment including depreciation policy should be consistent with that for owned assets. Accounting treatment is not further specified.		'Act'. Practical solutions are derived from the application of general rules. General rules state that fixed asset should be initially recorded at cost (acquisition price or production cost), and if cost cannot be determined – at its market value at the moment of acquisition. In practice if the asset's cash price is specified in the lease agreement, that value is used, if not – market value applies. Liability is initially recorded at: • fixed asset value; or • sum of lease payments value (not discounted), the difference being recorded as deferred expenses. Rentals are apportioned between finance charge and reduction of the outstanding liability. No guidance on the allocation of finance charge is given. In practice usually straight-line basis is used. Depreciation policy – as for owned assets. Determination of asset's useful life may reflect legal or other restrictions of the period of asset's use.		payable related to the lease is recorded also at this moment. Interest is charged to the income statement as a constant periodic rate. Depreciation policy is the same as for owned assets.	principle of legal ownership, the lessor accounts for the assets. Lessee usually recognizes the first payment as a prepayment which is amortized over the term of the lease. Another way used to account for leases is to recognize the whole amount of the lease as an asset (including finance charges) as prepayments and amortize it over the term of the lease and the related liability is amortized, based on payments.	Alternative treatment allowed. Interest and principal could be recorded in lump sum as a long-term liability with current portion.
Accounting treatment in the financial statements of lessees - operating leases	Rental expense should be recognized on a systematic basis that is representative of the time pattern of the user's benefit. Incentives for the agreement of a new or renewed operating lease should be recognized as a reduction of the rental expense over the lease term, irrespective of the incentive's nature or form, or the timing of payments. **[SIC 15]**	Not specified	Lessees record: • Rental expense recognized on a straight -line basis, together with all costs related to the operational lease (commissions, taxes etc.); and • The leased assets at fair	Lease payments under an operating lease should be recognized as an expense in the income statement. Belarussian statutory rules regulating the banking industry specify that the expense be recognized on a	Comparable to IAS.	Comparable to IAS.	Comparable to IAS (EASB, Accounting for Leases).	Paid rental expense should be recognized as an expense; not paid but concerning amount must be accrued.	Leased assets should be included in the books of the lessor. Accounting treatment is not further specified.	Not defined.	Not specified – in practice rentals charged to profit and loss account on a straight-line basis.	Comparable to IAS.	Not specified, but in practice comparable to IAS.	Rental expense should be recognized on a systematic basis that is representative of the time pattern of the user's benefit. Usually monthly rental expense is agreed in the contract.	No SAS covers this area, use IAS.

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	15] IAS 17 (Revised) specifies that the expense be recognized on a straight-line basis unless another systematic basis is representative of the time pattern of the user's benefit.		value as off-balance sheet items.	recognized on a straight-line basis unless another systematic basis is representative of the time pattern of the user's benefit. Operating lease expenses incurred by corporate enterprises are recognized on the date of payment.											
Disclosure in the financial statements of lessees	Disclose separately: • amount of assets subject to finance leases, and related accumulated depreciation; • lease liabilities, analyzed between current and long-term; • commitments for minimum lease payments under finance leases and non-cancelable operating leases with a term over one year, indicating amounts and periods in which payments will become due; and • significant restrictions, options and contingencies arising from leases. IAS 17 (Revised) provides for significantly enhanced disclosure.	Not specified	Disclose separately: • the amount of assets subject to finance and operational leases (disclosed separately); • total lease liabilities; and • the amount of the deferred financial expense related to finance lease contracts.	Disclose separately: • amount of assets subject to finance leases, and related accumulated depreciation; • aggregate amount of lease liabilities.	Comparable to IAS.	Disclosure separately: • total lease payments over the period of the term of the envisaged lease • lease payments (relating to financial lessee) actually paid as at the balance sheet date • specification of the future payments relating to financial leases according the actual maturity periods broken down into e.g.: due within one year, due within more than one year This can be disclosed separately according to individual groups (classes, categories) of fixed assets.	Comparable to IAS (EASB, Accounting for Leases).	No prescribed disclosure. As a part of the analysis of long-term and short-term liabilities Same in HAS	Disclose: • amount of assets subject to leases, and related accumulated depreciation by each major class of fixed assets; • lease liabilities, analyzed between current and long-term; • commitments under lease agreements if these agreements have significant effect on the Company's operations.	Assets owned in according to leasing contracts or similar irrevocable long-term agreements shall be reported at the amount specified in the leasing contract.	Disclose: • value of land under perpetual usufruct (operating lease according to IAS); • value of other fixed assets used under operating leases or rental agreements. For public companies additional disclosure of long term finance lease liabilities is required.	Comparable to IAS.	Not specified.	Disclose separately: • amount of assets subject to finance leases (which are "off-balance sheet"); • lease liabilities (which are "off-balance sheet"); • options and contingencies to be disclosed based on general requirement	(SAS 1.7, 1.8) The disclosure regarding assets subject to finance leases and lease liabilities is the same as IAS. No specific requirements for other disclosure.
Accounting treatment in the financial statements of lessors - finance leases (or equivalent)	Record in the balance sheet as a receivable, at an amount equal to the net investment in the lease. The recognition of finance income should be based on a pattern reflecting a constant periodic rate of return on either the lessor's **net investment** outstanding or the **net cash investment** outstanding in respect of the finance lease. The method used should be applied consistently to leases of a similar financial character. IAS 17 (Revised) specifies that income must be recognized so as to reflect a constant periodic rate of return on the lessor's **net**	Not specified	Lessors record: • A long-term receivable which includes the fair value of the leased out asset and the difference between the fair value of the asset and the total value of the lease contract, presented as deferred income; • Write off of the net book value of the leased out asset;	Record in the balance sheet as a receivable in the amount equal to the agreed value of leasing object plus expected finance return receipts. The recognition of finance income by financial institutions should be based on a pattern reflecting a constant periodic rate of return.	Comparable to IAS	Assets held for financial leases should be recorded as fixed assets in the balance sheet of the lessor and depreciated in a manner consistent with owned assets. Rental income should be recognized on a straight-line basis over the lease term.	Comparable to IAS (EASB, Accounting for Leases).	Record in the balance sheet as a receivable, at an amount equal to contracted lease fee (excluding interest payable). Financial income (interest) must be detailed in the lease contract, should be recorded at realization; time-proportionate amount has to be accrued.	Leased assets should be included in the books of the lessee. Accounting treatment is not further specified.	Not defined.	Not directly addressed. In practice a receivable recorded in the balance sheet at: • the amount equal to leased asset's value; • sum of lease payments value (not discounted), the difference being treated as deferred income. Method of finance	Comparable to IAS.	Record in the balance sheet as a receivable, at an amount equal to acquisition cost. At the same time the interest receivable is recorded.	Record in the balance sheet as fixed assets at cost less accumulated depreciation. Depreciation period (accounting and tax as well) is the term of the lease. The income (acquisition price + finance charges) from financial leases, should be recognized on a straight-line basis.	(SAS 18.11) Same as IAS.

Topic	International (IAS 17)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
	investment outstanding.		• Financial income allocated on a constant basis relative to the proportion of the installments in the total lease contract value; and • Installments received to decrease the initially recorded long-term receivable.	Corporate enterprises usually recognize finance income on a cash basis. Accrual basis is permitted by the rules but is not obligatory.							income recognition not specified.				
Accounting treatment in the financial statements of lessors - operating leases	Assets held for operating leases should be recorded as fixed assets in the balance sheet of the lessor and depreciated in a manner consistent with owned assets. Rental income should be recognized on a straight-line basis over the lease term, unless another systematic basis is more representatives. Incentives for the agreement of a new or renewed operating lease should be recognized as a reduction of the rental income over the lease term, irrespective of the incentive's nature or form, or the timing of payments. **[SIC 15]**	Not specified	Comparable to IAS.	Assets held for operating leases should be recorded as fixed assets in the balance sheet of the lessor as a separate line item and depreciated in a manner applied to other owned assets. Financial institutions should recognize rental income on a straight-line basis over the lease term. Corporate enterprises usually recognize rental income on a cash basis. Accrual basis is permitted by the rules but is not obligatory.	Comparable to IAS.	Comparable to IAS.	Comparable to IAS (EASB, Accounting for Leases).	Comparable to IAS. Rental income should be recognized based on invoice. (contract)	Leased assets should be included in the books of the lessor. Normally further accounting treatment including depreciation policy should be consistent with that for other assets. Accounting treatment is not further specified.	Not defined.	Not specified – in practice comparable to IAS.	Comparable to IAS.	The treatment of assets held for operating leases is comparable to IAS. Rental income is recognized taking into consideration the depreciation calculated for the related period (based on the depreciation method agreed between parties) and the agreed profit.	Assets held for operating leases should be recorded as fixed assets in the balance sheet of the lessor and depreciated in a manner consistent with owned assets. Rental income should be recognized on a straight-line basis over the lease term.	(SAS 18.19) Same as IAS. No SAS covers the treatment of rental income, use IAS.
Manufacturer/ dealer lessor	Manufacturers or dealer lessors should include selling profit or loss in the same period as they would for an outright sale. If artificially low rates of interest are charged, selling profit should be restricted to that which would apply if a commercial rate of interest were charged.	Not specified	Not specified.	No statutory rules exist in this area. These types of businesses account for leases in the manner prescribe by the general law.	Comparable to IAS.	Comparable to IAS.	Comparable to IAS (EASB, Accounting for Leases).	No specific rules regarding manufacturer or dealer lessors.	Not specified.	Not defined.	Not specified.	Comparable to IAS.	Not specified.	No regulation.	No SAS covers this area, use IAS.
Disclosure in the financial statements of lessors	Disclose: • gross investment in finance leases; • related unearned finance income; • unguaranteed residual values of leased assets; • basis of allocating income, indicating whether the return relates to net	Not Specified	Disclose: • amount of assets subject to finance and operating leases (separately disclosed); • total lease receivables; and	Disclose: • gross investment in finance/operating leases and related unearned finance income (for financial institutions); • gross investment in	Comparable to IAS.	Not specified in details, the leased asset is in notes of lessor considered as an ordinary fixed asset.	Comparable to IAS (EASB, Accounting for Leases).	Comparable to IAS.	Disclose: • historical cost, accumulated depreciation and net book value of leased assets and movement in these accounts by each major class of fixed	No specific disclosures required.	No specific disclosures required.	Comparable to IAS.	Not specified.	Disclose: • the amount of assets by each major class of assets together with related accumulated depreciation;	(SAS 18.19) Same as IAS.

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	investment or net cash investment; and • where a significant part of the business comprises operating leases, the amount of assets by each major class of assets together with related accumulated depreciation. IAS 17 (Revised) provides for significantly enhanced disclosure.		• the amount of the deferred financial income related to finance lease contracts.	investment in finance/operating leases and related unearned finance income (for corporate, which have chosen accrual basis for recording this type of income).					assets.						
Sale and leaseback transactions	Transactions which result in a finance lease - any excess of proceeds over the carrying amount is deferred and amortized over the lease term. Transactions which result in an operating lease and which are clearly at fair value - recognize profit or loss immediately. If the sale price is below fair value - recognize loss immediately except if it is compensated by future rentals at below market price, when it should be amortized over the period of use. If the sale price is above fair value - defer excess and amortize over the period of use. If the fair value at the time of the transaction is less than the carrying amount - recognize a loss equal to the difference immediately.	Not specified	Not specified.	No statutory rules exist in this area.	Comparable to IAS.	Not specified. General principles of prudence and accrual used.	If the sale-leaseback is a financial lease, the sales price of the asset is recorded as a liability. The asset remains in the accounts of the seller and is depreciated. No gain or loss is recognized – the carrying amount of the leased asset is the same as the carrying amount of the sold asset. Deferred income is not recognized, as this is not in line with the definition of a liability in EAL §3. If the flair value at the time of the transaction is less than the carrying amount same treatment as under IAS.	No specific rules for sale and leaseback transactions.	Not specified.	Not defined.	Not specifically addressed.	Comparable to IAS.	Not specified.	No regulation for sale and lease back. Sale would be recorded as normal sale with profit/loss recognized as of the date of the sale. Subsequent financial lease should be accounted for as described above.	No standard covers this area, use IAS.

11. Revenue

Topic	International (IAS 18)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Scope of standard	Principles to be applied in accounting for the revenue arising from: • sale of goods; • rendering of services; and • the use by others of assets of the enterprise yielding interest, royalties or dividends.	Comparable to IAS	Comparable to IAS.	Principles to be applied in accounting for revenue arising from: • sale of goods; • rendering of services; and • use by others of assets of the enterprise yielding interest, royalties or dividends.	Comparable to IAS.	Czech accounting legislation does not define revenues in detail. The Accounting procedures for businessmen, only specifies the recording of revenues.	Comparable to IAS (EASB, Revenue Recognition under the Revenue Principle).	Comparable to IAS..	LA, LYFS, MK regulations Nr 339.	Comparable to IAS. The use by others of assets of the enterprise yielding interest, royalties or dividend is not defined,	Not specified.	Comparable to IAS	Comparable to IAS. Also the principles apply to revenues from internally generated tangible and intangible assets and finished products stock variances.	Principles to be applied in accounting for the revenues arising from: • operating activities (sale of goods, sale of own products, rendering of services); • financing activities (including the use by others of assets of the enterprise yielding interest, royalties or dividends); and • extraordinary activities.	(SAS 18.1) Revenues should be classified as operating revenues, financial revenues and extraordinary revenues. Extraordinary revenues are dealt with under comparison of IAS 8.
Measurement of revenue	Revenue should be measured at the fair value of the consideration receivable. An exchange for goods/services of a similar nature and value is not regarded as a transaction, which generates revenue - exchanges for dissimilar items are regarded as generating revenue.	Comparable to IAS	Comparable to IAS.	Revenue should be measured at the fair value of the consideration receivable.	Comparable to IAS.	Comparable to IAS.	Comparable to IAS (EASB, Revenue Recognition under the Revenue Principle).	Comparable to IAS. No specific rules regarding exchange for goods/services.	Not specified	Not defined.	No general measurement rules specified – in practice revenue measured at the price specified in the agreement between the transacting parties. Fair values or discounting is not used. Rules for exchange of goods and services not specified.	Comparable to IAS	There is no equivalent definition in the RAS for fair value.	The basis for measurement of revenues is not exactly defined. It is however mentioned that receivables should be recognized at their nominal value (which for certain cases of long term receivables, can include interest). An exchange for goods/services (similar and dissimilar) is not specifically covered and is usually regarded as generating revenue.	(SAS 18.69 Revenue should be measured at selling prices stated in invoices and other documents, less discounts approved either when the sale is made or subsequently.
Criteria for recognition of revenue - sale of goods	Revenue should be recognized when all of the following criteria have been satisfied: • the seller has transferred to the buyer the significant risks and rewards of ownership; • the seller retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; • the amount of revenue can be measured reliably; • it is probable that the economic benefits associated with the transaction will flow to the seller; and • the costs incurred or to be incurred in respect of the transaction can be measured reliably.	Comparable to IAS	Comparable to IAS.	Comparable to IAS	Comparable to IAS.	Comparable to IAS.	Comparable to IAS (Revenue Recognition under the Revenue Principle).	Comparable to IAS	There are no specific criteria of recognition of revenue. To apply the guideline accounting policy adopted for the recognition of the revenue is used.	Comparable to IAS.	Not specified. In practice only billed revenue is recognized.	Comparable to IAS	The criteria for recognition are wider and more specific in IAS than in RAS. Revenues from sale of goods are recognized when the goods are delivered or at any other moment specified in the contract when the transfer of ownership took place.	Revenues should be recognized when goods are taken over by the customer or when service is delivered to the customer.	(SAS 18.6) Revenue from sale of goods should be recognized when: • the seller of the goods has transferred to the buyer all risks and rewards of ownership; • No significant uncertainty exists regarding the collection that will be derived from the sale of goods; • No significant uncertainty exists regarding the associated costs incurred or to be incurred in association with the goods;

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Topic	International (IAS 18)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
															• No significant uncertainty exists regarding the extent to which goods may be returned; Originally recorded revenues should be reduced also by the value of the goods that have been returned.
Criteria for recognition of revenue - rendering of services	Provided that all of the following criteria are met, revenue should be recognized by reference to the stage of completion of the transaction at the balance sheet date: • the amount of revenue can be measured reliably; • it is probable that the economic benefits will flow to the seller; • the stage of completion at the balance sheet date can be measured reliably; and • the costs incurred, or to be incurred, in respect of the transaction can be measured reliably. When the above criteria are not met, revenue should be recognized only to the extent of the expenses recognized that are recoverable.	Comparable to IAS	Comparable to IAS.	Provided that all of the following criteria are met, revenue should be recognized by reference to the stage of completion of the transaction at the balance sheet date: • the amount of revenue can be measured reliably; • a contractually agreed stage is completed and accepted by customer.	Comparable to IAS.	Comparable to IAS. Revenue from long term contract is recognized upon completion of the contract.	Comparable to IAS (EASB, Revenue Recognition under the Revenue Principle).	All revenue invoiced, accepted by the customer, performed before the balance sheet date has to be recorded as revenue independent of the stage of completion of the transaction.	Comparable to IAS	Comparable to IAS.	Not specified. In practice revenue recognized when work completed and billed. Before billing no revenue can be recognized and related costs are accumulated as work-in-progress. Revenue for work billed in advance should be deferred and charged to profit and loss account when completed.	Comparable to IAS	Not specified	This is not specifically covered by the regulations.	(SAS 18.7) The revenues arising from the rendering of services are recognized when the services have been completed, or by reference to the stage of completion when no significant uncertainty exists regarding: • the performance of the service and the consideration to be derived from it, • the costs incurred or to be incurred in rendering the services.
Criteria for recognition of revenue - interest, royalties and dividends	Provided that: • it is probable that the economic benefits will flow to the enterprise; and • the amount of revenue can be measured reliably revenue should be recognized as follows: • interest - on a time proportion basis that takes into account the effective yield; • royalties - on an accruals basis in accordance with the substance of the relevant agreement; and • dividends - when the shareholder's right to receive payment is established.	Comparable to IAS.	Comparable to IAS.	Provided that: • it is probable that the economic benefits will flow to the enterprise; and • the amount of revenue can be measured reliably revenue should be recognized as follows: • interest - on a time proportion or cash basis (optional); • royalties - on a cash or accruals basis in accordance with the substance of the relevant agreement (optional); and • dividends - when the shareholder's right to receive payment is established or	Comparable to IAS.	Comparable to IAS except of dividends Dividends are recorded when approved (at the general meeting).	Comparable to IAS (EASB, Revenue Recognition under the Revenue Principle).	Not specifically defined in HAS but generally the same treatment is accepted.	There are no specific criteria of recognition of revenue. To apply the guideline accounting policy adopted for the recognition of the revenue is used.	Comparable to IAS for interest. Not defined for royalties and dividends.	Not specific guidance. In practice straight line method for interest revenue Treatment of dividends not specified, but cash basis is used in practice. Treatment of pre-acquisition dividends not specified.	Comparable to IAS	The RAS has no equivalent concept.	Revenue should be recognized as follows: • interest - on a time proportion basis that takes into account the effective yield; • royalties - on an accruals basis in accordance with the substance of the relevant agreement; and • dividends - when the shareholder's right to receive payment is established.	(SAS 18.10) Financial revenues should only be recognized when no significant uncertainty as to their amount or collectability exists. Interests are recognized on a time proportion basis taking account of the principal outstanding and the rate applicable. Dividends from investments in subsidiaries are accounted for under the equity method when the investor's share of the profits or losses of the investor is established, while the dividends from associates are accounted for under the cost method when the shareholder's right to receive payment is established. (SAS 18.3) The

Topic	International (IAS 18)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
				on a cash basis (optional).											financial revenues appear in association with long- and short-term investments and comprise received interests and dividends or other shares of other enterprises' profit when there is no reasonable doubt with regard to the size, maturity and collectability of the amount due. •
Disclosure	Disclose: • the accounting policies adopted for the recognition of revenue, including the methods adopted to determine the stage of completion of transactions involving the rendering of services; • the amount of revenue derived from sale of goods, rendering of services, interest, royalties and dividends; and • the amount of revenue in each category arising from exchanges of goods or services.	Comparable to IAS.	Disclose separately if the item is material: • the amount of revenue derived from sale of goods, rendering of services, interest, royalties and other revenue.	Disclose: • the accounting policies adopted for the recognition of revenue; the amount of revenue derived from sale of goods, rendering of services, interest, royalties and dividends; and • the amount of revenue in each category arising from exchanges of goods or services.	Comparable to IAS.	Comparable to IAS, Revenues split to domestic revenues and export	Comparable to IAS (EAL Appendix 3).	Disclose: • the accounting policies adopted for the recognition of revenue; • amount of export and domestic sale; and • details of export revenue by geographical markets;	Disclose: • the accounting policies adopted for the recognition of revenue	Disclose: • Operating results. Revenue from sales and services must be presented according to each significant kind of activity. • Revenue and expenses from financial activities. Enterprise if free to choose the detailing criteria for gain and loses. On the face of financial statements the following kind of revenue should be disclosed: • Turnover from sales of goods; • Turnover from services rendered; • Other operating revenue; • Revenue from financial and investing activities; • Extraordinary gain.	Disclose: • the accounting policies adopted for revenue recognition; • the amount of revenue derived from sales of products (including rendering of services), goods for resale and materials, sales of fixed assets, grants, dividends and interest. For public companies separate disclosure of dividends and interest from subsidiaries, associates and parent company.	Disclose: • accounting policies • operating revenue • interest income • foreign exchange gains • other income	Disclose: • the amount of revenue desired from sale of goods, rendering of service, interest royalties, and dividend	Disclose: • revenue from sale of own products/goods and rendering of services per segments, i.e. main business lines and main territories; • revenue from sale of own products/goods and rendering of services relating to related parties; • interest income, separately related parties; • income from financial investments, separately related parties; • extraordinary revenue if material, separately related parties; • revenue relating to prior accounting periods if material, disclosed amount and description.	Disclose: • the accounting policies adopted for the recognition of revenue, including the methods adopted to determine the stage of completion of transactions involving the rendering of services; • the amount of revenue derived from operating activities: sale of goods, rendering of services; financial activities: interest, royalties and dividends, exchange rate differences, revaluation result; and extraordinary items. • Revenues on domestic and foreign market. • Related parties disclosure. • Capitalized own products.

12. Employee Benefits

Topic	International (IAS 19)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Scope of Standard	Applies to all retirement benefits provided under retirement benefit plans. Note: under IAS 19 (Revised) Employee Benefits, which is effective for accounting periods beginning on or after January 1, 1999, the scope of the standard has been extended to address other forms of employment benefits such as short-term employee benefits, termination benefits, equity compensation benefits and other long-term employment and post-retirement benefits.	Not specified.	NAS 19 specifies accounting for all employee-related costs.	There are no statutory rules in this area in view of the fact that retirement benefit plans are not practiced. All Belarussian entities are obliged to make contributions to the State pension fund.	Comparable to IAS.	Not specified. Note: In the Czech environment, enterprises are not allowed to provide many post-employment or long-term benefits, including pensions, life insurance and similar benefits as defined by IAS 19. These benefits are provided either by state (pensions) or specialized enterprises (pension funds, insurance companies).	Not specified.	Not specified	Regulation Nr.253 On pension fund's year statement	Not defined.	There is no retirement benefit system in Poland except for national pension fund and since 1999 obligatory private retirement system (both defined contribution systems). Some companies are obliged to pay one-off benefits to entitled employees at the moment of their retirement (defined benefit systems), but there is no direct obligation to provide for such liabilities.	Not specified. Retirement Benefit Costs are specified in the law on employees retirement contributions under the State regulations.	There is nothing in the RAS equivalent to this IAS.	No regulations.	Not specified.
Defined Contribution Plans	Contributions in respect of service in a particular period should be recognized as an expense in that period. Disclose: • general description of the plan, including employee groups covered; • expense recognized in the period; and • any other significant matters related to retirement benefits.	Not specified.	Recognize and disclose expenses in the period.	Not applicable.	Comparable to IAS.	Not specified.	Not specified.	Not specified	Comparable to IAS.	Not defined.	Comparable to IAS. No specific disclosures required.	Not specified.	There is nothing in the RAS equivalent to this IAS.	No regulations. For certain contribution schemes where defined contribution plans are in place, contributions are expensed.	Not applicable.
Defined Benefit Plans ***Recognition of current service cost***	Recognize as an expense in the current period.	Not specified.	Comparable to IAS	Not applicable.	Comparable to IAS.	Not specified.	Not specified.	Not specified	Comparable to IAS.	Not defined.	Not specified. In practice (to the extent it is applicable) recognized as an expense in the current period.	Not specified.	There is nothing in the RAS equivalent to this IAS.	No regulations.	Not applicable.
Recognition of cost other than current service cost	For existing employees - past service costs, experience adjustments and the effects of changes in actuarial assumptions or plan amendments should be spread systematically over the expected remaining working lives of the employees, except for certain plan amendments when the use of a shorter period is a better reflection of the receipt of economic benefits by the enterprise (e.g. when the plan is amended regularly it may be better to spread the effect over the period to the next plan amendment). When it is probable that a plan will be terminated or that the benefits will be curtailed or settled: • any resulting increase in the enterprise's liabilities should be recognized immediately as an expense; and • any resulting decrease in the	Not specified.	Not specified.	Not applicable.	Comparable to IAS.	Not specified.	Not specified.	Not specified	Regarding termination, curtailing or settlement comparable to IAS	Not defined.	Not specified. Based on general rules (if applicable) recognized in the current year profit and loss account as 'prior period' adjustment.	Not specified.	There is nothing in the RAS equivalent to this IAS.	No regulations.	Not applicable.

Topic	International (IAS 19)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
	enterprise's liabilities should be recognized as income in the period when the event occurs. For retired employees, reflect the present value of planned amendments in the period in which the amendment is made.														
Actuarial Valuation Methods	Benchmark - use accrued benefit valuation method. Allowed Alternative - use projected benefit valuation method. The effect of a change in method to be accounted for and disclosed as a change in accounting policy.	Not specified.	Accrued benefit valuation method should be applied only.	Not applicable.	Comparable to IAS.	Not specified.	Not specified.	Not specified	Not specified.	Not defined.	None specified.	Not specified.	There is nothing in the RAS equivalent to this IAS.	No regulations.	Not applicable.
Actuarial Assumptions	Assumptions to be used should be appropriate and compatible, incorporating projected salary levels to the date of retirement.	Not specified.	Assumptions to be used should be unbiased and mutually compatible and should incorporate: • demographic assumptions, including mortality rate, employees turnover rates, claim rates under medical plans, etc. • financial assumptions, including discount rate, future salary and benefits levels, future medical costs, expected rates of return on plan assets, etc.	Not applicable.	Comparable to IAS.	Not specified.	Not specified.	Not specified	Not specified.	Not defined.	Not specified.	Not specified.	There is nothing in the RAS equivalent to this IAS.	No regulations.	Not applicable.
Disclosures - defined benefit plan	Disclose: • general description of the plan, including employee groups covered; • accounting policies adopted, and a description of the actuarial valuation method; • whether or not the plan is funded; • expense/income recognized in the period; • the actuarial present value of promised benefits per the most recent actuarial report; • fair value of the plan's assets at the date of the most recent actuarial valuation; • any prepayment or accrual.	Not specified.	Disclose: • general description of the plan • accounting policies adopted for recognition of actuarial gains and losses • the present value of the liabilities for future benefits; • fair value of the plan's assets by category; • summary of the principal actuarial	Not applicable.	Comparable to IAS.	Not specified.	Not specified.	Not specified	Comparable to IAS.	Not defined.	Disclose: • accounting policies adopted, • based on disclosure requirements for all classes of provisions – the movement of the provision balance in the period showing opening balance, increases, applications and decreases in the year and closing balance.	Not specified.	There is nothing in the RAS equivalent to this IAS.	No regulations.	Not applicable.

Topic	International (IAS 19)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
	Where an employer has more than one plan, prepayments and accruals on different plans should not be offset; • summary of the principal actuarial assumptions used and details of any changes; • the date of the most recent actuarial valuation and the frequency of such valuations; and • any other significant matters, including the effects of a plan termination, curtailment or settlement that affect comparability with the previous period.		actuarial assumptions used and details of any changes; • expenses attributable to the length of service and effect of plan termination.												

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13. Accounting for Government Grants and Disclosure of Government Assistance

Topic	International (IAS 20)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Criteria for recognition	Government grants should not be recognized until there is reasonable assurance that: • the enterprise will comply with the conditions attaching; and • the grants will be received.	Comparable to IAS	Comparable to IAS.	Comparable to IAS.	Comparable to IAS.	Not specified, however general principles apply leading to the treatment comparable to IAS.	Comparable to IAS (EASB, Government grants).	Government grants should not be recognized until: • the grants have been received.	Comparable to IAS.	Not defined.	Not specified.	Not specified	The RAS does not require equivalent conditions.	No regulation, but the general practice is comparable to IAS:	(Sas 18.6) Same as IAS.
Income recognition	Recognize as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis - not to be credited directly to equity. Even where there are no conditions attached to the assistance specifically relating to the operating activities of the enterprise (other than the requirement to operate in certain regions or industry sectors), such grants should not be credited to equity. [SIC 10] A grant receivable as compensation for costs already incurred or for immediate financial support, with no future related costs, to be recognized as income in the period in which it is receivable. Grants other than in monetary form usually recorded at fair value, but sometimes recorded at a nominal amount.	Recognition as income criteria comparable to IAS. Not further specified.	Recognition of income: • for grants related to depreciable assets – recognize as income over the period to match them with the related costs (depreciation), on a systematic basis; • for grants related to non-depreciable assets, as well as tax concession – recognize as income on a systematic basis determined by the enterprise over a period not exceeding 20 years. Grants other than in monetary form are recorded at fair value.	Recognized as a component of equity at the moment of receipt. Grants other than in monetary form usually recorded at a nominal amount.	Comparable to IAS.	Comparable to IAS (except the treatment described in the following paragraph) Grant received specifically in order to improve the capital of the company (i.e. grant not intended to cover the costs or costs of fixed assets) should be credited to equity. The treatment of grants other than in monetary form is not specified.	Comparable to IAS (EASB, Government Grants).	From 1997 recognition of a grant is done through the profit and loss account, and it is not permitted to recognize it directly to equity. If the grant can be connected to some type of costs or assets, the company has to match the grant to the costs or assets. The grant has to credit directly to reserves if specified law or other regulation allows. A grant receivable as compensation for costs already incurred or for immediate financial support, with no future related costs, to be recognized as income in the period in which it is receivable.	Comparable to IAS. Grants other than in monetary form are usually recorded at market value, if it is impossible, this fact must be shown in the financial statement's annexes.	Not defined.	Grants relating to assets (specifically construction in process and development costs) – recognize as other operating income proportionately to relevant depreciation charges. Other grants should be credited directly to income.	Not specified	The RAS allows grants to be taken to equity.	Recognize as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis - not to be credited directly to equity. Grants receivable should be recorded in the period when the grant is approved, even when the period is different to the period when the grant costs are accrued. Grants other than in monetary form should be recorded as an asset at zero value.	Same as IAS. (SAS 1.3) Government grants for the purchase of tangible fixed assets remain part of provisions and will be disbursed according to the depreciation expenses.

Topic	International (IAS 20)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Presentation	Grants relating to assets may be presented as deferred income or by deducting the grant from the asset value. Grants relating to income may be reported separately as 'other income' or deducted from the related expense.	Not specified	Grants, related to depreciable assets are presented as separate long-term item on the face of the balance sheet. Grants relating to income are presented as separate item within the operating revenue.	Presented on the balance sheet as a separate item in equity. Statement of changes in equity discloses reconciliation of grant balances outstanding at the beginning and end of the year.	Comparable to IAS	Grants relating to assets should be deducted from the asset value. Grants relating to income are presented comparable to IAS.	Business enterprises record and present grants related to assets as a deduction from the assets value. Non-profit organizations, trusts, and government reporting entities record and present grants related to assets as a liability.	Grants relating to fixed assets may be presented as income, but should be accrued, and the accruals may be reversed when the company books the depreciation. If the grant is not related to fixed assets, that part of the grant that is not covered by costs in the same period when the company received the grant, must be accrued and reversed when the costs are incurred. Grants received for development purposes or not directly related to the normal business activities of the company must be presented as extraordinary revenue and should be accrued, and the accruals may be reversed when the company books the depreciation for these assets. Grants received directly related to the normal business activities of the company must be presented as other revenue.	Comparable to IAS.	Not defined.	Grants relating to assets should be presented as deferred income. Grants relating to income should be reported separately under 'other operating income' heading.	Not specified	Grants are recorded and presented in reserves and transferred to share capital when assets acquired are being used. Grants related to income are recorded and presented separately as "Income from grants received".	Grants (monetary) can only be presented as deferred income Grants relating to cost should be recorded as other operating income.	(SAS 10.1) separately disclosed as long-term provisions. Grants relating to income should be reported separately as operating income.
Repayment	A grant becoming repayable should be treated as a change in estimate. Repayment of a grant related to: • income - should be applied against any related unamortized deferred credit, and the balance as an expense; and • an asset - should be treated as increasing the carrying value of the asset or reducing the deferred income balance. The cumulative depreciation, which would have been charged had the grant not been received, should be charged as an expense.	Not specified	Repayment of a grant related to income or asset: • should be applied against any related not amortized grant liability, and the balance as an expense.	No statutory rules in this area exist.	Comparable to IAS.	Not specified However general principles apply leading to the treatment comparable to IAS.	Comparable to IAS (EASB, Government Grants).	If the grant must be repaid in the future, it must be recorded as a normal liability when the transaction occurred. No further treatment specified.	Comparable to IAS.	Not defined.	Not specified.	Not specified	There is no equivalent in the RAS.	Repayment of a grant related to: • income - should be applied against any related unamortized deferred credit, and the balance as an expense; and • an asset – should reduce the deferred income balance, and the balance as an expense.	No standard covers this area, use IAS where possible.

Topic	International (IAS 20)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Disclosure	Disclose: • the accounting policy adopted, including the method of presentation in the financial statements; • the nature and extent of grants recognized and an indication of other forms of government assistance; and • unfulfilled conditions and other contingencies attaching to government assistance that have been recognized.	Not specified.	Disclose: • conditions attaching to the grants; • the accounting policy adopted, related to recognition of income; • the nature and extent of grants recognized and an indication of other forms of government assistance; and • unfulfilled conditions and other contingencies attaching to government assistance that have been recognized.	No disclosure is required.	Comparable to IAS.	Not specified, general principle requiring disclosure of material information would apply.	Comparable to IAS (EASB, Government Grants).	Disclose: • If the company received grants from a Governmental Fund has to disclose the amount received, the utilization of the amount per year and per project in the Supplementary Notes.	Comparable to IAS.	Not defined.	Disclose: • the amount of deferred income in respect of unamortized balance of grants received; • amounts of grants charged to income in the year.	Not specified	• Not specified	No disclosure is required.	No standard covers this area, use IAS.

14. The Effects of Changes in Foreign Exchange Rates

Topic	International (IAS 21)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Transactions	Record initially at the rate of exchange at the date of the transaction (use of averages permitted if a reasonable approximation of actual). At subsequent balance sheet dates: ▪ retranslate monetary balances using the closing rate; ▪ non-monetary items carried at historical cost should not be retranslated; and ▪ non-monetary items carried at fair value denominated in foreign currency should be reported at the rate on the date of valuation.	Comparable to IAS. . ▪ retranslate monetary balances using the closing rate; ▪ non-monetary items carried at historical cost should not be retranslated; and ▪ not specified	Record initially at the rate of exchange at the date of the transaction. Monetary balances are retranslated at the closing exchange rate monthly, with exception of banks and financial institutions where retranslation is effected daily.	Record initially at the rate of exchange at the date of the transaction. At subsequent balance sheet dates: ▪ retranslate monetary balances using the closing rate; ▪ non-monetary items carried at historical cost should not be retranslated; and ▪ non-monetary items carried at fair value denominated in foreign currency should be reported at the rate on the date of valuation.	Comparable to IAS.	Comparable to IAS. Comparable to IAS: Central Bank's (CNB) official closing exchange rate should be used. Treatment of non-monetary items not specified.	Comparable to IAS (EAL § 26), Bank of Estonia exchange rate quoted at the date of the transaction must be applied. Comparable to IAS (EAL §26) the treatment shall restate monetary assets and liabilities denominated in foreign currencies using the Bank of Estonia exchange rate quoted on the balance sheet date.	Record initially at the rate of exchange at the date of the transaction, using buying rate in case of receivable and cash, selling rate in case of payable. At year and: • cash: the year-end buying rate is used if the foreign exchange rates per book are higher than the year-end rate. Otherwise, the historical rate is used, • receivable, prepayments : If the company. receives money by balance sheet preparation day, should use the buying rate of the date of financial settlement. If the receivable is still outstanding at balance sheet preparation date, the company has to use the year-end buying rate if it is lower than the historical rate. Otherwise, the historical rate is used, • payable, accruals: if the company pays back the money by balance sheet preparation day, then the selling rate of financial settlement. Is used. If the payable is still outstanding at balance	Record initially at the Bank of Latvia's rate of exchange at the date of the transaction. At subsequent balance sheet dates: • retranslate monetary balances using the closing rate; LR FM letter Nr. 23/24 as of 26.10.94	Comparable to IAS.	Record initially: • cash, investments and securities - at the buying or selling rate of the entity's bank; • other assets and liabilities – at the average National Bank rate at the transaction date unless customs clearance documents give a different rate. At subsequent balance sheet dates: • non-monetary items – carried at cost • monetary items – retranslate using the National Bank average rate for a given currency at the balance sheet date.	Comparable to IAS.	Comparable to IAS, National Bank of Romania exchange rate quoted at the date of the transaction must be applied. Comparable to IAS, the treatment shall restate monetary assets and liabilities denominated in foreign currencies using the national Bank of Romania exchange rate quoted on the balance sheet date.	Record initially at the rate of exchange at the date of the transaction (official rate of exchange published by National bank of Slovakia) At subsequent balance sheet dates: ▪ retranslate monetary balances using the closing rate; ▪ non-monetary items carried at historical cost should not be retranslated.	(SAS 5.10) Receivables toward foreign legal or natural persons are translated into expressions of the local currency at the exchange rate effective on their date of origin. The exchange rate deficit or surplus generated by the settlement date or the balance sheet date should be treated either as an item of financial revenue or an item of financial expenses. (SAS 11.9) Short-term liabilities to foreign legal or natural persons should be translated into expressions of the local currency at the exchange rate effective on the date of their accrual. The exchange rate gain or loss generated by the settlement date and/or the balance sheet date should be treated as an item of either financing expenses or financing revenues.

Topic	International (IAS 21)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
								sheet preparation date, the company should apply the year-end selling rate if it is higher than the historical rate. Otherwise, the historical rate is used, • other items carried at fair value denominated in foreign currency should be reported at the rate on the date of valuation.							
Recognition of exchange differences	Differences arising on the settlement or on the re-translation of monetary items at rates different to those at which they were originally recorded should be dealt with as income/expense in the period in which they arise. An exception is allowed when there has been a severe devaluation of a currency against which there is no practical means of hedging, affecting liabilities which cannot be settled and which arise directly from the recent acquisition of an asset invoiced in a foreign currency. In such circumstances, the difference may be added to the carrying amount of the related asset, provided that the resultant amount does not exceed the lower of replacement cost and recoverable amount. This exception can only be applied where the relevant liabilities could not have been settled and it was impracticable to hedge them prior to the severe devaluation or depreciation of the reporting currency. These circumstances are expected to occur very rarely. [SIC 11]	Comparable to IAS. If the action has not finished during the current period, the exchange differences are recorded as possible income/expenses. The possible income is neutral and it is not included in the profit/loss for the year. The possible loss is included in the profit/loss for the year with the help of a sum that is forecasted for a provision.	Comparable to IAS. No exception as under IAS exist.	The revaluation gains and losses are deferred in the following way: net foreign exchange difference for a period is deferred and monthly written off to PL account in the amount equal to 10 % of cost of goods sold which is charged to expenses during the respective period Specific regulations exist in the banking industry, which implies that at any date a part of arising exchange differences is kept on currency position accounts and can be computed as a difference obtained by setting off these accounts against each other. The Belarussian National Bank prescribes methodology according to which the exchange differences are eventually recognized as income/expense.	Comparable to IAS.	Differences arising on the settlement of monetary items (realized) should be dealt with as income/expense in the period in which they arise. Differences arising on the retranslation of monetary items (unrealized) should be recorded as other assets or liabilities, except for differences arising on retranslation of cash or cash equivalents that should be dealt with as income/expense. Provision for unrealized retranslation losses is recommended as appropriate. Differences relating to acquisition of fixed assets should form part of the cost of the fixed asset. No exception as under IAS exist.	Comparable to IAS (EAL §26).	Differences arising on the settlement or on the retranslation of monetary items at rates different to those at which they were originally recorded should be dealt with as income/expense in the period in which they arise. The foreign exchange gains or losses on those receivables or payables which were settled by the balance sheet preparation date relate to the current year, not to the year of financial settlement. The foreign exchange gain or loss on receivables or liabilities has to be recorded in other income or expenditure. The foreign exchange gain or loss on cash has to be recorded as other financial revenue or other financial expenditure.	Comparable to IAS's Benchmark. No alternatives allowed.	Comparable to IAS.	Differences arising on the settlement or retranslation of cash balances (or non-monetary items if required) at the balance sheet date should be dealt with as financial income/expense in the profit and loss account of the period in which they arise. Differences arising on retranslation of monetary items other than cash should be dealt with in the following way: • an excess of exchange losses over exchange gains which relates to the same foreign currency should be recognized as a financial expense; • an excess of exchange gains over exchange losses respectively should be included in deferred income (except for banks where it should be recognized as income).	Comparable to IAS	Differences arising on the settlement of monetary items at rates different to those at which they were originally recorded are recognized as income/expense in the period in which they arise. Differences arising on retranslation are recognized in the balance sheet as unrealized foreign exchange loss / unrealized foreign exchange gain. For a limited (specified by law) number of transactions the differences arising on settlement or on retranslation of monetary items is recognized in equity, as other reserves.	Differences arising on the settlement or on the re-translation of monetary items at rates different to those at which they were originally recorded should be dealt with as income/expense in the period in which they arise except for income related to retranslation that is not posted to profits. Retranslation of investments, payables, receivables and loans (monetary items) in foreign currency is accounted against special balance sheet accounts ("Unrealized foreign exchange losses" and "Unrealized foreign exchange gains") For unrealized foreign exchange losses is then created special provision in the liabilities/expenses. Retranslation of cash is made directly to profits. In the case of the recent acquisition of an asset invoiced in a foreign currency during the period of getting it ready for its intended use or sale (qualifying asset) the	(SAS 5.10, 11.9) See above. No exception as under IAS exist.

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														difference should be added to the carrying amount of the related asset.	
Exchange differences dealt with in reserves	Differences arising on a monetary item that, in substance, forms part of an investment in a foreign enterprise (settlement neither planned nor likely to occur) should be dealt with in reserves until the disposal of the net investment, at which time they should be recognized as income/expense. Differences arising on a foreign currency liability accounted for as a hedge of an enterprise's net investment in a foreign entity should be dealt with in reserves until the disposal of the investment, at which time they should be recognized as income/expense.	Not specified.	Not specified	In accordance with the statutory rules there are no exchange differences dealt with in reserves.	Comparable to IAS.	Not specified. Accounting principles do not assume recording any differences with in reserves. Principles described above should apply.	Comparable to IAS (EASB, Consolidated Accounts).	Not specified. N/A	Not specified.	Comparable to IAS.	No specific regulations on such monetary items. Hedge of net investment method not allowed.	Comparable to IAS	Not specified.	See treatment described above.	No standard covers this area, use IAS.
Forward contracts	Not specified.	Not specified	Not specified.	Forward contracts are accounted for on off balance sheet accounts till value date. On the value date The transactions and resulting exchange differences are recorded on the balance sheet in the regular order.	Comparable to IAS.	Not specified.	Forward contracts are recognized and measured in accordance with IAS 39 (EASB, Annual Accounts of Credit Institutions).	Not specified.	Comparable to IAS 39.	Not specified.	Not specified.	Not specified	Not specified.	Only disclosure required but accounting treatment is not specifically covered.	No standard covers this area, use IAS.
Consolidated financial statements ***Foreign operations that are integral to the operations of the reporting enterprise***	Translated using the temporal method (i.e. as if all of the transactions had been entered into by the reporting enterprise itself). Translation adjustments are included in net income.	Not specified	Not specified.	The statutory rules do not prescribe any requirements as to consolidation of subsidiaries.	Comparable to IAS.	Not specified.	Comparable to IAS (EASB, Consolidated Accounts).	Not specified.	Not specified.	Not defined.	Foreign operations are not distinguished from foreign subsidiaries and translated using general rules for self-sustaining foreign entities.	Not specified	No consolidated accounts are prepared.	Temporal method is not allowed, only standard consolidation using acquisition accounting for subsidiary is allowed.	Financial statements of the subsidiary are item by item translated into expression of the local currency at exchange rates effective on the balance sheet date. Currency translation adjustments are included in net income
Self-sustaining foreign entity	Translated as follows: • assets and liabilities translated at the closing rate; • income and expenses translated at the rates ruling at the date of the transaction (use of average acceptable), except when the entity reports in the currency of a hyper-inflationary economy, when the closing rate should be used; and • translation adjustments are reported as a separate component of shareholders' equity.	Not specified	Comparable to IAS except that use of average for translation of income and expenses items is not specified.	Not specified.	Comparable to IAS.	Not specified	Comparable to IAS (EASB, Consolidated Accounts).	There are two options for translation of the balance sheet: • every balance sheet item is translated at the official exchange rate of the Hungarian National Bank as at the date of the financial statements, • tangible, intangible assets, long-term investments and the items of	Not specified.	Not defined.	Translated as follows: • assets and liabilities - at the closing rate defined as the average National Bank rate ruling at the balance sheet date; • income and expenses – at the average rate defined as the arithmetical average of National Bank average rates on the last day	Not specified	Not specified.	Translated as follows: • assets and liabilities translated at the closing rate; • income and expenses translated using closing rates; • translation adjustments are reported as financial expense/income .	Translated as follows: • assets and liabilities translated at the closing rate; • income and expenses translated at the rates ruling at the date of the transaction (use of average acceptable), except when the entity reports in the currency of a hyper-inflationary economy, when

Topic	International (IAS 21)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
								equity (without profit of the year) are translated at historical foreign exchange rate. In case of other items the company has to use official Hungarian National Bank rate, • the second option allows for the translation difference, which has to be recorded as other revenue or other expenditure; the profit of the year necessarily changes. For the profit and loss account there are two translation possibilities: • in case of revenues we use the month-end buying rate, • for capitalized value of own performance, profit before tax, profit after tax, corporate tax we use the Hungarian National Bank rate, • for depreciation, material- type costs, write-off of assets, the Hungarian National Bank rate or monthly end selling rate is used, • if we apply the second method, the difference of the translated revenue and expenditure will not be equal to the profit translated at Hungarian National Bank rate. The difference has to be recorded as other revenue/expenditure. The amount of profit is not allowed to change.			of each month during the financial year; Translation adjustments reported as a separate component of shareholders' equity.				the closing rate should be used; and • translation adjustments are reported through P&L

Topic	International (IAS 21)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Disposal of foreign entity	The amount of the exchange differences previously deferred should be recognized as income or expense in the period in which the gain or loss on disposal is recognized.	Not specified	Not specified.	Not specified.	Comparable to IAS.	Not specified.	Comparable to IAS (EASB, Consolidated Accounts).	Not specified.	Not specified.	Not defined.	Similar as in IAS.	Not specified	No specified.	Not specified.	Not applicable.
Foreign entity reported in the currency of a hyper-inflationary economy	The financial statements of the foreign entity to be restated as required by IAS 29 Financial Reporting in Hyper-inflationary Economies before translation into the reporting currency.	Not specified	Comparable to IAS.	Not specified.	Comparable to IAS.	Not specified.	Not specified.	Not specified.	Not specified.	Not defined.	Not specified. In practice – no restatements.	Not specified	Not specified.	No regulation on hyperinflation accounting.	No SAS covers this area, use IAS 29.
Reclassification of a foreign operation	Revised translation procedures should be applied from the date of reclassification.	Not specified	Comparable to IAS.	Not applicable.	Comparable to IAS.	Not specified.	Not specified.	Not specified.	N/A	Not defined.	Not specified – no category of a foreign operation.	Not specified	Not specified.	Foreign operations are not specified and such companies would be accounted using standard approach for consolidation of subsidiaries.	No SAS addresses this; use IAS.
Disclosure	Disclose: • exchange differences included in the net profit or loss for the period; • net exchange differences classified as equity and a reconciliation of the amount of such differences at the beginning and end of the period; • differences arising during the period included in the carrying amount of an asset; and • the method selected to translate goodwill and fair value adjustments arising on the acquisition of a foreign entity. Disclose the reason for any change in reporting currency and, when the reporting currency is different to that of the country in which the enterprise is domiciled, the reason for using that currency.	Comparable to IAS	Disclose: • exchange differences included in the net profit or loss for the period; and	No requirements specified.	Comparable to IAS.	Specific disclosures required: • method of retranslating monetary items to local currency • movement of reserve for unrealized retranslation losses No other disclosure specifically required. General principle requiring disclosure of material information would apply.	Comparable to IAS.	Not specified.	Not specified	Not defined.	Disclosure: • net exchange differences from translation of foreign entities classified as equity at the beginning and end of the period.	Disclose: • gross amount of exchange differences should be included in the profit and loss account	Disclosure: • exchange differences included in the net profit or loss for the period. No further disclosure requirements specified.. The only reporting currency is "Romanian lei".	Disclosure: • exchange rate differences in the net profit or loss for the period and on the balance sheet, • reserve for exchange rate losses balance and movements during the year, • exchange rate translation principles used.	Disclose: • exchange differences included in the net profit or loss for the period; No further disclosure requirement specified.

15. Business Combinations

Topic	International (IAS 22)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Applicable standards	IAS 22 applies to all business combinations.	Not specified	Comparable to IAS.	No statutory rules in this area exist.	Comparable to IAS.	Czech legislation covers only some cases where IAS 22 is applicable. The following are the areas covered by Czech legislation: • acquisition of net assets, • compilation of consolidated statements, • mergers (accounting treatment is almost not defined). Czech law does not provide comprehensive details.	Comparable to IAS.	Not specified	LYFS, LR FM regulations.	Not defined.	Accounting Act, 1994. Decree of the Minister of Finance on preparation of consolidated financial statements for entities other than banks, 1995.	Comparable to IAS	There is nothing in the RAS equivalent to this IAS.	Specific solution for business combination is not defined. Standard consolidation policies for consolidating subsidiaries to be applied.	No SAS, use IAS.
Pooling of interests / merger accounting:	A pooling of interests is 'a business combination in which the shareholders of the combining enterprises combine control over the whole, or effectively the whole, of their net assets and operations to achieve a continuing mutual sharing in the risks and benefits attaching to the combined entity such that neither party can be identified as the acquirer'.	Not specified.	Comparable to IAS.	Not applicable.	Comparable to IAS.	Merger accounting/uniting of interest is not specified under Czech accounting legislation at all.	Comparable to IAS (EASB, Business Combinations).	Comparable to IAS.	N/A	Not defined.	Pooling of interest is not an allowed method of accounting for business combinations. The purchase method must be applied.	Comparable to IAS	Not specified.	No regulation.	No SAS, use IAS.
Criteria for use of pooling of interests / merger accounting	Indications are: • management's of the combining enterprises participate in the management of the combined entity; • the substantial majority of the voting common shares of the combining enterprises are exchanged or pooled; • the fair value of one enterprise is not significantly different from that of the other enterprise; and • shareholders of each enterprise maintain substantially the same voting rights and interest in the combined entity, relative to each other, after the combination as before. A business combination should be classified as an acquisition unless the last three characteristics outlined above are present. Even if all three are present, the combination should be presented as an uniting of interests only if the enterprise can demonstrate that an acquirer cannot be identified. [SIC 9]	Not specified	No criteria for use of pooling of interests / merger accounting specified in the NAS.	Not specified.	Comparable to IAS.	Not specified.	Comparable to IAS (EASB, Business Combinations).	Comparable to IAS	N/A	Not defined.	Not specified.	Comparable to IAS.	Not specified.	No regulation.	No SAS, use IAS.

Topic	International (IAS 22)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
	Contra-indications are: • financial arrangements provide a relative advantage to one group of shareholders; or • one party's share of the equity in the combined entity depends on how the business, which it previously controlled, performs subsequent to the business combination.														
Application of pooling of interests / merger accounting	Use of pooling of interests method is mandatory if definition is met: • combine financial statement items of uniting entities, in both the current and prior periods, as if they had been united from the beginning of the earliest period presented; • any difference between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount recorded for the share capital acquired should be adjusted against equity; and • costs of the combination should be expensed when incurred.	Not specified	Comparable to IAS.	Not specified.	Comparable to IAS.	Not specified.	Comparable to IAS, except for the fact that pooling can only be used in the case where the resultant company is not identifiable from the original parties.	Comparable to IAS	Not specified.	Not defined.	Not specified.	Comparable to IAS except for the fact that pooling can only be used in the case where the resultant company is not identifiable from the original parties.	Not specified.	No regulation.	(SAS 8.13) Business combinations operating as one entity upon a completed merger should be accounted for on the basis of the pooling of interests method: in addition to combining the assets, liabilities and reserves, it is necessary to exchange the voting ordinary shares of all enterprises party to the business combination. The pooling of interests method does not recognize any positive or negative goodwill.
Group reconstructions	Not specified.	Not specified	Not specified.	Not specified.	Comparable to IAS.	Not specified.	Not specified.	Comparable to IAS	Not specified.	Not defined.	Not specified.	Comparable to IAS	Not specified.	No regulation.	No SAS, use IAS.
Acquisition ***Definition***	A business combination in which one of the enterprises obtains control over the net assets and operations of another enterprise in exchange for the transfer of assets, insurance of a liability or issue of equity.	Comparable to IAS.	Comparable to IAS.	Not specified.	Comparable to IAS.	No similar definition exists. Acquisition of net assets regulated separately from acquisition of shares. As mentioned above Czech legislation does not distinguish between merger and acquisition accounting. However, the rules specified in Czech legislation are closer to application of acquisition accounting.	Comparable to IAS (EASB, Business Combinations).	Not specified.	Comparable to IAS.	Not defined.	Comparable to IAS.	Comparable to IAS	Not specified.	Not specified but from the common practice it is the same definition.	(SAS 8.12) Comparable to IAS and additionally, the result must be cessation of preparation of separate financial statements.
Application	Use of purchase method of accounting: • incorporate into the income statement the results of the acquiree from the date of acquisition; and • recognize in the balance sheet the assets and liabilities	Not specified	Comparable to IAS.	Not applicable.	Comparable to IAS.	Acquisition of net assets: Basically the same as under IAS. Acquisition of shares (consolidated financial	Comparable to IAS (EASB Business Combinations).	Comparable to IAS	Comparable to IAS. LYFS, LR FM regulations as of 17.01.99	Not defined.	Comparable to IAS.	Comparable to IAS	Not specified.	Not specified anywhere but from the common practice it is the same treatment.	(8.12) Same as IAS.

Topic	International (IAS 22)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
	of the acquiree and any goodwill or negative goodwill arising. The date of acquisition is the date on which control of the net assets and operations of the acquiree is effectively transferred to the acquirer.					statements): Actual date of acquisition is not important. Rather the date (usually 1st of January) of the first year of consolidation compilation is deemed to be the date of acquisition. From that date the results of acquiree are incorporated into consolidated income statement and its assets and liabilities recognized in consolidated balance sheet together with any goodwill or negative goodwill arising as at that date. Mergers: Actual date of acquisition is not usually the critical one for mergers. Rather the date a merger is registered by commercial register is deemed as the date of acquisition. Similar rules as for above are valid then.									
Recognition of assets and liabilities	Individual assets and liabilities to be recognized separately as at the date of acquisition when: • it is probable that any associated future economic benefits will flow to or from the acquirer; and • their cost/fair value can be measured reliably. Benchmark treatment - the assets and liabilities are measured at the aggregate of: • the fair value of the identifiable assets and liabilities acquired to the extent of the acquirer's interest obtained; and • the minority's proportion of the pre-acquisition carrying amounts of the assets and liabilities. Allowed alternative - the assets and liabilities may be measured at their fair values as at the date of acquisition with the minority interest being stated at their proportion of the fair values of the assets and liabilities.	Not specified	Comparable to IAS.	Not specified.	Comparable to IAS.	Not specified.	Comparable to IAS (EASB, Business Combinations).	Comparable to IAS	Comparable to IAS.	Not defined.	Individual assets and liabilities recognized in the financial statements of the acquirer at the date of acquisition. The assets and liabilities are measured at their market values as at the date of acquisition with the minority interest being stated at their proportion of the fair values of the assets and liabilities. Assets and liabilities can be measured at their pre-acquisition carrying amounts, if the difference between pre-acquisition carrying amounts and market values is not material.	Comparable to IAS	Not specified.	No definition.	No SAS, use IAS.

Topic	International (IAS 22)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Treatment of successive share purchases	Each transaction is treated separately for the purpose of determining the fair values of the assets/liabilities acquired and the amount of goodwill arising on that transaction - comparing each investment with the percentage of the fair values of the assets and liabilities acquired at each step. If the assets and liabilities are restated to fair values at the time of each purchase, adjustments relating to the previously held interests are accounted for as a revaluation.	Not specified	Comparable to IAS.	Not specified.	Comparable to IAS.	Not specified.	Comparable to IAS (EASB, Business Combinations).	Not specified	Not specified.	Not defined.	Comparable to IAS.	Comparable to IAS	Not specified.	No regulation.	No SAS, use IAS.
Detailed rules for the determination of fair values	Fair value of assets/liabilities determined by reference to their intended use by the acquirer. Guidelines are provided for the determination of fair values for specific categories of asset and liability. When an asset or business segment of the acquiree is to be disposed of, this is taken into consideration in determining fair value. *Note: IAS 22 (Revised 1998) which is effective for periods beginning on or after July 1, 1999 amends the detailed rules for the determination of fair values. In particular 'fair value' will no longer be determined specifically by reference to the intended use by the acquirer and liabilities arising from the acquirer's intentions should generally not be recognized. Stringent conditions are imposed on the recognition of provisions that were not liabilities of the acquiree at the date of acquisition.*	Not specified	Guidelines are provided for the determination of fair values for specific categories of asset and liability.	Not specified.	Comparable to IAS.	Acquisition of net assets: Fair value is to be determined by independent expert. Revaluation is possible under certain conditions only. Net book value of assets/liabilities is often applicable as the only practicable valuation. Acquisition of shares: Fair value issue is not covered at all when compiling consolidated financial statements. Mergers: It is possible to revalue assets within merger (such a merger does not necessarily constitute a change in existing group and as such might be quite formal). However, in reality this possibility is not usually exercised and assets/liabilities are valued at net book value instead.	Comparable to IAS (EASB, Business Combinations).	Comparable to IAS	Not Specified	Not defined.	Market value instead of fair value. No guidelines provided for the determination of market values.	Not specified	Not specified.	Not specified.	No SAS, use IAS.
Subsequent identification of changes in value of	Carrying amounts should be adjusted when additional evidence becomes available to assist with the estimation of the fair value of assets and	Not specified.	Comparable to IAS.	Not specified.	Comparable to IAS.	Only applying the prudence principle permits subsequent decrease of	Comparable to IAS (EASB, Business Combinations).	Comparable to IAS	Comparable to IAS.	Not defined.	Not specified.	Comparable to IAS	Not specified.	No regulation.	No SAS, use IAS.

Topic	International (IAS 22)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
value of assets and liabilities	the fair value of assets and liabilities at the date of acquisition. Goodwill should also be adjusted if the adjustment is made by the end of the first annual accounting period commencing after the acquisition (providing that it is probable that the amount of the adjustment will be recovered from the expected future economic benefits); otherwise the adjustment should be treated as income or expense.					decrease of carrying amounts. Subsequent increase of carrying amounts is not permitted.									
Cost of acquisition	The cost of the acquisition is the amount of cash paid and the fair value of the other consideration given by the acquirer, plus any costs directly attributable to the acquisition. Contingent consideration should be included in the cost of the acquisition at the date of the acquisition if payment of the amount is probable and it can be measured reliably. The cost of acquisition should be adjusted when a relevant contingency is resolved. When settlement of the consideration is deferred, the cost is the present value of such consideration and not the nominal amount.	Not specified.	Comparable to IAS.	Not specified.	Comparable to IAS.	The cost of the acquisition is the amount of cash paid and the net book value of the other consideration given by the acquirer without any costs attributable to the acquisition.	Comparable to IAS (EASB, Business Combinations).	Comparable to IAS	Comparable to IAS.	Not defined.	Not specified.	Comparable to IAS	There is nothing in the RAS equivalent to this IAS.	No regulation but from common practice it is the same. No regulation. No regulation.	No SAS, use IAS.
Goodwill	Capitalized and amortized over its useful life, a period that should not usually exceed five years. Amortization will normally be on a straight-line basis. A longer amortization period is permitted when the goodwill is so clearly related to an asset that it can reasonably be expected to benefit the acquirer over the useful life of that asset. In any case, the amortization cannot exceed 20 years. The unamortized balance should be reviewed at each period end and written off to the extent that it is no longer probable of being recovered. A write-down should not be reversed in a subsequent period. *Note: IAS 22 (Revised 1998) does not refer to an expectation of the useful life of goodwill as being 5 years or less, but specifies a rebuttable presumption that the useful of life of goodwill will not exceed 20 years.*	Not specified.	Capitalized and amortized over its useful life, a period that should not usually exceed 20 years. Amortization will normally be on a straight-line basis.	Not specified.	Comparable to IAS.	Acquisition of net assets: Goodwill acquired from others through acquisitions must be recorded as an asset and amortized (preferably straight-line) to earnings over its estimated life, which cannot exceed 15 years. Goodwill cannot be written off against stockholders' equity nor reduced to a nominal amount immediately after acquisition. Acquisition of shares (consolidated statements only): Goodwill is calculated as a difference between cost of the investment	Capitalized and amortized over its useful life, using the straight-line method, not exceeding 5 years (EAL §33).	Comparable to IAS	Capitalized and amortized over it's useful life (revised in 26.11.96). Linear method should be used. LYFS, FMR as of 17.01.96.	Not defined.	Where goodwill is recognized, amortization must be on a straight-line basis over a period that should not exceed 5 years.	Comparable to IAS	Not specified.	Two ways of treating goodwill exist, none of which defined as benchmark: (b) Capitalized and amortized over its useful life, the useful life is limited to the 5 years. Amortization will be on a scheduled basis (method is not exactly defined). (c) Debited directly to equity with retained earnings and other capital funds. Goodwill is presented in intangibles.	(SAS 2.16) Positive goodwill is the amount by which the costs of purchase of an acquisition exceed the fair value of the net identifiable assets acquired, adjusted by the liabilities of the acquired enterprise. Treatment is the disclosure in the F/S as an int. non-current asset to be amortized in 5 years. Negative goodwill is classified as a long-term provision also to be amortized in 5 years.

Topic	*International (IAS 22)*	*Albania*	*Bulgaria*	*Byelorussia*	*Croatia*	*Czech Republic*	*Estonia*	*Hungary*	*Latvia*	*Lithuania*	*Poland*	*Republic of Macedonia*	*Romania*	*Slovakia*	*Slovenia*
						the investment and equity of the daughter company as at the first year of consolidation. Any such goodwill is amortized over 5 years. Specific review is not required for goodwill at each period end.								No regulation on subsequent review of goodwill for impairment.	
Negative goodwill	**Benchmark treatment** - to eliminate it by reducing the fair values of non-monetary assets acquired on a proportionate basis. Any remainder is treated as deferred income and amortized to the profit and loss account over a period normally not exceeding five years. **Allowed alternative treatment** - to regard the whole amount as deferred income and to recognize it in income over a similar period. *Note: Under IAS 22 (Revised 1998) negative goodwill be deferred and matched with any expected future losses or expenses to which it relates. To the extent that it does not relate to identifiable future losses or expenses, it should be recognized as income on a systematic basis over the remaining useful lives of the depreciable assets acquired and, to the extent that it exceed the fair values of such assets, it should be recognized as income immediately.*	Not specified	Negative goodwill should be treated as deferred income and should be recognized as income over a period not exceeding 20 years from the date of the acquisition. Negative goodwill will be deferred and matched with any expected future losses or expenses to which it relates. To the extent that it does not relate to identifiable future losses or expenses, it should be recognized as income on a systematic basis over the remaining useful lives of the depreciable assets acquired and, to the extent that it exceed the fair values of such assets, it should be recognized as income immediately.	Not specified.	Comparable to IAS.	Not specified explicitly - similar approach as to goodwill is usually applied.	Comparable to IAS (EASB, Business Combinations). Allowed alternative treatment shall not be applied.	Not specified.	Comparable to IAS Benchmark treatment. No alternative treatment allowed. FMR as of 17.01.96.	Not defined.	Treated as deferred income and amortized to the profit and loss account over a period not exceeding five years.	Comparable to IAS **Allowed alternative treatment** shall not be applied	Not specified.	Negative goodwill is presented as special category out of equity and liabilities. It is possible to amortize negative goodwill if there were expectations of losses which were fulfilled. It is possible to off-set positive and negative goodwill giving appropriate disclosure in footnotes	(SAS 10.5) Negative goodwill may arise on acquisition of another enterprise if the cost of the acquisition is lower than the aggregate fair value of identifiable assets and liabilities acquired. Negative goodwill should be recognized in revenues over a period of five years.
Treatment of goodwill upon disposal of acquired enterprises.	Not specified.	Not specified	Not specified.	Not specified.	Comparable to IAS.	Goodwill forms part of the gain/loss on disposal of acquired enterprise.	Forms part of the gain/loss on disposal (EASB, Business Combinations).	Comparable to IAS	Not specified.	Not defined.	The unamortized balance of the goodwill should be included in determination of the gain or loss on disposal.	Forms part of the gain/loss on disposal	Not specified.	It is possible to transfer it to the other capital funds if it represents from selling company related to this negative goodwill. For positive goodwill treatment is not specified.	No SAS, use IAS.
Reverse acquisitions	Where an entity (the issuer) acquires another entity (the target) such that control of the combined enterprise passes to the holders of the shares issued as consideration (i.e. to the shareholders of the target), then the issuer may be deemed to have been acquired by the target and the purchase method of accounting be applied to the assets and liabilities of the	Not specified.	Not specified.	Not specified.	Comparable to IAS.	Not specified.	Comparable to IAS if the combiner is identifiable (EASB, Business Combinations).	Comparable to IAS.	Not specified.	Not defined.	Not specified.	Comparable to IAS	Not specified.	No regulation.	No SAS, use IAS.

Topic	International (IAS 22)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
	issuer.														
Disclosure	For all business combinations: • names and details of combining enterprises; • method of accounting; • effective date of combination; and • any operations which the enterprise has decided to dispose of. For uniting of interests, disclose: • details of shares issued and the percentage of each enterprise's voting shares exchanged; • assets/liabilities contributed by each enterprise; • sales revenue, other operating revenues, extraordinary items and net income of each enterprise prior to the combination date. For acquisitions, disclose: • percentage of voting shares acquired; • cost of acquisition and description of consideration paid/contingently payable; and • nature and amount of provisions for restructuring and other plant closure expenses arising as a result of the acquisition. Subsequent adjustments to fair values should be disclosed and explained. For business combinations effected after the balance sheet date, the same disclosures should be made, if practicable. In respect of goodwill, disclose: • accounting treatment and period of amortization (positive and negative); • where the amortization period exceeds 5 years, justification of the period adopted; • when amortization is not straight-line, the basis used and justification for its use; and • a reconciliation between	Not specified.	Comparable to IAS.	Not specified.	Comparable to IAS.	Facts on business combination should be disclosed in Notes to Financial statements based on general concept that all significant information should be disclosed. However, specific requirements are not listed. Practically it may be assumed that similar information as per IAS would be disclosed.	Comparable to IAS (EASB, Business Combinations).	Comparable to IAS	For all business combinations: • names and details of combining enterprises; • method of accounting; • effective date of combination; and • any operations which the enterprise has decided to dispose of. And all significant events from the end of prior financial year.	Not defined.	In respect of goodwill: • accounting treatment and period of amortization, • a reconciliation between opening and closing balances on goodwill. • Gain or loss on disposal of acquired enterprises and net assets of disposed enterprises.	Comparable to IAS	Not specified.	For all business acquisitions: • names and details of combining enterprises; • method of accounting; • effective date of combination; and • any operations which the enterprise has decided to dispose of. Uniting of interests is not covered by the regulations. For acquisitions, disclose: • percentage of voting shares acquired; In respect of goodwill, disclose: • accounting treatment and period of amortization (positive and negative); • information on off-set of positive and negative goodwill.	No SAS, use IAS.

Topic	International (IAS 22)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
	opening and closing balances on goodwill.														

Deloitte & Touche

16. Borrowing Costs

Topic	International (IAS 23)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Meaning of 'borrowing costs'	Borrowing costs include: • interest on bank overdrafts and borrowings; • amortization of discounts or premiums on borrowings; • amortization of ancillary costs incurred in the arrangement of borrowings; • finance charges on finance leases; and • exchange differences on foreign currency borrowings where they are regarded as an adjustment to interest costs.	Not specified	Not specified.	Borrowing costs include: • interest on bank overdrafts and borrowings; • finance charges on finance leases; • amortization of discounts or premiums on borrowings; • exchange differences on foreign currency borrowings where they are regarded as an adjustment to interest costs.	Comparable to IAS.	Borrowing costs include: • Interest due to banks • Interest on late payments under a credit agreement • Obligation to pay interest in the case of loan or financial transactions (including discounting of securities) • Foreign exchange rate differences on foreign currency borrowings • Financial costs incurred in the arrangement of borrowings (bank charges, insurance, bank collateral)	Not specified.	Borrowing costs include: • interest on bank overdrafts and borrowings; • The fee for any bank guarantee paid prior to drawdown of a credit or loan and prescribed as a prerequisite to the credit or loan; • The fee for handling and disbursement commission paid on the drawdown of a credit or loan as specified in the contract, and the commitment commission charged up to the drawdown of the credit; • The fee for notarization of the contract of a credit or loan; • The interest incurred on a credit or loan up to the putting into operation or delivery of the asset to the warehouse;	Comparable to IAS.	Not defined.	Not defined but generally refers to: • interest expenses (including amortization of discounts); • related ancillary charges incurred in the arrangement of borrowings; and • exchange differences arising on foreign currency borrowings.	Comparable to IAS	Not specified.	No exact definition of borrowing costs, but as examples named and as practice used in general- borrowing costs include: • interest on bank overdrafts and borrowings; • discounts or premiums on borrowings; • ancillary costs incurred in the arrangement of borrowings; • exchange differences on foreign currency borrowings	Borrowing costs include: • interest on bank overdrafts and borrowings (Short-term borrowings – real and revaluation interest and exchange rate differences could be considered borrowing costs. SAS 17.14. Long-term borrowings - The portion of interest as well as foreign exchange gains/losses associated with the revaluation of received loans and credits should be accounted for as an item of utilization of the revaluation results as defined in SAS 17.13.); • amortization of discounts or premiums on borrowings; • finance charges on finance leases; and • exchange rate differences on foreign currency borrowings where they are regarded as an adjustment to interest costs.
Treatment of borrowing costs	Benchmark treatment - expense all borrowing costs in the period in which they are incurred. Allowed alternative treatment - borrowing costs in relation to the acquisition, construction and production of qualifying assets should be capitalized. Where the allowed alternative is adopted, that treatment should be applied consistently to all borrowing costs incurred for the acquisition, construction and production of qualifying assets. [SIC 2]	Comparable to IAS The allowed alternative treatment is not specified.	Not specified.	Expense all borrowing costs in the period in which they are incurred, except the cases when borrowing costs relate to the acquisition, construction and production of qualifying assets. The latter type of costs should be capitalized to these assets.	Comparable to IAS.	Not specified. The same treatment. Borrowing costs in relation to the acquisition of qualifying assets should be capitalized.	Comparable to IAS. Similar treatment if constructing tangible assets for own use (EASB, Balance Sheet Accounts).	The borrowing cost can be capitalized in case of constructions. If the above mentioned borrowing costs can be tied to specific construction on reasonable certainty they have to be capitalized.	Comparable to IAS.	Not defined.	Borrowing costs including interest, creditors' commissions and exchange differences related to the acquisition or construction of fixed assets incurred in the period of their construction should be capitalized. Not qualifying borrowing costs should be expensed in the period in which they are incurred on an accrual basis	Comparable to IAS. Allowed alternative treatment - if constructing tangible assets for own use.	As per IAS. Allowed alternative treatment - borrowing costs in relation to the acquisition, construction and production of qualifying assets may be capitalized	Treatment is to expense all borrowing costs in the period in which they are incurred (interest, foreign exchange differences, discounts, premiums and ancillary cost. No amortization for discounts, premiums and ancillary cost is specifically allowed by the regulation) except interest and foreign exchange differences (realized - related to payments) in relation to the	(SAS 17.9.) Same as IAS. (SAS 17.9) Real interests are included in financial expenses at amounts computed in the relevant period, unless they are included in property, plant and equipment or intangible fixed assets. (SAS 1.4) Self-constructed tangible fixed assets include real interest costs

Topic	International (IAS 23)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
											basis.			acquisition, construction and production of tangible fixed assets.	relating to borrowings. (SAS 2.7) The costs of purchase should not include expenses that have not contributed to the development of the intangible fixed assets, or that the market does not recognize, but they may include the cost of real interest on loans obtained to develop the services prior to the amortization. (SAS 2.17) Among costs of organization is included cost of Interest on loans obtained to finance the stage of operations, incurred prior to commencement of operations of the enterprise.
Definition of qualifying assets	A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.	Not specified	Not specified.	The rules prescribe a limited number of the qualifying assets: fixed assets, construction in progress and intangible assets.	Comparable to IAS.	A qualifying asset is an asset, which will be in use long period. (more one year).	Not specified.	There is no such category under HAS.	Comparable to IAS.	Note defined.	Not specified – in practice assets that require substantial time to get ready for intended use.	Not specified	Not specified.	No regulation	Same as IAS.
Costs eligible for capitalization	Where funds are borrowed specifically, costs eligible for capitalization are the actual costs less any income earned on the temporary investment of such borrowings. Where funds are part of a general pool, the eligible amount is determined by applying a capitalization rate to the expenditure on that asset. The capitalization rate will be the weighted average of the borrowing costs applicable to the general pool. Borrowing costs capitalized in a period should not exceed the borrowing costs incurred in that period.	Not specified	Not specified.	Costs eligible for capitalization are the actual borrowing costs incurred.	Comparable to IAS.	Not specified.	Comparable to IAS, if capitalization is allowed (EASB. Balance Sheet Accounts).	Not specified.	Comparable to IAS.	Not defined.	Generally interest, creditors' commissions and exchange differences on loans, borrowings, prepayments and other liabilities incurred in the period of an asset construction. In practice: • when financing is obtained specifically – actual costs incurred; • when fund constitutes part of a general pool – weighted average rate applicable to the general funding pool.	Comparable to IAS.	Not specified.	Interest and foreign exchange differences (realized - related to payments) in relation to the acquisition, construction and production of tangible fixed assets should be capitalized. Income earned on temporary investment of borrowings should be recorded via P&L. For pool of assets there is no specific regulation, but practice for allocation of borrowing cost into acquisition price for general pool of assets can be similar to that used in IAS	Same as IAS, except for the reduction of income earned on temporary investment.
Commencement of capitalizati	Commence capitalization when:	Not specified	Not specified.	Commence capitalization when	Comparable to IAS.	Commence capitalization when:	Commence capitalization if the borrowing	Comparable to IAS	Comparable to IAS.	Interest on borrowed amounts intended	Commence capitalization at the moment the	Comparable to IAS.	Not specified.	Commence capitalization when:	Same as IAS.

Topic	International (IAS 23)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
on	• expenditures are being incurred; • borrowing costs are being incurred; and • activities that are necessary to prepare the asset for its intended use or sale are in progress (may include some activities prior to commencement of physical production).			expenditures are being incurred. Thus, the commencement depends on what related accounting policy is chosen by enterprise, either an accrual or cash basis.		• Expenditures are being incurred. • Commencement of acquisition of qualifying asset • Commencement of interest paid.	costs occur within construction period (EASB, Balance Sheet Accounts).			for purchase or production of long-term assets, until use of the assets shall be included in the cost of the long-term assets and amortized in the course of use of the assets. This fact shall be mentioned in the Notes relating to the Annual Accounts.	construction of an asset is started.			• expenditures are being incurred or • borrowing costs are being incurred, and • activities that are necessary to prepare the asset for its intended use or sale are started and in progress.	
Suspension of capitalization	Suspend during periods in which active development is interrupted. Normally not suspended during a period when substantial technical or administrative work is being carried out or when a temporary delay is a necessary part of the process of getting an asset ready for its intended use or sale.	Not specified	Not specified.	Not specified.	Comparable to IAS.	Not specified.	Comparable to IAS (EASB, Balance Sheet Accounts).	Not specified.	Comparable to IAS.	Not defined.	Not specified.	Comparable to IAS.	Not specified.	No regulation for suspension. It is mentioned that the cost for securing the assets and conservation works can be capitalized	(SAS 1.4) Same as IAS.
Cessation of capitalization	Capitalization should cease when substantially all of the activities necessary to prepare the asset for its intended use or sale are complete. If only minor modifications are outstanding, this indicates that substantially all of the activities are complete. Where construction is completed in stages, which can be used while construction of the other parts continues, capitalization should cease when substantially all of the activities necessary to prepare that part for its intended use or sale are complete.	Not specified	Not specified.	Capitalize until fixed assets are put to operation. Then to expenses.	Comparable to IAS.	Capitalization should cease when the asset is put in use.	Cease capitalization at the end of the construction period and when carrying amount equals recoverable amount (EASB, Balance Sheet Accounts).	Not specified.	Comparable to IAS.	Note defined.	Cease capitalization at the moment the construction is brought into use and transferred to fixed assets (when it is complete and ready to use).	Cease capitalization at the end of the construction period	Not specified.	Capitalization should cease in the moment of getting an asset ready for its intended use or sale.	Same as IAS.
Disclosure	Disclose: • the accounting policy adopted; • the amount capitalized during the period; and • the capitalization rate used to determine the borrowing costs eligible for capitalization.	Not specified	Not specified.	Not specified.	Comparable to IAS.	Disclose: • the way of valuation including description of assessment of acquisition price of long term asset.	Comparable to IAS (EAL Appendix 3, EASB Balance Sheet Accounts).	The accounting policy concerning capitalization has to be stated in the supplementary notes.	Comparable to IAS.	Not defined.	Not specified	Comparable to IAS.	Not specified	Disclose: • the accounting policy adopted; • purpose of the loans and interest related to each loan	Same as IAS.

17. Related Party Disclosures

Topic	International (IAS 24)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Definition of related party	Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence over the other party in making financial and operating decisions.	Comparable to IAS	Comparable to IAS.	No statutory rules requiring related party disclosures exist.	Comparable to IAS.	The definition is different for various purposes.	Comparable to IAS (EASB Equity Method / Consolidated Accounts).	Comparable to IAS	Comparable to IAS.	Not defined.	Related parties are defined indirectly through the definition of a parent company included in the 'Act', and definitions of control and significant influence provided in the accompanying regulations. More precise definition in regulations for listed companies.	Not specified	There is nothing in the RAS equivalent to this IAS.	No such definition exists. Related parties are just described via examples as described below.	(Preface to SAS, point 9,) The parent company should have: an absolute majority of the votes of shareholders or members of shareholders assembly in the subsidiary; The right to appoint the majority of members of the board of directors, management board or supervisory board in the subsidiary, and is also owner of shares, permanent deposits or similar in the subsidiary; A majority control in the subsidiary exercised as specified in the paragraph above without having shares, permanent deposits or similar in the subsidiary; The power to cast more than one half of the votes of shareholders or members of shareholders assembly by virtue of an agreement with other investors.
Application of the standard	Restricted to the following relationships: • entities that control, or are controlled by, or are under common control with, the reporting entity (e.g. holding companies, subsidiaries and fellow subsidiaries); • associates; • individuals owning an interest in the reporting enterprise that gives significant influence over it, and close family members of any such individual; • key management personnel, and their close family members; and • enterprises in which a substantial interest is owned by any of the individuals included above, or over which such an individual is able to exercise significant influence.	Comparable to IAS	Comparable to IAS.	Not specified.	Comparable to IAS.	Comparable to IAS.	Comparable to IAS (EASB, Cost Principles – Equity Method – Consolidated Accounts).	Comparable to IAS	Comparable to IAS and in addition: ▪ client, supplier or other person upon which the company is economically very dependent.	Not defined.	Restricted to the following relationships: • parent companies, subsidiaries and associates, • members of management board and supervisory board and their close family members (clearly defined) and persons otherwise connected by relationship of guardianship, adoption or warship; • enterprises in which individuals included above are significant shareholders or	Not specified	Not specified.	Related party means • entities, who directly or indirectly through one or more levels of control interest toward particular entity or its mother company • joint ventures and associates • individuals with direct or indirect significant influence though their voting rights and their relatives • key management • entities in which individuals mentioned in above points	No SAS covers this area. Also see definition of related parties for tax purposes in the Law on tax on profit.

Topic	International (IAS 24)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
											partners. Wider and more precise description of relevant relationships included in regulations for public companies.			have directly or indirectly significant interest or significant influence	
Disclosures required in respect of transactions	If there have been transactions between related parties, disclose: • the nature of the relationship; • the types of transactions; and • the elements of the transactions necessary for an understanding of the financial statements (i.e. an indication of volume, outstanding items, pricing policies).	Comparable to IAS	If there have been transactions between related parties, disclose: • the types of transactions; and • the elements of the transactions necessary for an understanding of the financial statements (an indication of volume, outstanding balances, pricing policies).	Not specified.	Comparable to IAS.	Not specified. Usually the following is disclosed: • related party receivables and payables in the financial statement • provided loans and borrowings to the related parties in cash flow.	Comparable to IAS (EASB Equity Method - Consolidated Accounts).	Comparable to IAS	Comparable to IAS.	Not defined.	Information (but no guidance is provided as to the type of information) about transactions with subsidiaries and associates excluded from consolidation, individuals and enterprises specified above should be disclosed. Additionally disclosure of emoluments (including profit share) paid and loans made to members of management board and supervisory board is required. In individual financial statements of a parent company disclose in respect of subsidiaries and associates: • amount of long term investments in those companies; • accounts receivable and payable; • costs and revenues and other data necessary for drawing up consolidated financial statements.	Not specified	Not specified.	If there have been transactions between related parties, disclose: • the nature of the relationship; • the types of transactions; and • the elements of the transactions necessary for an understanding of the financial statements (i.e. an indication of volume, outstanding items, pricing policies).	Same as IAS.
Aggregation	Items of a similar nature may be disclosed in aggregate except when separate disclosure is necessary for an understanding of the effects of related party transactions on the financial statements of the reporting enterprise.	Comparable to IAS	Not specified.	Not specified.	Comparable to IAS.	Not specified.	Not specified.	Not specified.	Comparable to IAS.	Not defined.	Not specified.	Not specified	Not specified.	No regulation.	Same as IAS.
Disclosure of control	Related party relationships where control exists should be disclosed, even where there have been no transactions.	Not specified	Not specified.	Not specified.	Comparable to IAS.	The accounting unit shall disclose the name and registered office of each business company and co-	Not specified.	Not specified.	Comparable to IAS.	Not defined.	For all subsidiaries and associates should be disclosed: • % of shares	Not specified	Not specified.	Related party relationships where control exists should be disclosed, even where there have	Same as IAS.

Topic	International (IAS 24)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
						company and co-operative in whose registered capital it has more than a 20 % proportionate share and specifies its proportionate share in each such enterprise.					ownership; • % of effective involvement in management; • profit or loss for the last accounting period.			where there have been no transactions.	
Exclusions from definition of related party	The following are deemed not to be related: • two companies simply because they have a director in common (but need to consider influence on both companies); • providers of finance, trade unions, public utilities, government departments and agencies in the course of their normal dealings with an enterprise; and • a single customer, supplier, franchiser, distributor or general agent with whom an enterprise transacts a significant volume of business merely by virtue of the resulting economic dependence.	Not specified	The following are deemed not to be related: • providers of finance, public utilities, government departments and agencies in the course of their normal dealings with an enterprise; • a single customer, supplier, franchiser, distributor or general agent with whom an enterprise transacts a significant volume of business merely by virtue of the resulting economic dependence; and • banks when they act only as providers of finance.	Not specified.	Comparable to IAS.	Not specified.	Not specified.	Not specified.	Comparable to IAS	Not defined.	Not specified.	Not specified	Not specified.	The following are deemed not to be related: • two companies simply because they have a director in common (but need to consider influence on both companies); • providers of finance, trade unions, public utilities, government departments and agencies in the course of their normal dealings with an enterprise; and • a single customer, supplier, franchiser, distributor or general agent with whom an enterprise transacts a significant volume of business merely by virtue of the resulting economic dependence.	Same as IAS.
Exemptions	No disclosure required: • in consolidated financial statements in respect of intra-group transactions; • in parent financial statements, where they are made available or published with consolidated financial statements; • in financial statements of a wholly owned subsidiary if its parent is incorporated in the same country and provides consolidated financial statements in that country; and • in financial statements of state-controlled enterprises of transactions with other state-controlled enterprises.	Comparable to IAS	No disclosure required: • in consolidated financial statements in respect of intra-group transactions.	Not specified.	Comparable to IAS.	Not specified.	Not specified.	The receivable and payable relating to related parties have to be reclassified into a separate category in the balance sheet.	Not specified.	Not defined.	No disclosure required in consolidated financial statements in respect of intra group transactions with subsidiaries and associates subject to consolidation.	Not specified	There is nothing in the RAS equivalent to this IAS.	No regulation.	Same as IAS.

Deloitte & Touche

18. Accounting for Investments

Topic	International (IAS 25)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Classification of investments	A current investment is an investment that is by nature readily realizable and intended to be held for not more than one year. A long-term investment is an investment other than a current investment. IAS acknowledges the role of management's intentions and states that "the fact that a marketable investment has been retained for a considerable period does not preclude its classification as current".	Comparable to IAS	Comparable to IAS (Accounting Law).	A current investment is an investment that is by nature readily realizable and intended to be held for not more than one year. A long-term investment is an investment other than a current investment.	Comparable to IAS.	Comparable to IAS.	Comparable to IAS (EASB Balance Sheet Accounts).	The same treatment under HAS. The classification has to be determined by the company. If this classification has changed since the previous year, it has to be stated in the supplementary notes.	Comparable to IAS.	Comparable to IAS.	Not specified – in practice comparable to IAS.	Comparable to IAS	A "short term investment" is an investment acquired in order to obtain a profit in a short-term period. A "long term investment" is an investment acquired in order to control or in order to have a significant influence over the issuer or in order to keep them for long periods of time.	A current investment is an investment that is by nature readily realizable and intended to be held for not more than one year. A long-term investment is an investment other than a current investment. No other regulation.	(SAS 3.19) Short-term investment is an investment intended to be held for not more than one year. Long-term investment is an investment intended to be held for more than one year and/or an indefinite period. (SAS 6.4) Portion of long-term investments repayable within one year following the balance sheet date should also be recorded as a short-term investments. (SAS 3.20) Long-term investments are investments in other enterprises intended to be held for a number of years to generate financial revenues and other benefits and/or to maintain as well as increase the value of the investments.
Requirement to classify	Where a distinction is made between current assets and long-term assets - investments should be presented accordingly. Even where no distinction is made for presentation purposes, it is still required for measurement purposes.	Comparable to IAS Not specified	Current investments are presented as current assets and long-term investments – as fixed assets.	The classification is required.	Comparable to IAS.	Investments are required to be split into current and long-term investments. By long-term financial investments is required division according ownership percentage: • Shares with controlling influence > 50 • Shares with substantial influence > 20 • Other securities and ownership interests.	Investments are required to be split into current and long-term investments (EAL §27).	Same under HAS.	Classification of investments is required by LYFS.	Not defined.	The required format of financial statements stipulates a distinction between fixed assets and current assets. Current investments and long-term investments should be separately disclosed under relevant headings.	It is required that investments are spilt into current and long-term investments.	Investments are required to be split into "short term" and "long-term" investments.	There is not a general definition long-term and short-tern assets or liabilities.	Same as IAS. Same as IAS.
Carrying amount of current investments	Investments classified as current assets, should be carried either at market value, or at the lower of cost and market value. The lower of cost and market value may be determined either on a portfolio or on an individual investment basis.	Comparable to IAS	Investments classified as current assets should be carried at market value if traded on stock exchange. Revaluation is effected monthly.	For dealing securities classified as current assets, cost includes acquisition price plus amortized discounts. Debt securities classified as current assets	Comparable to IAS.	Securities and ownership interests are valued at their purchase price without combined expenditures. If there are temporary difference between	Shares and other current investments are reported at the lower of cost or market value. Current investments in marketable securities quoted on the stock	If the stock exchange market price of securities listed on the stock exchange and entered among current assets is permanently (for a period of at least one year preceding the	Comparable to IAS. LYFS 32(1).	Not defined.	Current investments other than debt notes/securities should be carried at the lower of cost (acquisition price or purchase price) and net realizable value determined on an	Shares and other current investments are reported at cost plus any revaluation.	In the RAS, all investments are revalued to lower of cost or "value of the item considered as at balance sheet date". This "value considered as at balance sheet date" is not	Investments classified as current assets, should be carried at the lower of cost and market value.	Same as IAS. (SAS 6.5) Initially short-term investments are carried at the cost of invested monetary or other assets. (SAS 6.6) Short-term investments

Topic	International (IAS 25)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
				current assets should be recorded at par value. Discounts/interests on the debt securities are amortized/accrued to interest income using the straight-line method over the period to maturity of the related securities. Equity securities either classified as short or long term investments are accounted for at cost.		accounting and market value the provision should be created to make the accounting value more realistic. By investment funds the securities are valued at market price. The difference of market price by closing of books is entered to the equity.	on the stock exchanges of Organization of Securities Commissions (IOSCO) member states, are reported at market value.	preparation date of the balance sheet) lower than their book value, such securities shall be evaluated on the basis of the last published stock exchange average rate of the year. Investments representing ownership shares in economic associations shall be evaluated at the value defined in the Articles of Association (Statutes), or, in the case of purchase, at the purchase price, or at the book value less the loss in value already accounted for, if ▪ the market assessment of the economic association does not decrease on a permanent basis, for a period of at least one year preceding the preparation date of the balance-sheet; ▪ the amount invested in the economic association is expected to be recovered upon the termination of the economic association; ▪ the proportional part of the value of the economic association's equity corresponding to the face value of the investment does not decrease below the book value of the investment.			individual basis. Debt notes/securities should originally be carried at cost and then at selling prices ruling at the balance sheet date.		defined in the same way as the IAS "market value". When "value considered as at balance sheet date" is lower than cost provisions are suggested to be made		in securities with a market value on the balance sheet date lower than their costs of purchase should be carried at their market value, and the difference between the two amounts should be recorded as financial expenses. However, an increase in the market value above the original costs of purchase of the securities in no way influences their valuation. The decline in the carrying amount may be determined either on an item-by-item basis or on a portfolio basis.
Carrying amount of long-term investments	Investments classified as long-term assets should be carried at: • cost; or • re-valued amounts; or • for marketable securities only, the lower of cost and	Long-term investments are measured at their historical cost.	Investments classified as long-term are measured initially at cost and carried thereafter at fair value. Revaluation is effected as at the	Carrying amount of long-term investments is defined in the same way as carrying amount of current investments.	Comparable to IAS.	Securities and ownership interests are valued at their purchase price without combined expenditures. If there are temporary	Long-term investments, other than investments in subsidiary and associate companies, are carried at cost (EASB Balance Sheet Accounts).	Securities with a maturity of more than one year shall be evaluated at the actual purchase price or at book value until the value of such securities	Comparable to IAS If revaluation exist, it should be disclosed in the financial statement's annex.	Long term financial assets which market value exceeds purchase and production costs of that said assets may be re-valued provided such an	Long-term investments other than debt notes/securities should be carried at cost less provision for permanent diminution in	Long-term investments are carried at cost or revalued amounts Long-term	Long-term investments are carried at cost. In the RAS investments can not be revalued upwards.	Investments classified as long-term assets should be carried at cost less any identified decrease in value of the assets.	(SAS 3.6) Long-term investments of all categories are carried at the cost of invested monetary or other assets. (SAS 3.13) In Slovenia an

Topic	International (IAS 25)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
	only, the lower of cost and market value determined on a portfolio basis. For re-valued investments, a policy for the frequency of re-valuations should be adopted and an entire category should be re-valued at the same time.		effected as at the balance sheet date.			difference between accounting and market value the provision should be created to make the accounting value more real.	Long-term investments in subsidiaries and associated companies are recorded using the equity method in the separate accounts of the parent (EASB Equity Method).	permanently, for a period of at least one year preceding the preparation date of the balance sheet, decreases below the book value of the securities. The registered value of securities with a maturity of more than one year shall be reduced if, for a period of at least one year preceding the preparation date of the balance sheet, the market assessment thereof is lower than the registered value. The registered value of securities with a maturity of more than one year shall be reduced until they are shown in the balance sheet at a value corresponding to the market assessment prevailing (as known) at the preparation date of the balance sheet.	LYFS 26., 27.,28., 29.	increase in value is substantiated and of long duration. If such assets are necessary to the enterprise to carry out its business, they may be re-valued up to the limit of the sum that can be justified by the profitability.	value. Long-term debt notes/securities should originally be carried at cost and then at selling prices ruling at the balance sheet date.	investments in subsidiaries and associate companies are recorded using the equity method	In the RAS, all investments are revalued to lower of cost or “value of the item considered as at balance sheet date”. This “value considered as at balance sheet date” is not defined in the same way as the IAS “market value”. When “value considered as at balance sheet date” is lower than cost, provisions are suggested to be made.		Slovenia an inflationary economy is used where long-term investments in capital should be revalued on the basis of a retail price index, while long-term investments in loans should be revalued only when this is stipulated in the agreement between the creditor and the debtor. The upper limit of the revaluation is the carrying amount adjusted on the basis of the retail price index. When the market price or the new agreed amount expressed in the new purchasing power of the local currency does not allow for the revaluation to be made, the principle of the lower value should be applied, and the revaluation amount exceeding the upper limit should be recorded as a new long-term investment. (SAS 3.14) If the interests on given long-term loans include the amounts relevant to revaluation it is necessary to classify the interests in the real interests portion and the revaluation-related portion of interests. Unless such classification has been made, the entire increase of interests to the amount based on the retail price index is recorded as the revaluation amount. (SAS 3.15) The increase in carrying amount arising from revaluation of long-term investments and the revalued portion of interests on the long-term investments are

Topic	*International (IAS 25)*	*Albania*	*Bulgaria*	*Byelorussia*	*Croatia*	*Czech Republic*	*Estonia*	*Hungary*	*Latvia*	*Lithuania*	*Poland*	*Republic of Macedonia*	*Romania*	*Slovakia*	*Slovenia*
															recorded as a revaluation result (surplus or deficit) (SAS 3.16) In an inflationary economy the foreign exchange gains or losses are also recorded as a revaluation surplus and/or deficit respectively.
Provision for permanent diminution in value	The carrying amount of all long-term investments should be reduced to recognize a decline (other than a temporary decline) in the value of the investments, such reduction being determined and made for each investment individually.	As per Albanian Accounting Policies amounts stated as provisions, have to be determined separately for each category of investment.	Comparable to IAS (Accounting Law).	The statutory rules do not require provisioning for permanent diminution in value, however an entity is allowed to create tax non-deductible provisions.	Comparable to IAS.	Comparable to IAS.	Comparable to IAS (EAL §28).	Not applicable under HAS.	N/A	Not justified.	Comparable to IAS.	Comparable to IAS.	In the RAS, there is no judgement allowed to make a permanent decline in the value of long-term investments.	Provision for temporary decline in value the reduction is done through a provision. The provision should be written back when the circumstances that led to the write-down cease to exist and the new circumstances are expected to persist. For permanent diminution in value no regulation, not common practice, as difference is either considered temporary or asset is not recognized.	(SAS 3.10) Where there is a decline in the value of a long-term investment the carrying amount should be reduced to recognize the decline by charging the financial expenses account. If the value of the long-term investment increases again at a later stage, the recognized decline should be offset.
Investment properties	Investment properties should either be accounted for as properties in accordance with IAS 16 or as long-term investments.	Not specified.	Investment properties should be accounted for as long term investments.	Investment properties should be accounted for as properties.	Comparable to IAS.	Are accounted for as properties in accordance with Czech accounting legislation as compared to above under IAS 16.	Are accounted for under IAS 16.	Not applicable under HAS.	Comparable to IAS.	Not defined.	Not specified. In practice, based on general regulations, classified and treated as fixed assets.	Accounted for under IAS 16	Not specified.	Lands, art works, art collections and precious metals can be presented as financial investments. Other properties, even considered as investment properties under IAS, should be treated as standard tangible fixed assets.	Investment properties should be accounted for only as properties.
Changes in carrying amount of investment s	For current asset investments at market value, movements may be either treated as income/expense or as revaluation movements, as long as the policy is applied consistently. Long-term investments: • an increase to be credited to a revaluation surplus, except where it reverses a previous decrease relating to the same investment, which was expensed, to which extent it should be treated as income; and • a decrease to be treated as an expense except where it reverses a previous	As per Albanian Accounting policies, an adjustment for a decrease in the value of an investment, must be reflected in the P&L and must be presented separately in the annexes to the financial statements.	For current asset investments at market value, movements should be treated as income/expense. Long-term investments: • an increase to be credited to a revaluation surplus, except where it reverses a previous decrease relating to the same investment, which was expensed, to	Changes in carrying amount of investments are recognized as income or expense.	Comparable to IAS.	All changes involved of provisions are treated as expense. The settlement of provision is treated as income. By revaluation of foreign investments the exchange rates differences are carried to the balance sheet.	All changes in carrying amount are treated as income or expense (EAL §28). Long-term investments are carried at cost. Impairment losses and reversals are reported in net income or loss (EAL §28).	Not applicable under HAS.	Comparable to IAS. Long-term investments: • an increase to be credited to a revaluation surplus; • a decrease to be treated as an expense. Changes in revaluation surplus should be disclosed in the financial statement's annex.	Not defined.	For current asset investments write-offs to net realizable value should be charged to profit and loss account. For long-term investments write-downs due to permanent diminution in value - charged to profit and loss account. For debt notes/securities (both current and long-term) effect of ongoing revaluations to	Comparable to IAS.	In RAS, revaluation is by Government Order only, but it does not apply to investments.	For current asset investments at market value lower than cost, reduction is treated as provision. For long-term investment under the principle of conservatism may be at equity cost lower than cost, reduction is treated as provision. The provision should be written back when the circumstances that led to the write-down cease	Short-term investments: (SAS 6.6) Short-term investments in securities with a market value on the balance sheet date is lower than their costs of purchase should be carried at their market value, and the difference between the two amounts should be recorded as financial expenses. However, an increase in the market value above the original costs of purchase

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	increase which was credited to the revaluation surplus, to which extent it should be debited to the revaluation surplus.		which extent it should be treated as income; and • a decrease to be treated as an expense except where it reverses a previous increase which was credited to the revaluation surplus, to which extent it should be debited to the revaluation surplus.						statement's annex.		selling price at each balance sheet date should be recognized as income/expense.			to exist and the new circumstances are expected to persist. Revaluation of investment upward is not allowed.	of the securities in no way influences their valuation. The decline in the carrying amount may be determined either on an item-by-item or on a portfolio basis. (SAS 6.8) When there is a decline in the value of a short-term investment the carrying amount should be reduced to recognize the decline by charging the financial expenses account. Long-term investments: (SAS 3.9) Long-term investments in securities with a market value on the balance sheet date lower than their costs of purchase should be carried at their market value, and the difference between the two amounts should be recorded as financial expenses. However, an increase in market value above the original costs of purchase of the securities in no way influences their valuation. The decline in the carrying amount may be determined either on an item-by-item basis or on a portfolio basis. (SAS 3.10) When there is a decline in the value of a long-term investment the carrying amount should be reduced to recognize the decline by charging the financial expenses account. If the value of the long-term investment increases again at a later stage, the recognized decline should be offset. (SAS 3.23) Risks relevant to recovery and decline in

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															exchange rates in connection with securities, as well as other risks and uncertainties of long-term investments, are regarded as the principal justifiable reasons for a write-down exceeding the adjustments made for amortization either to claims that have not yet reached maturity or to past due claims arising from the long-term investments.
Disposal of investments	The difference between the disposal proceeds and the carrying value should be recognized as income or expense. If the investment was previously revalued and an increase in carrying amount transferred to a revaluation reserve, the amount of any remaining related revaluation surplus may be treated as income or transferred directly to retained earnings provided that the policy is applied consistently.	Not specified Not specified	The difference between the disposal proceeds and the carrying value should be recognized as financial income or expense. If the investment was previously revalued and an increase in carrying amount transferred to a revaluation reserve, the amount of any remaining related revaluation surplus should be treated as income.	The difference between the disposal proceeds and the carrying value should be recognized as income or expense.	Comparable to IAS.	Comparable to IAS. Not specified.	The FIFO method is used in determining disposal gains/losses (EASB Balance Sheet Accounts). Not specified.	The difference between the disposal proceeds and the carrying value should be recognized as income or expense. Revaluation is not allowed under HAS.	The difference between the disposal proceeds and the carrying value should be recognized as income or expense.	Not defined.	The difference between the disposal proceeds and the carrying value should be recognized as income or expense.	Directed to retained earnings.	Disposal proceeds are recognized as income and the carrying value of the investments disposed is recognized as expense.	Whole proceeds from disposal are recognized as revenue, cost are presented and expense and any provisions created are cancelled via revenue specific account. Not applicable as revaluation upwards is not allowed.	Same as IAS, except for 'should be recognized as income or expense from financing.' Not applicable.
Transfers of investments	Reclassification of fixed as current: • if current investments are carried at the lower of cost and market value, transfer at the lower of cost and carrying amount (if the investment was previously revalued any remaining related revaluation reserve should be reversed on transfer); or • if current investments are carried at market value, transfer at carrying amount (if changes in market value are included in income, any remaining relevant revaluation surplus should be transferred to income). Current investments reclassified as long-term - transfer at the lower of cost and market value or at market value if previously carried at that value.	Not specified	Reclassification of fixed as current is made at the carrying amount of the long-term investment. Current investments reclassified as long-term - transfer at the lower of cost and market value or at market value if previously carried at that value.	No statutory rules in this area exist due to the fact that there are no differences in accounting for short and long-term investments.	Comparable to IAS.	Not specified.	Comparable to IAS (EASB Balance Sheet Accounts).	Not applicable under HAS.	Comparable to IAS.	Not defined.	Not specified.	Comparable to IAS	RAS has no concept of reclassifying long term investments as current investments.	Reclassification of long-term investment as current and vice versa is done at carrying value of investment. Any provision created will need to be transferred as well.	Not applicable. Same as IAS.
Disclosure	Accounting policies for: • the determination of	Comparable to IAS	Accounting policies for:	Accounting policies for:	Comparable to IAS.	Comparable to IAS. Overview of financial incomes	Comparable to IAS (EAL Appendix 3; EASB	The details of investments such as name of it,	Comparable to IAS.	Not defined.	For long-term investments (including	Comparable to IAS	As per IAS. Except this, no other disclosure	Accounting policies for:	Accounting policies for:

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	carrying amount of investments; • the treatment of changes in market value of current investments carried at market value; and • the treatment of a revaluation surplus on sale of a revalued investment. In addition: • market value of marketable investments, if they are not carried at market value; • fair value of investment properties, if they are not carried at fair value; • restrictions on the realizability of investments or the remittance of income and proceeds of disposal; and • movements for the period in the revaluation surplus and the nature of such movements. For long-term investments stated at revalued amounts, disclose: • the policy for the frequency of revaluations; • the date of the latest revaluation; and • the basis of revaluation and whether an external valuator was involved.	Not specified Not specified	• the determination of carrying amount of investments; • the treatment of changes in market value of current investments carried at market value; • the treatment of a revaluation surplus on sale of a revalued investment; and • market value of marketable investments, if they are not carried at market value. For long-term investments stated at revalued amounts, disclose: • the date of the latest revaluation; • the basis of revaluation and whether an external valuator was involved; and • movement of the revaluation surplus on the disposal. For investment entities an analysis of the investment portfolio is requested.	• the determination of carrying amount of investments; • provisioning.		carried from ownership of these financial investments. Not specified. Not specified.	Equity Method). Not specified. Not specified.	address, purchase price, write-off if were have to be disclosed.			investments in subsidiaries and associates) - aggregate amounts of: • shares, • securities, • long-term loans, • other investments. In addition reconciliation of opening to closing balance of long-term investments should be provided. For current investments – aggregate amounts of: • own shares for resale, • other securities. In addition for publicly traded companies: • currency structure of each class of long-term and current investments, • aggregate amounts of cost, write-offs and carrying amount of long-term investments (other than long-term loans) for: • freely marketable, listed investments, • freely marketable, traded in Over The Counter markets investments, • freely marketable, unlisted and not traded in Over The Counter markets investments, • not freely marketable investments. • Aggregate amounts of	Comparable to IAS.	required.	• the determination of carrying amount of investments; • basis of creation of provision to investments. In relation to provision to investments: • opening balance at January 1; • additions; • disposals; and • closing balance at December 31. Separately disclosed investments relating to related parties. In addition: • description of investments; • investments with market value above carrying value; • restrictions on the realizability of investments or the remittance of income and proceeds of disposal. Balance sheet includes separate columns for cost and provision of the investments.	• the determination of carrying amount of investments; • the treatment of changes in market value of current investments carried at market value; and • not applicable. Not applicable. Not applicable. (SAS 3.1) Long-term investments in the capital of other enterprises, long-term loans, long-term deposits and warranties, as well as investments in redemption of the investor's own shares should be recorded separately. (SAS 3.2) Long-term investments in the capital of other enterprises should be classified as acquired shares, acquired participating interests and acquired total capital in other enterprises, while given long-term loans should be classified as loans made on the basis of loan agreements and as loans made through investments in debt securities

Topic	International (IAS 25)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
											cost, market value and carrying amount of current investments classified as above.				
Income statement	Include investment income comprising: • interest, royalties, dividends, rentals (on long-term and current investments); • profits and losses on disposal of current investments; • unrealized gains/losses on current investments carried at market value; and • reductions to market value and reversals of such reductions required to state current investments at the lower of cost and market value. In addition, include in income: • reductions of the carrying amount of investments for other than a temporary decline in value of long-term investments, and reversals of such reductions; and • profits and losses on disposals of long term investments. Disclose significant amounts included for: • interest, royalties, dividends and rentals on long-term and current investments; • profits and losses on disposal of current investments; and • changes in value of such investments.	Comparable to IAS	Not specified.	Include investment income line comprising: • interest, discounts, dividends, trade gains/losses (on long-term and current investments).	Comparable to IAS.	Only overview of financial incomes carried from ownership of these financial investments. .	Comparable to IAS, presentation in income statement (EAL Appendix 2, EASB Income Statement Accounts). .	The dividend has to be recorded as financial income. The gain or loss on investment as well as write-off of investments has to be recorded as financial expense.	Comparable to IAS.	Not defined.	Disclose separately: • dividends received (including those received from subsidiaries and associates), • reductions of the carrying amount of long-term and current investments. For public companies additionally disclose: • interest from financial investments, • financial income and expense derived from changes in carrying amount of long-term and current investments, • profits and losses on disposal of long-term and current investments.	Comparable to IAS	• As per IAS • As per IAS • Not specified • Not specified • Not specified • As per IAS • As per IAS • As per IAS • Not specified	Income statement should include: • interest, royalties, dividends, rentals (on long-term and current investments); • revenue in the amount of proceeds and expense in the amount of cost of the investment	Same as IAS, except for: reductions of the carrying amount of investments for other than a temporary decline in value of long-term investments, and reversals of such reductions.

19. Consolidated Financial Statements and Accounting for Investments in Subsidiaries

Topic	International (IAS 27)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Identification of subsidiaries	A subsidiary is an entity that is controlled by another entity. Control is presumed when the parent acquires more than half of the voting rights of the enterprise. Even when more than one half of the voting rights is not acquired, control may be evidenced by power: • over more than one half of the voting rights by virtue of an agreement with other investors; or • to govern the financial and operating policies of the other enterprise under a statute or an agreement; or • to appoint or remove the majority of the members of the board of directors; or • to cast the majority of votes at a meeting of the board of directors. Special purpose entities (SPEs) should be consolidated where the substance of the relationship indicates that the SPE is controlled by the reporting enterprise. This may arise even where the activities of the SPE are predetermined. **[SIC 12]**	Comparable to IAS	Comparable to IAS	A subsidiary is an entity that is controlled by another entity. Control is presumed when the parent acquires more than half of the voting rights of the enterprise. Even when more than one half of the voting rights is not acquired, control may be evidenced by power: • over more than one half of the voting rights by virtue of an agreement with other investors; or • to govern the financial and operating policies of the other enterprise under a statute or an agreement.	Comparable to IAS	Comparable to IAS	Comparable to IAS (EASB, Consolidated Accounts).	Control is presumed if the parent company meets at least one of the following three criteria: • parent company holds more than one half of the voting rights or on the basis of agreement with other owners the parent company possesses more than one half of the voting rights alone. • parent company has a right to appoint or remove the majority of board of directors and supervisory board. • on the basis of agreement with the owners or according to the deed of foundation the parent company exercises decisive power and control over the subsidiary regardless the voting rights and the ability to appoint or remove the members of boards. The following rights must be taken out of consideration when ascertaining the control over the subsidiary: • rights exercised instead of others on the basis of agreement. • rights handed over as a security, and rights exercised in accordance with third party's order. • rights handed over to guarantor and those rights	A subsidiary is an entity that is controlled by another entity. Control is presumed when the parent acquires more than half of the voting rights of the enterprise or more than 50% owned capital.	Not defined	No direct definition of a subsidiary is provided, but it can be derived from the definitions of 'holding company' and 'control'. Control is presumed when any of the conditions specified in IAS are fulfilled or additionally when: • the company has the power to appoint or remove the majority of the members of the supervisory body the members of the board of directors or from management level of the company or it's subsidiary comprise the majority of the board of directors of the other company.	Comparable to IAS	There is nothing in the RAS equivalent to this IAS.	Comparable to IAS, except for treatment of SPEs is not defined.	Preface to the Slovene Accounting Standards No.9 Subsidiary is an entity, in which another company has: • An absolute majority of the votes of shareholders or members of shareholders assembly in the subsidiary; • The right to appoint the majority of members of the board of directors, management board or supervisory board in the subsidiary and is also owner of shares, permanent deposits or similar in the subsidiary; • A majority control in the subsidiary exercised as specified in the paragraph above, without having shares, permanent deposits or similar in the subsidiary; • The power to cast more than one half of the votes of shareholders or members of shareholders assembly by virtue of an agreement with other investors. Other definitions of subsidiaries are comparable to IAS.

Topic	International (IAS 27)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
								excised on the behalf of the guarantee. No regulation regarding SPE.							

Topic	International (IAS 27)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Subsidiaries to be excluded from consolidation	A subsidiary should be excluded from consolidation when: • control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal in the near future; or • it operates under severe long-term restrictions, which significantly impair its ability to transfer funds to the parent. Specifically provided that exclusion on the basis of dissimilar activities is not justifiable.	Not specified	Comparable to IAS.	The statutory rules do not prescribe any requirements as to consolidation of subsidiaries.	Comparable to IAS	A subsidiary could be excluded from consolidation when: • the participation on net turn-over or on equity of consolidated companies is insignificant • control is for a long period restricted • seat of subsidiary is abroad and the cost of appropriate information for consolidation would be very high • subsidiary is in bankruptcy	Comparable to IAS (EASB, Equity method – Consolidated Accounts). Specific exceptions for credit and insurance institutions in line with the applicable directives.	A subsidiary is not obligatory to be included in consolidation when: • control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal in the near future; or • subsidiary could not present the information for consolidation, or it means a considerable cost comparing benefits to present it, or subsidiary can present the information for consolidation late. It applies only for the first year of consolidation. • there are significant and permanent legal limitation for the parent company to exercise its rights • if the subsidiary is not material, and without it the consolidated F/S is fairly stated and correct. • the parent company is a subsidiary of another company who prepares consolidated F/S, and the parent company and its subsidiaries are consolidated in the F/S of the other company. • owners who have 10 % shares (in case of Kft 20 %) did not ask for the consolidated F/S from the parent company who is a subsidiary of an other company to prepare it 6 months before the date of the consolidated F/S of the other company (who consolidates the parent company and	Subsidiary should be excluded from consolidation when: • it is temporarily controlled by Parent company and is held for re-sale within the next 12 months; • it operates under severe long-term restrictions, which significantly impair its ability to transfer funds to the parent.	Not defined	A subsidiary should be excluded from consolidation when: • It was acquired with a view to its subsequent disposal, • Control is intended to be temporary (expected to last less than one year from the balance sheet date) or is significantly limited, • Amounts stated in the subsidiary's financial statements are immaterial in relation to the holding company's financial statements (detailed guidance is provided on materiality thresholds in this respect). Subsidiaries excluded from consolidation subject to significant restrictions of control should be consolidated using the equity method. Additionally subsidiaries conducting completely dissimilar activities, the full consolidation of which would impair the group financial statements, should be consolidated using the equity method.	Not specified.	Not specified.	A subsidiary must be excluded from consolidation when it: • operates under dissimilar activities; or • is in liquidation. A subsidiary should be excluded from consolidation when: • control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal in the near future; • it operates under severe long-term restrictions which significantly impair its ability to transfer funds to the parent; • it is immaterial subsidiary in relation to true and fair view of consolidated financial statements; or • collection of information necessary for consolidation of subsidiary is too expensive or too late.	Preface to the Slovene Accounting Standards No.9: Comparable to IAS.

Topic	International (IAS 27)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Presentation	Consolidated accounts (i.e. accounts of a group presented as those of a single enterprise) required unless the parent is itself a wholly owned subsidiary. 90% subsidiaries are also exempt, provided that the approval of the minority is obtained.	Not specified	Comparable to IAS. 90% subsidiaries are also exempt, provided that the approval of the minority is obtained and the fact is disclosed.	The statutory rules do not prescribe any requirements as to consolidation of subsidiaries.	Comparable to IAS	Consolidated financial statements are required when: • Size of the group - if sum of equity of all companies in the group is greater than CZK 300 mil and sum of net revenues of all companies in the group is greater than CZK 600 mil the parent company has to compile consolidated financial statements. If the parent company is wholly-owned subsidiary of an other company or a foreign group, which prepare consolidated F/S in accordance with the 7th EU directive, does not have to compile consolidated F/S.	As Estonia is not yet a member of the EU – specified in its entirety due to the directives.	It is same in HAS. Parent company is not obliged to prepare consolidated financial statements when in the two years (following each other) prior to the current year, two of the following criteria are not exceeded: • total assets 500 mHUF • annual net revenues 1,000 mHUF • yearly average head count 250 persons Parent company's values must be added to subsidiaries' values when calculating the above criteria. It does not apply to financial and insurance institutions and listed companies.	Comparable to IAS	Not defined	Consolidated accounts required unless: • the holding company is not a joint stock company, limited liability company or other commercial code company (e.g. a state enterprise), • the parent company is itself at least a 90% subsidiary subject to approval of all minority shareholders (for listed companies only wholly owned subsidiaries qualify), • the group is classified as 'a small group', i.e. at least 2 of the 3 values specified below are not exceeded: • average employment level of 150 people, • total assets at the balance sheet date – polish currency equivalent of 3 million EURO, • net sales of goods for resale and products plus financial income – polish currency equivalent of 6 million EURO.	Not specified.	Not specified.	No exemption if the parent is itself a wholly owned subsidiary. Each individual company holding shares in subsidiary, joint venture or associate has to prepare consolidated accounts. There is no exemption for 90% subsidiaries.	Preface to the Slovene Accounting Standards No.9: • A parent company is exempted from presenting consolidated financial statements if it is itself a subsidiary, i.e. wholly of virtually wholly owned by another enterprise, when the parent company has obtained the approval of the owners of a minority interest. A parent company that does not present consolidated financial statements should disclose in its separate financial statements the reason why consolidated financial statements are not presented as well as the bases used to account for subsidiaries.

Topic	International (IAS 27)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Accounting year-ends	The difference between the dates of financial statements used for consolidation purposes should not exceed three months. If they are drawn up to different dates, adjustments should be made for the effects of significant transactions or other events that occur between those dates and the date of the parent's financial statements.	Not specified	Parent and subsidiaries should have the same financial year (all Bulgarian entities has to have the calendar year as the financial year). Overseas subsidiaries could prepare financial statements as of different date in which case IAS rules apply.	All Byelorussian legal entities should prepare annual financial reports as of 31.12.	Comparable to IAS	A parent and its subsidiaries should have the same financial year (all Czech entities must have the calendar year as the financial year).	A parent and its subsidiaries must have the same financial year (EAL §17).	If the date of consolidated F/S is different than the date of the subsidiaries' F/S. Subsidiaries are obliged to prepare interim F/S as of the date of the consolidated F/S. The period of interim F/S cannot exceed 12 months. The date of consolidated F/S can be the date: • if the parent company and the subsidiaries are Hungarian entities it is December 31. • if among the subsidiaries there are foreign companies, the date can be (of course the above) or the date of the most significant foreign subsidiary's F/S or the date of the majority of the foreign companies' F/S.	The dates of financial statements of parent's company and subsidiaries, included in consolidation, must be the same.	Not specified	If this does not impair the group financial statements, the date of financial statements of subsidiaries and associates used for consolidation purposes may be earlier than the parent company year-end, but the difference cannot exceed three months. In such case disclosures of significant events affecting assets, liabilities, profits and losses in the intervening period should be made. Otherwise separate financial statements for full twelve months made up to the same date should be prepared for consolidation purposes.	Consolidation is not specified	There is nothing in the RAS equivalent to this IAS.	The parent and its subsidiaries, which are registered in Slovakia should have the same financial year (all Slovak entities have to have the calendar year as their financial year). In case of foreign subsidiaries, the rule is comparable to IAS.	Preface to the Slovene Accounting Standards No.9: When the financial statement used in the consolidation are drawn up to different dates, adjustments should be made for the effects of significant transactions or other events that occur between those dates and the date of the parent company's financial statements. In any case, the difference between reporting dates should not be more than three months.
Accounting policies	Uniform accounting policies should be used throughout the group. If it is impracticable to do so, that fact should be disclosed together with the proportions of the items in the consolidated financial statements to which the different accounting policies have been applied.	Not specified	Comparable to IAS	Uniformity of accounting policies throughout the group is not required.	Comparable to IAS	Comparable to IAS	Comparable to IAS (EASB, Equity Method – Consolidated Accounts).	Comparable to IAS	Uniform accounting policies should be used throughout the group. If subsidiary use other accounting policy, it should make adjustments for consolidation purposes. If it is impracticable to do so, that fact should be disclosed together with the proportions of the items in the consolidated financial statements to which the different accounting policies have been applied.	Not defined	Uniform group accounting policies should be followed or appropriate adjustments should be made in the consolidated financial statements. However if the application of different accounting policies by subsidiaries or associates does not impair the consolidated financial statements, the relevant adjustments may be ignored with appropriate disclosures included in the additional notes.	Not specified.	Not specified.	Comparable to IAS.	Preface to the Slovene Accounting Standards No.9: Same as IAS.

Topic	International (IAS 27)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Presentation of minority interests	Minority interests in the assets of subsidiaries should be presented separately from liabilities and parent's equity. Minority interests in income should also be separately presented. Where losses applicable to the minority exceed its interest in the equity, the excess and any further losses attributable to the minority are charged to the group except to the extent that the minority has a binding obligation to, and is able to, make good the losses. If the subsidiary subsequently makes profits, the group is allocated all such profits until the minority's share of losses previously absorbed by the group has been recovered.	Not specified	Comparable to IAS	Not specified.	Comparable to IAS	The treatment is in general comparable to IAS.	Comparable to IAS (EASB Consolidated Accounts).	Minority interests should be presented only in the owner's equity on a separate line. Current year's earning appears on that line only next year, as there is no minority interest in the profit and loss. The consolidated profit/loss means the profit of parent company and its subsidiaries. Next year the current earnings of the subsidiaries must be split between parent company and minority interest. There is a special line in the consolidated owner's equity called change in subsidiaries' equity. It contains the split of current earnings of the subsidiaries and the parent company's portion of other items which change the owner's equity in the stand alone subsidiaries' F/S (recently these items decreased significantly, but few may occur under HAS). HAS does not specify losses applicable to the minority; it is reasonable to follow the IAS instructions.	Comparable to IAS	Not defined	Comparable to IAS. No specific requirement in the situation where losses applicable to the minority exceed its interest in the equity. In practice losses are attributable to the minority in full.	Not specified.	There is nothing in the RAS equivalent to this IAS.	Minority interest in the assets of subsidiaries should be presented separately, but as a part of equity. Minority interest in income statement should also be presented separately. Losses are applicable to the minority interest in full amount, not to the group.	No standard covers this area, use IAS.

Topic	International (IAS 27)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Treatment in parent's financial statements	Investments in subsidiaries that are included in the consolidated financial statements should be included in the parent's own financial statements either: • using the equity method of accounting; or • carried at cost or revalued amounts under the parent's accounting policy for long-term investments. Where a subsidiary is excluded from consolidation, in the parent's financial statements, the interest in the subsidiary should be accounted for as an investment.	Not specified	Investments in subsidiaries that are included in the consolidated financial statements should be included in the parent's own financial statements at cost under the parent's accounting policy for long-term investments (NAS 25 Accounting for investments).	Carry at cost under the policy for long-term investments.	Comparable to IAS	Investments in all subsidiaries should be included in the parent's own financial statement carried at cost. If diminution in value the provision is created.	Investments in subsidiaries shall be included in the parent's own financial statements using the equity method in accordance with EAL §28 (unless excepted under EASB, Equity method).	Investments in subsidiaries that are included in the consolidated financial statements should be included in the parent's own financial statements either: • using the equity method of accounting; or • carried at cost or market value whichever is lower. Write back is not allowed. Subsidiary excluded is treated comparable to IAS.	Comparable to IAS	Not defined	Investments in subsidiaries (both included and excluded from consolidation) are carried at cost in parent's financial statements. The carrying amount of investments should be reduced to recognize a permanent diminution in value. Equity accounting in parent's financial statements is not allowed.	Investments in subsidiaries shall be included in the parent's own financial statements using the equity method.	There is nothing in the RAS equivalent to this IAS.	Investments in subsidiaries that are included in/excluded from the consolidated financial statements should be included in the parent's own financial statements at cost. A provision can be created in case of diminution in value.	Same as IAS.

Topic	International (IAS 27)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Disclosure	Disclose a list of significant subsidiaries, with details including: • name; • country of incorporation or residence; and • percentage ownership. Where applicable, disclose: • the reason why any subsidiary has not been consolidated; • where the parent does not own more than half of the voting power in a subsidiary, the nature of the relationship; • the name of any entity in which the parent owns more than one half of the voting power but it is not treated as a subsidiary, because of the absence of control; and • the effect of the acquisition and disposal of subsidiaries on the financial position and the results for the current and preceding year.	Not specified	Comparable to IAS. In addition, in the parent's own financial statements disclose the accounting policy applied by subsidiaries.	Not specified	Comparable to IAS	Disclosure requirements as defined in Czech legislation for consolidated financial statements are different than those defined for separate financial statements. The requirements for consolidated financial statements do not include a significance concept as the requirements for separate financial statements do. In general the information specifically required by IAS is not that different than those required by Czech law.	Comparable to IAS (EASB Equity Method – Consolidated Accounts).	Same as in the IAS • plus the value of the owner's equity of the subsidiary owned by the parent company.	Comparable to IAS	Not defined	Disclose a list of all subsidiaries, with details including: • name and place of residence, • scope of business, • percentage shareholding and percentage of voting rights if different. More detailed disclosures are required for publicly traded companies. For subsidiaries excluded from consolidation disclose: • reason for exclusion, • net sales revenue and net profit/loss for the financial year, • details of intra-group transactions. Additionally disclose: • amount of goodwill or negative goodwill for each subsidiary with details of how it was established and amount of accumulated depreciation at the balance sheet date, • effect of changes in the structure of the group and specifically - for subsidiaries disposed of or excluded from consolidation - net assets and net profit/loss for the proceeding financial year, • profit/loss on any sale or part sale of shares in a subsidiary.	Comparable to IAS.	Not specified	Comparable to IAS.	Same as IAS.

Deloitte & Touche

20. Accounting for Investments in Associates

Topic	International (IAS 28)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Definition of associate	An enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in financial and operating decisions, but is not control over those policies. A holding of 20% or more will indicate significant influence unless it can be clearly demonstrated otherwise. If the holding is less than 20%, the investor will be presumed not to have significant influence unless such influence can be clearly demonstrated. A substantial or majority ownership by another investor does not necessarily preclude significant influence.	Not specified	An enterprise in which the investor has significant influence and owns less than half of the shares, or of voting rights, or representation on the Board of Directors of the enterprise (NAS 25). A holding of 25% or more will indicate significant influence unless it can be clearly demonstrated otherwise (NAS 27).	Not specified	Comparable to IAS.	Comparable to IAS - an associated company is a company where the investor directly or indirectly controls between 20% and 50% of the voting shares of the associated company.	Comparable to IAS (EASB, Equity Method) - an associated company is a company where the investor directly or indirectly controls between 20% and 50% of the voting shares of the associated company.	Comparable to IAS. Same. The percentage is 25%, instead of 20 % and in case of financial institutions it is 10%.	An enterprise where the investor holds from 25% to 50% of the share capital but has no voting majority. The investor exercises significant influence over the Company's operations and assumes certain responsibility for its financial performance	Not defined.	No direct definition of an associate is provided, but it can be derived from the definitions of 'holding company' and 'significant influence'. Significant influence is presumed when 20% of shares or more is held in another company. Otherwise it can be demonstrated by the power to participate in financial and operating decisions of another company. No specific guidance is provided how significant influence should be demonstrated in the absence of 20% shareholding.	Not specified	Not specified.	Comparable to IAS - an associated company is a company where the investor directly or indirectly controls between 20% and 50% of the voting shares of the associated company.	No standard covers this area, use IAS.
Consolidated financial statements	Use the equity method of accounting, unless the investment is acquired and held exclusively with a view to disposal in the near future, in which case it should be carried at cost and income recognized only on the basis of distributions. Use of the equity method should cease from: • the date that significant influence ceases; or • the imposition of severe long-term restrictions which significantly impair the ability of the associate to transfer funds to the investor. The carrying amount of the investment at that date should be regarded as cost thereafter.	Not specified	Associates, who have material impact over the true and fair presentation of the financial statements of the group are consolidated by using proportionate consolidation method (NAS 27).	The statutory rules do not prescribe any requirements as to consolidation of subsidiaries.	Comparable to IAS	Comparable to IAS.	Comparable to IAS (EASB Equity Method), except credit and insurance institutions are in line with the directives (EASB Consolidated Accounts).	Comparable to IAS except for long terms restrictions, which are not dealt with under HAS.	Not specified in the local legislation, refer to the IAS 28	Not defined.	Use the equity method of accounting, unless the investment is acquired and held exclusively with a view to disposal or the significant influence will last less than one year. Use of the equity method should cease from the date that significant influence ceases. No specific guidance is provided how the carrying amount should be established in case of long-term restriction. In practice the original cost of investment is used.	Not specified	Not specified.	Comparable to IAS	Preface to the Slovene Accounting Standards No. 9: • Financial statements of associates are not consolidated in the financial statements of the investor. • Cost method is used for accounting for investments in associates.
Investor's own financial statements	Include the associate either: • using the equity method or at cost, whichever is used in the consolidated financial statements (or which would have been appropriate if the investor did issue consolidated financial statements); or • as a long-term investment	Not specified	Include the associate as a long-term investment measured initially at cost thereafter carry at fair value. (NAS 25/Accounting Law).	Present as a long-term investment valued at cost.	Comparable to IAS	Investments in associates that are included in the consolidated financial statements should be included in the investor's own financial statement carried at cost. If investment	Equity method (EAL §29).	Comparable to IAS, however market value should only be applied if lower than costs. Reversal of any write down is not allowed.	The accounting for associates is performed under two methods: • the cost method • the equity method	Not defined.	Investments in associates should be carried at cost less amounts written off due to permanent diminution in value.	Not specified	The associate is included as a long-term investment and carried at cost.	Include the associate at cost. If the value of an investment is lower than cost using the equity method, a provision should be recorded. The investor	Preface to the Slovene Accounting Standards No. 9: • Cost method is used for accounting for investments in associates.

Topic	International (IAS 28)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
	and carried at cost or revalued amount. Where consolidated accounts are not prepared, and the equity method of accounting is not used in the investor's own financial statements, the investor should disclose the potential effect if equity accounting had been applied (provided that equity accounting would have been appropriate in the consolidated financial statements).					diminishes in value a provision is created.		No specific disclosure requirements if the equity method is not applied.	The use is similar to the IAS 28.					should disclose the investments where the value of investment using the equity method (considered as market value) is significantly higher than cost. Dividend income from associate should be disclosed separately for each associate.	
Transactions with associates	Where an associate is accounted for using the equity method, unrealized profits and losses resulting from upstream (associate=>investor) and downstream (investor=>associate) transactions should be eliminated to the extent of the investor's interest in the associate. However, unrealized losses should not be eliminated to the extent that the transaction provides evidence of an impairment of the asset transferred. **[SIC 3]**	Not specified	Not specified	Treated as transactions with other third parties.	Comparable to IAS	Elimination of profits not required.	Comparable to IAS (EASB Equity Method).	Comparable to IAS. Restriction in elimination of unrealized losses is not specified.	Not specified in the local legislation, refer to the IAS 28.	Not defined.	Where an associate is accounted for using the equity method, unrealized profits and losses resulting from transactions between an associate and other consolidated group companies should be eliminated to the extent of the group effective interest in the associate unless: • relevant information is not known or available, • Non-elimination does not impair the view of consolidated financial statements.	Not specified	Not applicable. Equity method is not specified.	Comparable to IAS, except there is no specific limitation regarding the elimination of unrealized losses however applying general provisions the result might be the same.	Not applicable.
Accounting year-ends	Where it is not possible to obtain financial statements to the same date as the investor, the most recent available financial statements of the associate should be used in applying the equity method, and adjustments made for the effects of any significant events occurring between the accounting period ends.	Not specified	Not specified	All Belarussian legal entities should prepare annual financial reports as of 31.12.	Comparable to IAS	A parent and its subsidiaries, associates should have the same financial year (all Czech entities must have the calendar year as the financial year).	Comparable to IAS.	Interim F/S must be prepared by the associates.	Not specified in the local legislation, refer to the IAS 28.	Not defined.	The same regulations as for subsidiaries specified above.	Not specified	Not specified.	The parent and its associates, who are registered in Slovakia, should have the same financial year (all Slovak entities must have the calendar year as their financial year). In case of foreign associates, the rule is comparable to IAS.	N/A
Accounting policies	Where the associate uses accounting policies, which differ from those of the investor, adjust the associate's treatment and, if it is not practicable to make such adjustments, that fact should be disclosed.	Not specified	Not specified	Uniformity of accounting policies throughout the group is not required.	Comparable to IAS	Associated companies should use the same accounting policies as the parent company.	Comparable to IAS.	Comparable to IAS	Not specified in the local legislation, refer to the IAS28.	Not defined.	Uniform group accounting policies should be followed or appropriate adjustments should be made in the consolidated financial	Not specified	Not specified.	Comparable to IAS	N/A

Topic	International (IAS 28)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
											statements. However if the application of different accounting policies does not impair the consolidated financial statements, the relevant adjustments may be foregone with appropriate disclosures included in the additional information.				
Investor's share of net liabilities	Where the investor's share of losses of an associate equals or exceeds the carrying amount of the investment, the investor normally discontinues including its share of further losses and the investment is reported at nil value. Additional losses are provided for to the extent that the investor has incurred obligations or made payments to satisfy obligations of the associate that the investor has guaranteed or otherwise committed. If the associate subsequently reports profits, the investor resumes including its share of those profits only after its share of the profits equals the share of net losses not recognized.	Not specified	Not specified	Performance of associate does not affect carrying value of the investment recorded by investor.	Comparable to IAS	Not specified	Comparable to IAS (EASB, Equity Method).	Comparable to IAS No specific regulations under HAS regarding obligation to made payments or similar. It is reasonable to follow the IAS instructions.	Not specified in the local legislation, refer to the IAS28.	Not defined.	The investor's share of losses of an associate is not restricted even if as a result the investment is reported at negative value. The investor's obligations or commitments in respect of an associate should be provided for based on normal rules.	Not specified	Not specified.	Where the investor's share of losses of an associate equals or exceeds the carrying amount of the investment, the investor normally continues including its share of further losses, i.e. the carrying amount of an investment can be negative.	N/A
Provision for permanent decline in value	Provision should be made where the decline is not temporary, each investment being considered individually.	Not specified	Not specified	The statutory rules do not require provisioning for permanent decline in value, however an entity is allowed to create tax non-deductible provisions.	Comparable to IAS	Comparable to IAS	Comparable to IAS (EAL § 28).	There is no possibility to account provision for decline in value in the consolidated F/S.	Not specified in the local legislation, refer to the IAS28.	Not defined.	Comparable to IAS.	Not specified	Comparable to IAS.	Comparable to IAS	(SAS 3.11) Long-term investments should be charged directly to financial expenses either, entirely or in part, as soon as there are documented reasons to do so.
Disclosure	Disclose for each associate: • name; • description; • percentage ownership (and voting power, if different); and • method of accounting used. Investments in associates should be disclosed as long-term investments as a separate item in the balance sheet. Share of profits or losses should be shown as a separate item in the income statement. The investor's share of prior period and extraordinary items should also be disclosed.	Not specified	Not specified	Not specified	Comparable to IAS	Basically comparable to IAS (see disclosure comments above under IAS 27 as well).	Comparable to IAS (EAL Appendix 3, EASB Equity Method – Consolidated Accounts).	Comparable to IAS except for: • no description required Plus: • residence place • the proportion amount of the owner's equity of the associates' which is due to the parent company.	Not specified in the local legislation, refer to the IAS28.	Not defined.	Disclose a list of all associates, with details including: • name and place of residence, • scope of business, • percentage shareholding and percentage of voting rights if different. More detailed disclosures are required for publicly traded companies.	Not specified	Investments in associates should be disclosed as long-term investments as a separate item in the balance sheet. Share of profits or losses should be shown as a separate item in the income statement. The investor's share of prior period and extraordinary items should also be disclosed.	Comparable to IAS. Share of profits or losses should be part of financial revenues/expenses in the income statement. Share of prior period and extraordinary items is not disclosed separately	Same as IAS, except for the requirement for separate presentation of share of profits or losses.

Topic	International (IAS 28)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
											For associates excluded from consolidation disclose: • reason for exclusion, • net sales revenue and net profit/loss for the financial year, • details of intra-group transactions. Additionally disclose: • amount of goodwill or negative goodwill for each associate with details of how it was established and amount of accumulated depreciation at the balance sheet date, • investments in associates accounted for using equity method as a separate item in the balance sheet, • share of net profits/losses of associates as a separate item in the income statement.				

21. Financial Reporting in Hyperinflationary Economies

Topic	International (IAS 29)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Scope	The IAS should be applied to the primary financial statements, including the consolidated financial statements, of any enterprise that reports in the currency of a hyperinflationary economy.	Not specified	The NAS should be applied to the annual financial statements of any enterprise when there are indications that the economy is hyperinflationary .	N/A	Comparable to IAS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	No standard covers this area	N/A
Hyperinflation indications	• Hyperinflation is indicated by characteristics of the economic environment of the country which include, but are not limited to, the following: • The general population prefers to keep its wealth in non-monetary assets or in relatively stable foreign currency; • The general population regards monetary amounts not in terms of the local currency but in terms of relatively stable foreign currency; • Sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power during the credit period, even it is short; • Interest rate, wages and prices are linked to a price index; and • The cumulative inflation rate over three years is approaching, or exceeds, 100%.	Not specified	Hyperinflation is indicated when the cumulative inflation rate over three years exceeds 100%. The first year of the application of the NAS is 1998.	N/A	Comparable to IAS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gain or loss on net monetary position	In a period of inflation, an enterprise holding an excess of monetary assets over monetary liabilities loses purchasing power and an enterprise holding an excess of monetary liabilities over monetary assets gains purchasing power. This gain or loss on the net monetary position may be derived as the difference resulting from the restatement of non-monetary assets, owner's equity and income statement items. The gain or loss on net monetary position is included in net income for the period.	Not specified	This gain or loss on the net monetary position is derived as the difference between the change in working capital for the period (grants are included, inventory is excluded) and the result from the restatement of the working capital is multiplied by one half of the price index for the current year. The gain or loss on net monetary position is included as a separate item in the owner's equity.	N/A	Comparable to IAS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Restatement of financial statement based on historic cost convention	Balance sheet: • Monetary items are not restated; • Non-monetary items except those carried at fair market or net realizable value are restated by applying a general price index. Income statement items are restated by applying the change in the general price index from the dates when the items of income and expenses were initially recorded in the financial	Not specified	Balance sheet: • Monetary items are not restated; • Non-monetary items, except share capital, reserves and retained earnings are	N/A	Comparable to IAS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Topic	International (IAS 29)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
	statements.		restated by applying a general price index as of the date of acquisition or latest revaluation; Income statement items are restated by applying the monthly general price index to the items of income and expenses incurred during the month. Depreciation charged for the period is restated by applying a general price index from the date of acquisition of the respective fixed assets or latest revaluation.												
Restatement of financial statement based on current cost convention	Balance sheet items are not restated because they are already expressed in terms of the measuring unit current at the balance sheet date. Income statement items are restated by applying the change in the general price index from the dates when the items of income and expenses were initially recorded in the financial statements.	Not specified	Historic cost convention is applied only.	N/A	Comparable to IAS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Taxes	The restatement of financial statements in accordance with IAS 29 gives rise to differences between taxable income and accounting income. These differences are accounted for in accordance with IAS 12 Income taxes.	Not specified	Not specified	N/A	Comparable to IAS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cash flow statement	All items in the cash flow statement should be expressed in the terms of the measuring unit current at the balance sheet date.	Not specified	Not specified	N/A	Comparable to IAS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Corresponding figures	Corresponding figures for the previous reporting period are restated by applying a general price index so that comparative figures are presented in the terms of the measuring unit current at the end of the reporting period.	Not specified	Corresponding figures for the previous reporting period are restated by applying a general price index so that comparative figures are presented in the terms of the measuring unit current at the end of the prior year. Share capital and retained earnings are not restated. The difference	N/A	Comparable to IAS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Topic	International (IAS 29)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
			arising from restatement of the corresponding figures is presented as revaluation surplus (positive or negative figure).												
Consolidated financial statements	Financial statements of a subsidiary operating in hyperinflationary economies need to be restated by applying a general price index of the country in whose currency it reports before they are included in the consolidated financial statements issued by the parent. If financial statements with different reporting dates are consolidated, all items (monetary and non-monetary), need to be restated into the measuring unit current at the date of the consolidated financial statements.	Not specified	The rules applied to the parent's financial statements are applied.	N/A	Comparable to IAS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Selection and use of the general price index	For restatement of financial statements in accordance with IAS 29 a general price index that reflects changes in general purchasing power should be used. It is preferable that all enterprises that report in the currency of the same economy use the same index.	Not specified	The inflation index published monthly and annually by the National institute of statistics is applied.	N/A	Comparable to IAS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Economies ceasing to be hyperinflationary	When an economy ceases to be hyperinflationary and an enterprise discontinues the preparation and presentation of financial statements prepared in accordance with IAS 29, it should treat the amounts expressed in the measuring unit current at the end of the previous reporting period as the basis for the carrying amounts in the subsequent financial statements.	Not specified	Not specified	N/A	Comparable to IAS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Disclosure	Disclose : • The fact that financial statements are restated in terms of the measuring unit current at the balance sheet date; • Whether the financial statements are based on historic or current cost approach; and • The identity and level of the price index at the balance sheet date and the movement in the index during the current and the previous reporting period.	Not specified	Not specified	N/A	Comparable to IAS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

22. Disclosures in the Financial Statements of Banks and Similar Financial Institutions

Topic	International (IAS 30)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Scope	The IAS should be applied in the financial statements of banks and similar financial institutions (banks).	Not specified	Comparable to IAS	N/A	Comparable to IAS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Accounting policies	In order to comply with IAS 1 Presentation of financial statements, accounting policies dealing with the following items may need to be disclosed: • The recognition of the principal types of income; • The valuation of investment and dealing securities; • The distinction between those transactions and other events that result in the recognition of assets and liabilities on the balance sheet and those transactions and other events that only give rise to contingencies and commitments; • The basis for determination of losses on loans and advances and writing off uncollectable loans and advances; • The basis for determination of charges for general banking risks and the accounting treatment of such charges.	Not specified	In order to comply with NAS 1, accounting policies dealing with the following items may need to be disclosed: • The recognition of the principal types of income; • The principles and methods of valuation of financial assets and liabilities; • The distinction between those transactions and other events that result in the recognition of assets and liabilities on the balance sheet and those transactions and other events that only give rise to contingencies and commitments; • The basis for determination of provisions; • The basis of classification of the off balance sheet assets and liabilities; • Criteria for and the amount of, the unrecoverable credits and deposits; • Criteria for deferring of expenses and revenues; • Criteria for maturity classification of assets and liabilities in the balance	N/A	Comparable to IAS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Generally, accounting policies would only deal with the general banking risks and the accounting treatment of such risks (provisioning).	N/A

Topic	International (IAS 30)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
			sheet.												
Income statement	A bank should present an income statement, which summarizes income and expenses by nature and discloses the amounts of the principal types of income and expenses. In addition to the requirements of another IAS, the disclosures in the income statement or notes to the financial statements should include, but are not limited to, the following items of income and expenses: • Interest and similar income; • Interest expense and similar charges; • Dividend income; • Fee and commission income; • Fee and commission expense; • Gains less losses arising from dealing securities; • Gains less losses arising from investment securities • Gains less losses arising from dealing in foreign currencies; • Other operating income; • Losses on loans and advances; • General administrative expenses; and • Other operating expenses. Income and expense items should not be offset except for those relating to hedges and to assets and liabilities, which have been offset.	Not specified	Income statement is presented in a specified format including the following items: • Interest and similar income; • Interest expense and similar charges; • Fee and commission income; • Fee and commission expense; • Gains less losses arising from dealing securities; • Gains less losses arising from investment securities • Gains less losses arising from dealing in foreign currencies; • Other operating income; • Other operating expenses.	N/A	Comparable to IAS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Treatment comparable to IAS.	N/A
Balance sheet	A bank should present a balance sheet that groups assets and liabilities by nature and lists them in order that reflects their relative liquidity. In addition to the requirements of another IAS, the disclosures in the income statement or notes to the financial statements should include, but are not limited to, the following assets and liabilities: Assets • Cash and balances with the central bank; • Treasury bills and other bills eligible for rediscounting with the central bank; • Government and other securities held for dealing purposes; • Placements with, and loans and advances to, other banks; • Other money market placements; • Loans and advances to customers; and • Investment securities. Liabilities • Deposits from other banks; • Other money market deposits;	Not specified	Balance sheet is presented in a specified format including the following items: Assets • Cash and balances with the central bank; • Cash and balances with other banks; • Deposits and loans to other banks • Securities in the current portfolio; • Securities in the investment portfolio	N/A	Comparable to IAS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Treatment comparable to IAS.	N/A

Topic	International (IAS 30)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
	• Amounts owed to other depositors; • Certificates of deposits; • Promissory notes and other liabilities evidenced by paper; and • Other borrowed funds. The amount at which any asset or liability is stated in the balance sheet should not be offset by the deduction of another liability or asset unless a legal right of set-off exists and the offsetting presents the expectation as to the realization or settlement of the asset or liability. A bank should disclose the fair values of each class of its financial assets and liabilities as required by IAS 32 and IAS 39.		• Interest receivable; • Tangible fixed assets; and • Intangible fixed assets. Liabilities • Deposits from other banks; • Other money market deposits; • Amounts owed to non-financial institutions and other depositors; • Loans; • Interest payable; • Other liabilities; • Provisions for off balance sheet arrangements; • Minority interest; and • Equity.												
Contingencies and commitments including off balance sheet items	A bank should disclose the following contingencies and commitments required by IAS 10: • The nature and amount of commitments to extend credit that are irrecoverable because they cannot be withdrawn at the discretion of the bank without the risk of incurring significant penalty or expense; and • The nature and amount of contingencies and commitments arising from off balance sheet items including those relating to: • Direct credit substitutes including general guarantees of indebtedness, bank acceptance guarantees and standby letters of credit serving as financial guarantees for loans and securities; • Certain transaction-related contingencies including performance bonds, bid bonds, warranties and standby letters of credit related to particular transactions; • Short-term self liquidating trade related contingencies arising from the movement of goods; • Those sale and repurchase agreements not recognized in the balance sheet; • Interest and foreign exchange rate related items including swaps, options and futures; and • Other commitments, note issuance facilities and revolving underwriting facilities.	Not specified	A bank should disclose in the notes the amount of any contingent liabilities in respect of guarantees letters of credit and accepts.	N/A	Comparable to IAS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Treatment comparable to IAS. Note 1: This information is part of an off-balance sheet which is an integral part of balance sheet. Notes generally do not discuss much greater details. Note 2: Litigation and similar contingencies are not required to be disclosed, but usually are.	N/A

Topic	International (IAS 30)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Maturity of assets and liabilities	A bank should disclose an analysis of assets and liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Example of periods of maturity are: Up to 1 month; From 1 month to 3 months; From 3 months to 1 year; From 1 year to 5 years; and From 5 years and over. Maturities could be expressed in terms of: • The remaining period to the repayment date; • The original period to the repayment date; or • The remaining period to the next date at which interest rates may be changed.	Not specified	Comparable to IAS (Law on Bulgarian National Bank).	N/A	Comparable to IAS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Treatment comparable to IAS.	N/A
Concentrations of assets, liabilities and off balance sheet items	A bank should disclose any significant concentrations of its assets, liabilities and off balance sheet items. Such disclosures should be made in terms of geographical areas, customer or industry groups or other concentrations of risk. A bank should also disclose the amount of significant net foreign currency exposures.	Not specified	Comparable to IAS	N/A	Comparable to IAS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Not required to be disclosed	N/A
Losses on loans and advances	A bank should disclose the following: • The accounting policy which describes the basis on which uncollectable loans and advances are recognized as an expense and written off; • Details of the movements in the provision for losses on loans and advances during the period. It should disclose separately the amount recognized as an expense in the period for losses on uncollectable loans and advances, the amount charged in the period for loans and advances written off and the amount credited in the period for loans and advances previously written off that have been recovered; • The aggregate amount of the provision for losses on loans and advances at the balance sheet date; and • The aggregate amount included in the balance sheet for loans and advances on which interest is not being accrued and the basis used to determine the carrying amount of such loans and advances. Any amounts set outside in respect of losses and advances in addition to those losses that have been specifically identified or potential losses which experience indicates are present in the portfolio of loans and advances should be accounted for as appropriations of retained earnings. Any credits resulting from the reduction of such amount result in an increase in retained earnings and are not included in the determination of net profit or loss for the period.	Not specified	Not specified	N/A	Comparable to IAS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Such information is partially a part of balance sheet which discloses gross loans and related provisions and reserves separately. Notes to the F/S are not required to be dealing with such information. P&L effects are a part of P&L statement.	N/A
General banking risks	Any amounts set aside in respect of general banking risks, including future losses and other unforeseeable risks or contingencies in addition to those for which accrual must be made in accordance with IAS 10 should be separately disclosed as appropriations of retained earnings. Any credits resulting from the reduction of such amount result in an	Not specified	Not specified.	N/A	Comparable to IAS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Comparable to IAS	N/A

Topic	International (IAS 30)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
	increase in retained earnings and are not included in the determination of net profit or loss for the period.														
Assets pledged as security	A bank should disclose the aggregate amount of secured liabilities and the nature and carrying amount of the assets pledged as security.	Not specified	Not specified in NAS 30 but applied in accordance with NAS 4 Accounting for Tangible Fixed Assets.	N/A	Comparable to IAS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Comparable to IAS	N/A
Trust activities	If the bank is engaged in significant trust activities, disclosure of that fact and an indication of the extent of those activities are made in its financial statements because of the potential liability if it fails in its fiduciary duties.	Not specified	Not specified	N/A	Comparable to IAS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Related party transactions	When a bank has entered into transactions with related parties, it is appropriate to disclose the nature of the related party relationship, the types of transactions, and the elements of transactions necessary for an understanding of the financial statements of the bank.	Not specified	Not specified in NAS 30 but applied in accordance with NAS 24 Disclosures of Related Party Transactions.	N/A	Comparable to IAS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Treatment comparable to IAS	N/A

23. Financial Reporting of Interests in Joint Ventures

Topic	International (IAS 31)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Classification of joint ventures	**Jointly Controlled Operations – **the use of assets and other resources of the venturers rather than the establishment of a separate entity. Each Ventura uses its own assets, incurs its own expenses and liabilities and raises its own finance. The revenue from the sale of the joint product and any expenses incurred in common are usually shared among the venturers. **Jointly Controlled Assets -** involving the joint control, and often the joint ownership, of assets dedicated to the joint venture. Each venturer may take a share of the output from the assets and each bears a share of the expenses incurred. No separate entity is established. **Jointly Controlled Entities** - involving the establishment of an entity in which each venturer has an interest, with a contractual arrangement which establishes joint control over the entity, which controls the assets of the joint venture, incurs liabilities and expenses and earns income. It may enter into contracts in its own name and raise finance. It maintains its own accounting records and presents financial statements. Each venturer is entitled to a share of the results of the jointly controlled entity, although some jointly controlled entities also involve a sharing of the output of the joint venture.	**Not specified**	**Comparable to IAS (NAS 28).**	**Jointly Controlled Operations –** the use of assets and other resources of the venturers rather than the establishment of a separate entity. The assets that are put together in the operations are jointly owned by the venturers. The revenue from the sale of the joint product and any expenses incurred in common are usually shared among the venturers. This form of joint venture may be established between residents only. **Jointly Controlled Entities** - involving the establishment of an entity in which each venturer has an interest, with a contractual arrangement which establishes joint control over the entity, which controls the assets of the joint venture, incurs liabilities and expenses and earns income. It may enter into contracts in its own name and raise finance. It maintains its own accounting records and presents financial statements. Each venturer is entitled to a share of the results of the jointly controlled entity, although some jointly controlled entities also involve a sharing of the output of the joint venture. This form of joint venture is only prescribed for legal entities in the capital of which a foreign investor has a contribution.	Comparable to IAS	No specific guidance, but the definition of associated companies includes a joint venture where the venturer is in a position to exercise significant influence.	Not specified, the requirements as set out in IAS are in conformity with Estonian GAAP.	Only jointly controlled Entities are defined under HAS.	Not specified.	Not defined.	Not specified.	Not specified	Not defined but the understanding is the same.	No accounting regulation for jointly controlled operations or assets. Definition of jointly controlled entities is comparable to IAS.	No SAS covers this area, use IAS.
Accounting	**Jointly Controlled Operations**	**Not specified**	**Comparable to**	**Jointly**	Comparable to	Not specified	Comparable to	Not specified	**Not specified**	Not defined.	Not directly	Comparable to	Comparable to	Accounting	No SAS covers

Topic	International (IAS 31)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
treatment	**-** the venturer should recognize in its separate financial statements and consequently in its consolidated financial statements: • the assets that it controls and the liabilities that it incurs; and • the expenses that it incurs and its share of the income from the sale of goods or services by the joint venture. **Jointly Controlled Assets** - the venturer should recognize in its separate financial statements and consequently in its consolidated financial statements: • its share of the joint assets, appropriately classified; • any liabilities that it has incurred and its share of any liabilities incurred jointly with the other venturers; • income from the sale or use of its share of the output of the joint venture, and its share of expenses incurred by the joint venture; and • expenses in respect of its interest in the joint venture. **Jointly Controlled Entities**: **Benchmark treatment** - in its consolidated financial statements, a venturer should report its interest in a jointly controlled entity using proportionate consolidation. **Allowed alternative treatment** - in its consolidated financial statements, a venturer should report its interest in a jointly controlled entity using the equity method of accounting.		**IAS.**	**Controlled Operations -** the venturers should keep separate accounting and produce separate financial statements in respect to operations that are not a part of the joint operations. One of the venturers assumes responsibility to keep separate accounts and produce separate financial statements in respect to the jointly controlled operations. Consolidation of such financial statements is not prescribed by the statutory rules. **Jointly Controlled Entity** accounts for its operations as a resident legal entity under general statutory rules. Financial statements of the venturers state contribution in the joint venture as a long-term investment at the value of the contribution estimated and agreed by the venturers.	IAS		IAS. The benchmark treatment is not applied. The venturer shall use the equity method when reporting for an interest in a jointly controlled entity in both the separate financial statements of the venturer and in the consolidated financial statements.				addressed. In practice jointly controlled entities classified as subsidiaries and associates and accounted for respectively (using full consolidation or equity method) in the venturer's consolidated financial statements. In its separate financial statements jointly controlled entities accounted for as investments. No guidance for accounting treatment of jointly controlled operations and jointly controlled assets.	IAS. The benchmark treatment for jointly controlled entities is not applied. The venturer shall use the equity method when reporting for an interest in a jointly controlled entity in both the separate financial statements of the venturer an in the consolidated financial statements.	IAS, except that RAS does not specify requirements for consolidated financial statements. Accounting treatment of jointly controlled assets is not specified.	treatment of jointly controlled operations or assets is not defined. For jointly controlled entities both benchmark and alternative treatment can be applied. Both methods are equal.	this area, use IAS.
Exceptions for jointly controlled entities	A venturer should account for the following interests in jointly controlled entities as if they were investments: • an interest which is acquired and held exclusively with a view to its subsequent disposal in the near future; and • an interest, which operates under severe long-term restrictions that significantly, impairs its ability to transfer funds to the venturer.	**Not specified**	Comparable to IAS	Not specified.	Comparable to IAS	Not specified	Comparable to IAS.	Comparable to IAS. The treatment of an investment under long-term restrictions is not specified.	Not specified.	Not defined.	Not specified.	Comparable to IAS.	Not specified.	A joint-venture (JV) can be excluded from consolidation when: • control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal in the near future; • it operates under severe long-term restrictions which significantly impair its ability to transfer funds to the	No SAS covers this area, use IAS.

Topic	International (IAS 31)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
														parent; • it is immaterial in relation to true and fair view of consolidated financial statements; or • collection of information necessary for consolidation of joint venture is too expensive or too late. • JV that operates in dissimilar activities should be consolidated using equity method • JV in liquidation can be either consolidated using equity method or at cost. Both methods are equal.	
Transactions between a venturer and a joint venture	When a venturer contributes or sells an asset to a joint venture, while the assets are retained by the joint venture, provided that the venturer has transferred the risks and rewards of ownership, it should recognize the proportion of the gain attributable to the other venturers. The venturer should recognize the full loss when it indicates a permanent decline in value. This applies equally to non-monetary contributions unless the gain or loss cannot be measured, or the other venturers contribute similar assets. Unrealized gains or losses should be eliminated against the underlying assets (proportionate consolidation) or against the investment (equity method). **[SIC 13]** When a venturer purchases assets from a joint venture, it should not recognize its share of the gain until it resells the asset to an independent party. Losses should be recognized if they indicate a permanent decline in value.	**Not specified**	When a venturer contributes or sells an asset to a joint venture, while the assets are retained by the joint venture, provided that the venturer has transferred the risks and rewards of ownership, it should recognize the proportion of the gain attributable to the other venturers. The venturer should recognize the full loss when it indicates a permanent decline in value. When a venturer purchases assets from a joint venture, it should not recognize its share of the gain until it resells the asset to an independent party. Losses should be recognized if they indicate a permanent decline in value.	Transactions between a venturer and a joint venture are recorded in the normal manner as transactions between two independent parties.	Comparable to IAS	Not specified	Comparable to IAS.	The accounting concept is the same, but there is no regulations in HAS what to do if there is a permanent decline in value of jointly controlled entities (i.e. not only the proportion, but the full loss must be recognized). Only proportionate accounting is allowed. Regarding non-monetary contribution treatment comparable to IAS. The treatment of the venturer´s purchase from a joint venture is not specified.	Not specified.	Not defined.	Not specified. In practice for jointly controlled entities for which full consolidation or equity methods are used, normal rules for elimination of intra-group transactions and unrealized profits / losses applicable under these methods are used.	Not specified	Not specified.	Generally comparable to IAS	No SAS covers this area, use IAS.

Topic	International (IAS 31)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Disclosure	Disclose a listing and description of interests in significant joint ventures and the proportion of ownership interest held in jointly controlled entities. Disclose separately contingencies and commitments relating to joint ventures. Where proportionate consolidation on a line-by-line basis has been used, disclose the aggregate amount included in current assets, long-term assets, current liabilities, long-term liabilities, income and expenses relating to interests in joint ventures.	**Not specified**	Disclose: • a listing and description of interests in joint ventures; • the share of the venturer in the profit/loss of the joint venture; • any contingencies and commitments relating to joint ventures; and • the share of the venturer in the liabilities of the joint venture.	No disclosure requirements in this area exist.	Comparable to IAS	Not specified	Comparable to IAS (EAL Appendix 3).	To be disclosed: • name and residence place of the jointly owned entities • ownership percentage • the proportion amount of the owner's equity which is due to the parent company. No such regulation under HAS. No disclosure requirements regarding contingencies and commitments or the aggregated amount included in assets liabilities and P & L when proportionate consolidation is applied.	Not specified	Not defined.	For joint ventures not subject to consolidation using full consolidation or equity methods in both venturer's separate and consolidated financial statements at least the following disclosures are required: • name and scope of business of the joint venture; • percentage shareholding; • relative proportion of jointly controlled tangible fixed assets and intangibles; • liabilities incurred by venturer for the sake of the joint venture; • relative proportion of shared liabilities; • income generated from the joint venture and related costs; • contingent liabilities and commitments related to the joint venture.	Not specified	Not specified.	Disclose for each joint venture: • name; • location of business; • an amount of registered capital; • percentage ownership (and voting power, if different); • profit/(loss) for the year; • method of accounting used. In addition, dividend income from joint venture should be disclosed for each JV separately. No requirement regarding the disclosure of contingencies and commitments relating to joint ventures. No requirement to disclose the aggregate amounts relating to interests in joint ventures included in assets and liabilities, income and expenses where proportionate consolidation on a line-by-line basis has been used,	No SAS covers this area, use IAS.

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24. Financial Instruments: Disclosures and Presentation

Topic	International (IAS 32)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Scope	Prescribes requirements for presentation of on-balance sheet financial instruments and identifies the information that should be disclosed about both on-balance sheet and off-balance sheet instruments: • classification between liabilities and equity; • classification of related interest, dividends, losses and gains; • disclosure of information about factors that affect the amount, timing and certainty of related cash flows; and • disclosure of accounting policies. IAS 32 does not deal with recognition and measurement issues relating to financial instruments. *IAS 39* ***Financial Instruments: Recognition and Measurement*** *which was finalized in December 1998 and is effective for accounting periods beginning on or after January 1, 2001, specifies recognition and measurement rules for both on- and off-balance sheet instruments.*	Not specified	Prescribes requirements for definitions, classification, recognition, valuation and disclosure of financial instruments in the financial statements of companies. The standard should be applied for accounting periods beginning on or after January 1, 2000.	Prescribes requirements for presentation of on-balance sheet financial instruments and identifies the information that should be disclosed about both on-balance sheet and off-balance sheet instruments.	Comparable to IAS	Financial Institutions (requirements are not specified for non-financial institutions): Prescribes requirements for presentation of on balance sheet financial instruments: • disclosure of accounting policies • classification between liabilities and equity • repo recognition in assets or liabilities As for the off balance sheet instruments there is no special requirements for presentation.	Not specified.	Prescribes requirements for definitions, classification, recognition, valuation and disclosure of financial instruments in the financial statements of the companies.	Comparable to IAS.	Not defined.	No regulations included in the 'Act'. For public companies disclosure requirements for certain group of financial instruments are prescribed under securities and exchange regulations.	Not specified	Not specified.	Generally, financial instruments are not defined as a specific area. Classification between liability and equity and between interest, dividends, losses and gains is not defined. Requirements for financial institutions are under development.	No SAS covers this area, use IAS.
Distinction between liabilities and equity	An instrument should be classified according to its substance. The classification is made on the basis of assessments at the time of initial recognition - and is not subsequently altered. The key distinguishing feature is that a financial liability involves a contractual obligation either to deliver cash or another financial asset, or to issue another financial instrument, under terms that are potentially unfavorable to the issuer. An instrument that does not give rise to such a contractual obligation is an equity instrument. A preferred share with a contractual obligation to redeem, or a right of the holder to require redemption or which provides for redemption on such terms that the issuer will be economically compelled to redeem, should be classified as a financial liability. Where the rights and obligations regarding the manner of settlement of a financial instrument depend on	Not specified.	A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise or to exchange financial instruments with another enterprise under conditions that are potentially unfavorable. Equity instrument is a contract, which secures share in the net assets of an enterprise.	No statutory rules in this area exist.	Comparable to IAS	The key distinguishing feature is that a financial liability involves a contractual obligation either to deliver cash or another financial asset, or to issue another financial instrument, under terms that are potentially unfavorable to the issuer. An instrument that does not give rise to such a contractual obligation is an equity instrument. In case that the financial instrument is a bond, only issued and sold bonds are recorded in the balance sheet. The unsold bonds are part of the off balance sheet and there	Comparable to IAS, (EAL §3).	A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise or to exchange financial instruments with another enterprise under conditions that are potentially unfavorable. An instrument that does not give rise to such a contractual obligation is an equity instrument	Not specified	Not defined	Not specified.	Comparable to IAS.	Not specified.	Financial instruments which have both aspects of equity and liability are not covered by SAS. Such instruments would normally be classified according to their prevailing nature.	No SAS covers this area, use IAS.

Topic	International (IAS 32)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
	the occurrence or non-occurrence of uncertain future events, or on the outcome of uncertain circumstances that are beyond the control of both the issuer and the holder, the financial instrument should be classified as a liability except where the possibility of the issuer being required to settle in cash or another financial asset is remote at the time of issuance, in which case the instrument should be classified as equity. **[SIC 5]**					are no special requirements related to their presentation.									
Compound instruments	Financial instruments that contain both a liability and an equity element - classify the component parts separately in accordance with their substance. A bond which is convertible by the holder into common shares contains two components - a financial liability (contractual obligation to deliver cash or other financial assets) and an equity instrument (the holder's option to convert into common shares). Classification is not revised as a result of a change in the likelihood that a conversion option will be exercised.	Not specified	Not specified	No statutory rules in this area exist.	Comparable to IAS	Comparable to IAS. Equity instruments are defined only as common and preferred shares. All types of bonds are a financial liability	Comparable to IAS	Not specified	Not specified	Not defined	Not specified.	Comparable to IAS	Not specified.	Convertible bonds are treated as liability with description of their nature in the notes. No other regulation.	No SAS covers this area, use IAS.
Classification and measurement of interest, dividends, losses and gains.	Interest, dividends, losses and gains relating to an instrument classified as a liability should be reported in the income statement – therefore dividend payments on shares classified as liabilities are classified as expenses.	Interest, losses and gains are recorded in the profit and loss accounts in accordance with the general law. No statutory rules exist with respect to dividends.	Not specified.	Interest, losses and gains are recorded in the profit and loss accounts in accordance with the general law. .	Comparable to IAS	Interest losses and gains are recorded in the profit and loss account in accordance with general law. No rates with respect to dividends on shares classified as liabilities.	Comparable to IAS	Interest, losses and gains are recorded in the profit and loss accounts in accordance with the general law. • The after-tax profit of the year may be disbursed as a dividend or profit-sharing only if the amount of the equity, the tied-up capital reserve, the tied-up accumulated profit reserve, and the evaluation reserve, as well as by the difference between the unrealized loss on exchange and the provisions does not fall below the amount of the issued capital following the disbursement of such dividend or profit-sharing.	Comparable to IAS	Not defined	Not specified.	Comparable to IAS.	Not specified.	Interest, losses and gains relating to an instrument classified as a liability should be reported in the income statement. Dividend payments on shares classified as liabilities are not classified as expenses Dividends are just classified as profit distribution even for priority shares.	No SAS covers this area, use IAS.

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Topic	International (IAS 32)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Disclosure	For each class of financial asset and liability, and equity, both recognized and unrecognized, disclose: • details of the extent and nature of the financial instruments, including significant terms and conditions; • accounting policies and methods adopted; • specified information about exposure to interest rate risk; • specified information about exposure to credit risk; and • specified information about fair value, or a statement that it is not practicable. If any asset is carried at greater than fair value, disclose its carrying amount and fair value and the reasons for not reducing the carrying amount. When a financial instrument is accounted for as a hedge, disclose transactions hedged against, a description of the hedging instruments and the amount of any deferred gain or loss and the expected timing of recognition.	Not specified	Disclose: • total amount of on-balance sheet and off-balance sheet financial instruments by type and classification groups; • the portfolio of financial instruments; • accounting policies regarding recognition, recording and valuation of financial instruments and the portfolio of financial instruments; • all significant financial risks related to financial instruments and portfolio of instruments arising during the accounting period; • total value of hedged instruments by type and the hedging reserves created thereof, the average hedging efficiency by type of hedging instruments and for the company as a whole and the adopted policy regarding accounting and valuation of hedging efficiency.	Not specified	Comparable to IAS	Not required at present from business entities other than credit institution (EASB Consolidated Accounts). Financial institutions: • accounting policies • details about specified financial instruments (as significant loans, emissions during the year.) • there are no requirements related to interest rate risk exposure, credit risk exposure (this information is required only by ČNB as part of prudential reports) • the assets are presented at purchase price or nominal value. Provisions are created in case that there is a risk of non-collectability.	Not required at present from business entities other than credit institution (EASB Consolidated Accounts).	Disclose: • the portfolio of financial instruments; • accounting policies regarding recognition, accounting and valuation of financial instruments and the portfolio of financial instruments; and • all significant financial risks related to financial instruments and portfolio of instruments arising during the accounting period;	Not specified	Not defined	Not specified in the 'Act'. For public companies since 1999 detailed disclosures required for certain groups of financial instruments.	Not specified.	Not specified.	Disclosure: • of nature is not precisely required (just general rule for the notes) • accounting policies, • interest, • exposure to credit risks and fairs value disclosure – required just under the principle of conservatism and valuations. Current assets should be valued at realizable value if lower than cost. Nature and financial impact of financial derivatives should be disclosed.	No SAS covers this area, use IAS.
Offsetting of financial assets and financial liabilities	A financial asset and a financial liability should be offset and the net amount reported when an enterprise: • has a legally enforceable right to set off the amounts; and • intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.	Not specified.	Comparable to IAS.	Comparable to IAS.	Comparable to IAS	A financial asset and a financial liability should be offset and the net amount reported when an enterprise: • has a legally enforceable right to set off the amounts; and	Comparable to IAS	Receivables and liabilities may not be offset against one another (principle of gross settlement). Section 15(10) of the Accounting Law.	Comparable to IAS	Not defined	Not specified for financial assets and liabilities. According to general rules assets and liabilities should not be offset except where offsetting is required or permitted by law.	Not permitted.	Not specified.	If legal right exist offsetting of financial assets and liabilities is allowed. Off-setting is not allowed based purely on intention (generally, the principle of legal forms prevailing over economic substance	No SAS covers this area, use IAS.

Topic	International (IAS 32)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
														prevails).	

25. Earnings Per Share

Topic	International (IAS 33)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Scope of standard	Applies to enterprises whose securities are publicly traded or that are in the process of issuing securities to the public. Other enterprises which choose to present earnings per share (EPS) information should also comply with the Standard.	Not specified	Comparable to IAS.	Not specified	Comparable to IAS	Not specified	EASB, Earnings Per Share shall be applied by an accounting entity in the process of issuing or that has issued shares to the public and/or whose shares are registered at the Central Depository or listed on the Tallinn Stock Exchange. Other entities, which disclose earnings per share, should calculate it in accordance with the guideline.	Not specified	Not specified	Not defined	Not specified. However the listing regulations require listed companies to present EPS in their annual and interim reports. Comments below therefore refer to publicly traded companies.	Not specified	Not specified	Not required by Slovak Accounting Standards.	No SAS covers this area, use IAS.
Calculation of basic EPS	Calculated by dividing the net profit or loss for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.	Not specified	Comparable to IAS.	Not specified	Comparable to IAS	Not specified	Comparable to IAS (EASB, Earnings per Share).	Not specified	Not specified	Not defined	Comparable to IAS.	Not specified	Not specified	Not specified	No SAS covers this area, use IAS.
Definition of earnings	After deduction of: • all expenses including tax, extraordinary items and minority interests; and • preference dividends (including cumulative dividends that have not been declared).	Not specified	Comparable to IAS.	Not specified	Comparable to IAS	Not specified	Comparable to IAS (EASB Earnings Per Share).	Not specified	Not specified	Not defined	Earnings for the last 12 months before the balance sheet date after deduction of all expenses, including tax, extraordinary items and minority interest and preference dividends (no matter whether declared). Income from preference dividends receivable should be included even if not declared.	Not specified	Not specified	Not specified	No SAS covers this area, use IAS.
Number of shares	Weighted average number of shares outstanding in the period - adjusting the shares at the beginning of the period by the number of shares bought back or issued during the period, multiplied by a time-weighting factor. Weighting factor determined by reference to date of issue or date of buy-back of shares. Standard includes extensive guidance on appropriate recognition dates for shares issued in various circumstances.	Not specified	Comparable to IAS.	Not specified	Comparable to IAS	Not specified	Comparable to IAS. The weighted average number of shares should be adjusted if the number of common shares is adjusted, even though the equity amount is not changed. The time-weighted factor is	Not specified	Not specified	Not defined	Weighted average number of shares outstanding in the period. Weighting factor determined by reference to the length of the period (relevant proportion of the reporting period) in which ordinary shares of the given issue	Comparable to IAS.	Not specified	Not specified	No SAS covers this area, use IAS.

Topic	International (IAS 33)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
							determined by reference to date of issue or the date of the buy-back of shares.				ranked for dividend.				
Diluted EPS	Earnings and number of shares to be adjusted for the effects of dilutive options and all dilutive potential ordinary shares. The effects of 'anti-dilutive' potential ordinary shares (i.e. whose conversion would increase net profit per share from continuing ordinary operations) are ignored in calculating diluted EPS. Earnings to be adjusted for the after-tax effects of: • dividends and interest charged in relation to dilutive potential ordinary shares; and • any other changes in income that would result from the conversion of the potential ordinary shares. Number of ordinary shares to be adjusted for the number of shares that would be issued on the conversion of all of the dilutive potential ordinary shares into ordinary shares. Shares should be deemed to have been converted on the first date of the accounting period or the date of issue, if later. The assumed proceeds from these issues should be considered to have been received from the issue of shares at fair value. The difference between the number of shares issued and the number of shares that would have been issued at fair value should be treated as an issue of ordinary shares for no consideration. Fair value for this purpose is calculated on the basis of the average price of the ordinary shares during the period.	Not specified	Comparable to IAS.	Not specified	Comparable to IAS	Not specified	Comparable to IAS (EASB, Earning Per Share).	Not specified	Not specified	Not defined	Obligation for publicly traded companies to report diluted EPS was introduced to financial statements for the financial year ended December 31, 1998. Calculated after adjustment for new shares issues, convertibles, options, warrants and other circumstances increasing the anticipated number of shares. No precise guidance for earnings and number of shares adjustment calculation.	Not specified	Not specified	Not specified	No SAS covers this area, use IAS.
Adjustment for the entire period and of comparatives	The weighted average number of shares outstanding during the period and for all periods presented should be adjusted for events which change the number of ordinary shares outstanding without a corresponding change in resources e.g.: • capitalization/bonus issue; • bonus element of any other issue; • share split; and • consolidation of shares. If these changes occur after the balance sheet date, the calculation of EPS should be based on the new number of shares, and the fact that such adjustments have been made should be disclosed. In addition, adjust all periods presented for:	Not specified	Comparable to IAS.	Not specified	Comparable to IAS	Not specified	Comparable to IAS (EASB, Earning Per Share).	Not specified	Not specified	Not defined	Not specified.	Not specified	Not specified	Not specified	No SAS covers this area, use IAS.

Topic	International (IAS 33)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
	• prior period adjustments; and • business combinations accounted for as an uniting of interests. Do not restate diluted EPS for changes in the assumptions used or for the conversion of potential ordinary shares into ordinary shares outstanding.														
Presentation	Present basic and diluted EPS on the face of the income and expenditure account, with equal prominence. Both must be disclosed even if the amounts disclosed are negative (i.e. a loss per share).	Not specified	In the notes to the financial statements an enterprise should disclose basic and diluted earnings per share for each class of ordinary shares which have a different right to share in the net profit for the period.	Not specified	Comparable to IAS	Not specified	EPS on the face of income statement (both interim and annual accounts), with equal prominence. Issuer being a parent company and presenting consolidated report, shall present EPS on basis of consolidated financial statements. Both EPS amounts are to be presented in spite of the financial results (net profit or loss).	Not specified	Not specified	Not defined	Basic and diluted EPS should be presented on the face of the income and expenditure account with equal prominence.	Not specified	Not specified	Not specified	No SAS covers this area, use IAS.
Presentation of additional EPS	Denominator to be used should be determined in accordance with the rules of the Standard. If a component of net profit is used which is not reported as a line item in the income statement, a reconciliation should be provided between the component used and a line item in the income statement. Basic and diluted per share amounts should be disclosed with equal prominence.	Not specified	Not specified.	Not specified	Comparable to IAS	Not specified	Comparable to IAS (EASB Earnings Per Share).	Not specified	Not specified	Not defined	Not specified.	Not specified	Not specified	Not specified	No SAS covers this area, use IAS.
Disclosure	Disclose: • the amounts used as the numerators in calculating basic and diluted EPS, and a reconciliation of those amounts to the profit or loss for the period; and • the weighted average number of ordinary shares for both basic and diluted, and a reconciliation of those denominators to each other. Encouraged to disclose the occurrence and nature of post-year-end share transactions for which no adjustment is made e.g. post-year-end issues for cash.	Not specified	An enterprise should disclose in the notes to the financial statements: • the amounts used as the numerators in calculating basic and diluted EPS; and • the weighted average number of ordinary shares for both basic and diluted EPS. The enterprise	Not specified	Comparable to IAS	Not specified	Comparable to IAS (EASB Earnings Per Share).	Not specified	Not specified	Not defined	Disclose additional information showing the way of basic and diluted EPS calculation.	Not specified	Not specified	Not specified	No SAS covers this area, use IAS.

Topic	International (IAS 33)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
			may disclose earnings per share for various components of profit/(loss) for the period if this information will enable the users of the financial statements to better evaluate the performance of the enterprise.												

26. Interim Financial Reporting

Topic	International (IAS 34)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Scope of standard and effective date	IAS 34 is effective for accounting periods beginning on or after January 1, 1999. Earlier application is encouraged. *IAS 34 does not mandate which enterprises should publish interim financial reports, how frequently or how soon after the end of an interim period. Such matters will be decided by local regulators. The objective of IAS 34 is to specify the content of an interim financial report prepared in accordance with IAS.* The IASC encourages publicly traded enterprises to provide interim financial reports that conform to the recognition, measurement and disclosure principles set out in IAS 34, at least as of the end of the first half of their financial year, such reports being made available not later than 60 days after the end of the interim period.	Not specified	NAS 34 is effective for accounting periods beginning on or after January 1, 1999. Enterprises should apply NAS 34 when the state authorities require presentation and publishing of interim financial statements. Publicly traded enterprises have to provide interim financial reports that conform to the recognition, measurement and disclosure principles set out in NAS 34, at least as of the end of the first half of their financial year, such reports being made available not later than 60 days after the end of the interim period.	No statutory requirement to prepare interim financial statements for the public's use exists. The state companies and credit institutions produce interim financial reports for the regulatory bodies only, on quarterly and daily basis respectively. Additionally, all Belarussian entities should present the tax returns for each tax payable on monthly basis.	Comparable to IAS	Czech accounting legislation does not specify requirements for interim financial reporting. Requirements for listed companies are specified by the Prague Stock Exchange.	"Preparing and Issuing Interim Accounts" EASB is in conformity with IAS 34. Applies to all publicly listed enterprises. Interim accounts must be provided on a quarterly basis and must be authorized for issuance, at the latest 2 months after the interim balance sheet date.	If an interim financial statement is required to be filed by law, as prerequisite for paying dividends in advance, such statement shall be completed according to the provisions pertaining to the annual financial statement of the report prescribed in the Accounting Law.	Not specified, refer to IAS	Not defined	No applicable regulations in the 'Act'. Requirements for listed companies are specified in listing regulations. Such companies are required to prepare monthly, quarterly and six-month interim reports. Timing of publishing of interim reports is strictly regulated.	Only year-end financial statements are obligatory.	Issuance of interim financial statements as at June 30 is mandatory as per RAL. Such reports have to be available no later than 30 days after the end of the interim period.	Slovak accounting legislation does not specify requirements for interim financial reporting. This matter is regulated by the Securities Law, which requires publicly traded companies to publish their interim results in compliance with IAS; i.e. all further points regarding IAS apply. Financial reports have to be published not later than 3 months after the end of the interim period.	No SAS covers this area, use IAS. Local regulations require preparation of financial statements for the length of one year only, which is equal to twelve months. The business year does not have to coincide with the calendar year. There are no legal requirements regarding interim reporting.
Minimum components	The following components: • condensed balance sheet; • condensed income statement; • condensed statement showing either (i) all changes in equity or (ii) changes in equity other than those arising from capital transactions with owners and distributions to owners; • condensed cash flow statement; and • selected explanatory notes.	Not specified	The following components: • condensed balance sheet; • condensed income statement; • condensed statement showing all changes in equity; • condensed cash flow statement; and • selected explanatory notes.	N/A	Comparable to IAS	N/A	Comparable to IAS (EASB Preparing and Issuing Interim Accounts).	Same as annual financial statements	Not specified, refer to IAS	Not defined	Six-month interim report should include all elements required for annual reports i.e.: • balance sheet, • income statement, • cash flow statement, • statement of changes in equity, • notes to the accounts. Limited contents of quarterly and monthly reports are specified in relevant listing regulations.	Only year-end financial statements are obligatory.	The Ministry of Finance established a format of interim financial statements which includes: • Balance sheet; • Income statement; • Selected explanatory notes. Management report has to be attached to the interim financial statements.	Components of interim financial reports are as required by IAS. Additionally, the Securities Law ("Law") also requires disclosure of information on expected financial position of the enterprise in 6 months following the reporting period and other information.	No SAS covers this area, use IAS.
Form and content	If a complete set of financial statements is published in the interim report, those financial statements should be in full compliance with IAS. If financial statements are condensed, they should include at a minimum each of the headings and sub-totals included in the most recent annual financial statements and the explanatory notes required by IAS 34. Additional line items should be included if their omission would make the	Not specified	The complete set of financial statements published in the interim report should be in full compliance with NAS 1 Presentation of Financial Statements. If financial statements are condensed, they should include at	N/A	Comparable to IAS	N/A	Comparable to IAS. Requirements for condensed financial statements are not specified. Required in accordance with EASB Earnings per share (see above)	Same as annual financial statements	Not specified, refer to IAS	Not defined.	Six-month interim report similar to a complete set of financial statements. Basic and diluted EPS should be disclosed. Contents and format of quarterly and monthly reports specified in relevant listing regulations.	Not specified	There is a predefined format of interim financial statements and they have to be compliant with RAL.	Comparable to IAS.	No SAS covers this area, use IAS.

Topic	International (IAS 34)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
	interim financial information misleading. Basic and diluted EPS should be presented on the face of the income statement.		should include at a minimum each of the headings and sub-totals included in the most recent annual financial statements and the explanatory notes required by NAS 34. Additional line items should be included if their omission would make the interim financial information misleading.												
Explanatory notes required	The following information reported on financial year-to-date basis: • a statement that accounting policies are consistent with those used in the annual account or, if those policies have been changed, a description of the nature and effect of the change; • explanatory comments about the seasonality or cyclicality of interim operations; • details of any items affecting the financial statements that are unusual because of their nature, size or incidence; • details of changes in estimates of amounts reported in prior interim periods of the current financial year or amounts reported in prior financial years, if those changes have a material effect in the current interim period; • issuances, repurchases and repayments of debt and equity securities; • dividends paid (aggregate or per share) separately for ordinary and other shares; • where the enterprise falls within the scope of IAS 14 (Revised) *Segment Reporting*, segment revenue and segment result for business segments or geographical segments, whichever is the enterprise's primary basis of segment reporting; • material events subsequent to the end of the interim period; • the effects of changes in the composition of the enterprise during the interim period, including business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructurings and	Not specified	Comparable to IAS. Additional notes required for changes in off-balance sheet items occurring after the last balance sheet date and transactions and balances with related parties as per NAS 24.	N/A	Comparable to IAS	N/A	Comparable to IAS	Same as annual financial statements	Not specified, refer to IAS	Not defined	Six-month interim reports should include the whole spectrum of explanatory notes as required in annual reporting. Auditors review report should also be attached to it. Explanatory notes required for quarterly and monthly reports: • information about rules adopted for preparation of the report; • description of events and circumstances having significant impact on profit/loss realized; • provisions adjustments (including deferred tax); • assets write-offs; For quarterly reports additionally the following notes should be included. • Specification of shareholders holding at least 5% of voting rights at the annual general meeting and changes since last interim report; • Changes in companies shares holdings by members of management	Not specified	These disclosures are not specified.	Comparable to IAS.	No SAS covers this area, use IAS.

Topic	International (IAS 34)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
	restructurings and discontinuing operations; and • changes in contingent liabilities or contingent assets since the last annual accounts. If the interim financial report is in compliance with IAS, that fact should be disclosed.										and supervisory bodies; • Explanatory comments on major achievement and events in the period, including those reported in ongoing reports; • Information about court or other administrative proceedings in respect of company's and it's subsidiaries' liabilities or receivables equal or exceeding 10% of equity.				
Periods for which interim financial statements are required to be presented	Interim financial statements (condensed or complete) are required for the following periods: • balance sheet as of the end of the current interim period and a comparative balance sheet as of the end of the immediately preceding financial year; • income statements of the current interim period and cumulatively for the current financial year to date, with comparative income statements for the comparable interim periods (current and year-to-date) of the immediately preceding financial year; • statement showing changes in equity cumulatively for the current financial year to date, with a comparative statement for the comparable year-to-date period of the immediately preceding financial year; and • Cash flow statement cumulatively for the current financial year to date, with a comparative statement for the comparable year-to-date period of the immediately preceding financial year.	Not specified	Interim financial statements (condensed or complete) are required for the following periods: • balance sheet as of the end of the current interim period and a comparative balance sheet as of the end of the immediately preceding financial year (December 31); • income statement for the current interim period and income statement for the comparable interim period of the immediately preceding financial year; • statement showing changes in equity for the current financial year; • cash flow statement for the current financial year to date, with a comparative statement for the comparable year-to-date period of the immediately preceding financial year.	N/A	Comparable to IAS	N/A	Comparable to IAS	Only in the case when the company wants to pay dividends in advance during in a year	Not specified, refer to IAS	Not defined	For six-month interim reports comparable to IAS except that comparative balance sheet and statement of changes of equity figures should be for corresponding half year and not for previous financial year. For quarterly and monthly reports applicable statements for relevant quarter or month together with cumulative figures should be presented.	Not specified	Interim financial statements (condensed) are required for the following periods: • balance sheet as of the end of the current interim period and a comparative balance sheet as of the end of the immediately preceding financial year; • income statements of the current interim period and cumulatively for the current financial year to date, with comparative income statements for the comparable interim periods of the immediately preceding financial year.	Comparable to IAS.	No SAS covers this area, use IAS.

Topic	International (IAS 34)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Materiality	Materiality should be assessed in relation to the interim period financial data – allowing for the greater reliance on estimates inherent in interim measurements.	Not specified	Materiality should be assessed in relation to the interim period financial data and not on the basis of estimated data at the end of the financial year.	N/A	Comparable to IAS	N/A	Comparable to IAS	Lower of 1% of the total assets or 500,000 Thousand HUF	Not specified, refer to IAS	Not defined	Not specified.	Not specified	Not applicable	Comparable to IAS.	No SAS covers this area, use IAS.
Disclosure in annual financial statements	If an estimate of an amount reported in an interim period is changed significantly during the final interim period of the financial year, but a separate financial report is not published for that final interim period, the nature and amount of that change in estimate should be disclosed in a note to the annual financial statements for that year.	Not specified	If an estimate of an amount reported in an interim period is changed significantly it can be adjusted for the purposes of the future interim reports.	N/A	Comparable to IAS	N/A	Comparable to IAS	Not specified, refer to IAS	Not specified, refer to IAS	Not defined	Not specified.	Not specified	Not specified.	Comparable to IAS.	No SAS covers this area, use IAS.
Recognition and measureme nt	The same accounting policies should be applied as are applied in the enterprise's annual financial statements, except for policy changes made after the date of the most recent annual financial statements that are to be reflected in the next annual financial statements. Measurements for interim reporting purposes should be made on a year-to-date basis, so that the frequency of the enterprise's reporting (annual, half-yearly or quarterly) does not affect the measurement of its annual results. Revenues that are received seasonally, cyclically or occasionally within a financial year should not be anticipated or deferred as of the interim date, if anticipation or deferral would not be appropriate at the end of the financial year. Costs that are incurred unevenly during a financial year should be anticipated or deferred for interim reporting purposes if, and only if, it is also appropriate to anticipate or defer that type of cost at the end of the financial year. Income tax expenses should be recognized based on the best estimate of the weighted average annual income tax rate expected for the full financial year.	Not specified	Comparable to IAS.	N/A	Comparable to IAS	N/A	Comparable to IAS	The interim financial statement shall be completed on the basis of analytical and ledger records for the accounting date specified by the entrepreneur, in observation of the regulations on the end of the year assessment of balance sheet items, backed up by a profit and loss statement and an inventory, and in a manner as to be controlled subsequently. The inventory shall include the data, from the analytical and ledger records, on assets and sources for the accounting date of the financial statement, and any adjustments to be applied during the end of the year assessment along with the calculations in support of such corrections. Relative to the accounting date of the interim financial statement, the analytical and ledger records may not be closed, as they are to be continued without interruption. The adjustments,	Not specified, refer to IAS	Not defined	The same accounting policies should be applied as are applied in the enterprise's annual financial statements. Income tax expense should be recognized based on the actual net income for the interim period as if it was the full fiscal year.	Not specified	In practice the same as per IAS. Treatment of costs incurred unevenly during the year is not specified. Income tax is calculated based on actual results of operation up to the end of interim accounting period.	Comparable to IAS.	No SAS covers this area, use IAS.

Topic	International (IAS 34)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
								pertaining to the assessment of balance sheet items may not be included in the analytical and ledger records, as such adjustments may be considered for the interim financial statement only.							
Restatement of previously reported interim periods	Changes in accounting policy, other than one for which the transition is specified by a new IAS, should be reflected either by restating prior interim periods of the current year and the comparable interim periods of prior financial years (if the enterprise follows the benchmark treatment under IAS 8) or restating the financial statements of prior interim periods of the current financial year (if the alternative treatment under IAS 8 if followed).	Not specified	Not specified.	Not specified.	Comparable to IAS	N/A	Comparable to IAS	Not specified	Not specified, refer to IAS	Not defined	Figures for the corresponding period should be restated in order that they are comparable and consistent with current periods presentation (applicable only for publicly traded companies for which interim reporting regulations are relevant).	Not specified	Not specified.	Comparable to IAS.	No SAS covers this area, use IAS.

27. Discontinuing Operations

Topic	International (IAS 35)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Scope and effective date	IAS 35 is effective for accounting periods beginning on or after January 1, 1999. Earlier application is encouraged. IAS 35 is a presentation and disclosure Standard and does not establish any new principles for the measurement or recognition of income, expenses, assets or liabilities of discontinuing operations. This Standard applies to discontinuing operations in all enterprises.	Not specified.	Comparable to IAS.	Not specified	Comparable to IAS	Not specified	Not specified, but in practice comparable to IAS 35.	Not specified.	Not specified, refer to IAS	Not defined.	Not specified	Not specified.	Not specified.	Not specified, but application similar to IAS 35 is possible.	No SAS covers this area, use IAS.
Definitions	A **discontinuing operation** is a relatively large component of an enterprise: • that the enterprise pursuant to a single plan is disposing of in its entirety or piecemeal by selling off its assets and settling its liabilities; Note. To qualify as a discontinuing operation, the disposal must be pursuant to a single coordinated plan. • that represents a separate major line of business or geographic area of operations; and in line with the definitions in IAS 14, Segment Reporting. • that can be distinguished operationally and for financial reporting purposes. Note. This assumes that assets, liabilities, income and expenses are directly attributable to the component and would be eliminated when the component is sold, abandoned or otherwise disposed of. Classifying a component of an enterprise, as discontinuing does not, in itself, bring into question the enterprise's ability to continue as a going concern. Note. Uncertainties relating to the going concern presumption shall be disclosed in accordance with IAS 1, Presentation of Financial Statements. A restructuring or other event that does not meet the above definition of a discontinuing operation shall not be referred to as such.	Not specified.	Comparable to IAS.	Not specified	Comparable to IAS	Not specified	Not specified.	Not specified.	Not specified, refer to IAS.	Not defined.	Not specified.	Not specified.	Not specified.	Not specified	No SAS covers this area, use IAS.
Initial disclosure event	When • the enterprise has entered into a binding sale agreement for	Not specified.	The earlier of: • the enterprise having entered	Not specified	Comparable to IAS	Not specified	Not specified.	Not specified.	Not specified, refer to IAS.	Not specified.	Not specified.	Not specified.	Not specified.	Not specified	No SAS covers this area, use IAS.

Topic	International (IAS 35)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
	substantially all of the assets attributable to the discontinuing operation; or • the enterprise's board of directors or similar governing body has both approved and announced a detailed formal plan.		into a binding sale agreement for substantially all of the assets attributable to the discontinuing operation; or • the enterprise's Board of directors has both approved and announced a detailed formal plan.												
Recognition and measurement	The assets, liabilities, income and expenses of the discontinuing operation are measured and recognized in accordance with the principles set out in other IASC standards. A discontinuing operation is a restructuring as defined in IAS 37, Provisions. A restructuring provision is recognized, if only if, • the measurement criteria in IAS 37 are satisfied; and • the initial disclosure event occurred on or before the balance sheet date. The approval and announcement of a plan for discontinuance may indicate that the assets of the discontinuing operation are impaired. In accordance with IAS 36, Impairment of Assets, the recoverable amount of each asset (higher of the asset's net selling price and value in use) is estimated and any impairment losses or reversals are recognized. If the discontinuing operation is to be sold substantially in its entirety, recoverable amount is determined for the discontinuing operation (cash-generating unit) as a whole. Any impairment loss is allocated first to reduce the carrying amount of any goodwill and then to other assets on a pro-rata basis based on the carrying amount of each asset in the unit (IAS 36, 88). If the discontinuing operation is disposed of in other ways such as piecemeal sales or abandonment, the recoverable amount is determined for individual assets. Note. A price in a binding sale agreement is the best evidence of an assets (cash-generating unit's) net selling price or estimated cash inflow.	Not specified.	An enterprise should apply the principles of recognition and measurement that are set out in the Accountancy Act and other NAS for the purpose of deciding when and how to recognize and measure the changes in assets and liabilities and the income, expenses, and cash flows relating to a discontinuing operation.	Not specified	Comparable to IAS	Not specified	Comparable to IAS.	Not specified.	Not specified, refer to IAS	Not defined.	No specific rules stated for the recognition and measurement of liabilities, income and expenses of the discontinuing operation. Treatment of restructuring provisions not specifically addressed, therefore general rules for provisions apply. If discontinuance of operation indicates that any assets are impaired, unplanned depreciation charges should be made to bring the assets' net book value down to their net sales value.	Not specified.	All of them are measured in accordance with principles set out in RAL.	Not specified	No SAS covers this area, use IAS.
Disclosures in financial statements	In the period in which the initial disclosure event occurs up until the period in which the discontinuance is completed or	Not specified.	Following initial disclosure event: • a description of	Not specified	Comparable to IAS	Not specified	Not specified.	Not specified.	Not specified, refer to IAS.	Not defined.	Information about revenue, expenses and profit/loss on	Not specified.	Not specified.	Not specified	No SAS covers this area, use IAS.

Topic	International (IAS 35)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
	abandoned: • a description of the discontinuing operation; • the business or geographic segment(s) in which it is reported in accordance with IAS 14, Segment Reporting; • the date and nature of the initial disclosure event; • the date or period in which the discontinuance is expected to be completed if known or determinable; • the carrying amount, as of the balance sheet date, of the total assets and liabilities to be disposed of; • revenue, expenses, and pre-tax profit or loss from ordinary activities attributable to the discontinuing operation during the current financial period and income tax expense relating thereto (IAS 12, 81(h)) • net cash flows attributable to the operating, investing, and financing activities of the discontinuing operation during the current reporting period • any significant changes in the amount or timing of cash flows relating to the assets and liabilities to be disposed of or settled in subsequent periods If the initial disclosure event occurs between the balance sheet date and the date when the financial statements are authorized for use, the event is a non-adjusting event in accordance with IAS 10, Events After the Balance Sheet Date (effective date January 1, 2000). However, IAS 35 requires disclosure of the information specified above and IAS 10 requires that an estimate of the financial effect or a statement that such an estimate cannot be made be disclosed. If the enterprise has disposed of assets or settled liabilities attributable to the discontinuing operation during the current period, disclosure is made for any pre-tax gain or loss and any income tax expense related to these items as required by IAS 12 paragraph 81(h) regardless of whether the initial disclose event occurred, before, on or after the balance sheet date and the approval date. When the enterprise enters into a binding sales agreement before, on after the balance sheet date, IAS 35 requires disclosure of the net selling price or range of prices (after deducting expected disposal costs), carrying amounts of the net assets to be sold and the expected timing of receipt of these		the discontinuing operation; • the date and nature of the initial disclosure event; • the date or period in which the discontinuance is expected to be completed if known or determinable; • the carrying amount, as of the balance sheet date, of the total assets and liabilities to be disposed of; • revenue, expenses, and pre-tax profit or loss from ordinary activities attributable to the discontinuing operation during the current financial period and income tax expense relating thereto (IAS 12, 81(h)) • net cash flows attributable to the operating, investing and financing activities of the discontinuing operation during the current reporting period. If the initial disclosure event occurs between the balance sheet date and the date when the financial statements are authorized for use, the event is a non-adjusting event in accordance with NAS 10, Events After the Balance Sheet Date. If the enterprise has disposed of assets or settled liabilities attributable to the discontinuing operation during the current								operations discontinued in the period or planned to be discontinued in the following period should be disclosed.				

Topic	International (IAS 35)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
	expected timing of receipt of these cash flows.		period, disclosure is made for any pre-tax gain or loss and any income tax expense related to these items. When the enterprise enters into a binding sales agreement before, on after the balance sheet date, NAS 35 requires disclosure of the net selling price or range of prices (after deducting expected disposal costs), carrying amounts of the net assets to be sold and the expected timing of receipt of these cash flows.												
Presentation of disclosures	The disclosures required may be presented either in the notes or on the face of the financial statements except that pre-tax gains or losses recognized on the disposal of assets or settlement of liabilities attributable to the discontinuing operation should be shown on the face of the income statement. No item recognized in conjunction with the discontinuing operation should be presented as an extraordinary item. Comparative information for prior periods presented subsequent to the initial disclosure event should be restated to segregate continuing and discontinuing assets, liabilities, income and expenses. The notes to an interim financial report should describe significant events and activities relating to the discontinuing operation and any significant changes in the amount or timing of cash flows from the disposal of assets or settlement of liabilities. Note. This is consistent with the disclosure requirements in IAS 34, Interim Financial Reporting.	Not specified.	Any disclosure specified above should be presented separately for each discontinuing operation.	Not specified	Comparable to IAS	Not specified	Not specified.		Not specified, refer to IAS.	Not defined.	The disclosures required should be made in the notes. The effect of discontinuance or suspension of a certain type of activity (including a significant change in production methods or a sale of an organized part of an entity) is presented as an extraordinary item.	Not specified.	Not specified.	Disclosure on the face of financial statements is not allowed due to their prescribed format, therefore only disclosure in the footnotes is possible.	No SAS covers this area, use IAS.

28. Impairment of Assets

Topic	International (IAS 36)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Scope and effective date	IAS 36 is operative for accounting periods beginning on or after July 1, 1999. Earlier application is encouraged. However, this Standard should be applied on a prospective basis only. IAS 36 prescribes the accounting and disclosure for impairment of all assets and replaces the requirements for assessing the recoverability of an asset previously found in the following standards: IAS 16, Property, Plant, Equipment (revised 1998); IAS 22, Business Combinations (revised 1998); IAS 28, Accounting for Investments in Associates (revised 1998); IAS 31, Financial Reporting for Joint Ventures (revised 1998). IAS 36 does not cover impairment of inventories (see IAS 2), deferred tax assets (see IAS 12), assets arising from construction contracts (see IAS 11), assets arising from employee benefits and financial assets included in the scope of IAS 32, Financial Instruments: Disclosure and Presentation. This Standard applies to investments in subsidiaries, associates or joint ventures as defined in other standards which are financial assets but excluded from the scope of IAS 32.	Not specified.	No statutory rules exist in this area.	No statutory rules in this area exist.	Comparable to IAS	Accounting Act Section 26 and Accounting Procedures for Businessmen. Prudence principle to be applied.	Comparable to IAS.	HAS is effective from 1992, as the Accounting Law is effective from that time. Invested assets and current assets shall be evaluated at the purchase and/or manufacturing cost less the write-offs applied. Assets may not be entered in the balance sheet at a value higher than the purchase and/or manufacturing costs. Not specified. Not specified. Not specified. Not specified. Same	Not specified, refer to IAS.	Not defined.	Not specified	Comparable to IAS	Romanian Accounting Law specifies that provisions should be made for any assets that have been impaired.	No special regulation exists, but the standard may be applied as guidance for estimating impairment provisions for various categories of assets under the prudence principle.	No SAS covers this area, use IAS.
Definitions	Recoverable amount - the higher of an asset's net selling price and its value in use. Value in use - the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction, less the costs of disposal. Costs of disposal - incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense. A cash-generating unit - the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets. Corporate assets - assets other than goodwill that contribute to the future cash	Not specified. Assets are all resources controlled by the enterprise at a specific date.	No statutory rules exist in this area.	No statutory rules in this area exist.	Comparable to IAS	Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction, less the costs of disposal. Costs of disposal - incremental costs directly attributable to the disposal of an asset.	The detailed guidance regarding measurement found in IAS 36 may be applied.	Same Assets may not be entered in the balance sheet at a value higher than the purchase and/or manufacturing costs. Same Same Not specified. Not specified.	Not specified, refer to IAS	Not defined.	Net selling price – the amount obtainable from the sale of the asset at the balance sheet date (less VAT payable) less trade and cash discounts, excise duty and costs to be incurred to bring the item to a sellable condition plus any subsidies receivable. If it is not possible to determine the net sales value of a given asset, its estimate net market value at the balance sheet date should be established and used. Other categories specified in IAS are not defined and used for	Comparable to IAS.	Not specified.	As above.	No SAS covers this area, use IAS.

Topic	International (IAS 36)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
	contribute to the future cash flows of both the cash-generating unit under review and other cash-generating units. An active market - a market where all the following conditions exist: • the items traded are homogenous; • willing buyers and sellers can normally be found at any time; • prices are available to the public.	An active market – a market in which a market value can be evaluated.						Same			asset valuation purposes.				
Identifying an assets that may be impaired	An asset (individual or cash-generating unit) is impaired when its carrying amount exceeds its recoverable amount. All assets should be assessed at each balance sheet date. A formal estimate of the recoverable amount is required if there is any indication of a potential impairment / loss. If no indication is present, no formal estimate is required. Note. If previous calculations show that the asset's recoverable amount is significantly greater than its carrying amount and there is nothing to indicate any adverse changes, no re-estimate is required. The following indications should be considered: • External sources of information • the asset's market value has declined significantly more than expected; • significant changes in the technological, market, economic or legal environment with an adverse effect on the enterprise have occurred during the period or are expect to occur in the near future; • an increase in market interest rates or other market rates of return which are likely to effect the discount rate used in calculating an assets value in use (decreases recoverable amount); • Note. Assets, with a long remaining useful life may be insensitive to changes in short-term market rates. Even if the discount rate is affected the recoverable amount might be unaffected as an enterprise can demonstrate that it adjusts its revenues for these increases.	Not specified.	No statutory rules exist in this area.	No statutory rules in this area exist.	Comparable to IAS	Comparable to IAS.	The detailed guidance regarding measurement found in IAS 36 may be applied.	Same Same Same Same Same Same Same NOT SPECIFIED. NOT SPECIFIED. Only at	Comparable to IAS.	Not defined.	All assets should be assessed at each balance sheet date. Carrying amounts of fixed assets and intangible assets should be reduced to their net sales values in case of: • production technology changes; • decision about their liquidation or withdrawal from use; • any other causes indicating a permanent loss in the asset's economic usefulness. Carrying values of long-term investments should be reduced to reflect their permanent diminution in value.	Comparable to IAS.	Not specified.	As above.	No SAS covers this area, use IAS.

Topic	International (IAS 36)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
	• The carrying amount of the net assets of the reporting enterprise is more than its market capitalization; • Internal sources of information • evidence of obsolescence or physical damage is available; • significant changes with an adverse effect have occurred or are expected to occur in the near future. These include plans to discontinue or restructure the operation to which an asset belongs or dispose of an asset before the previously expected date; • evidence from internal reporting indicates that the economic performance of an asset is, or will be, worse that previously expected • cash flows for acquiring, operating or maintaining the asset are significantly higher than budgeted • actual net cash flows or operating profit or loss are significantly worse than budgeted • a significant decline in budgeted net cash flows or operating profit, or increase in budgeted loss from the asset • operating losses or net cash outflows are expected (budgeted data) for the asset during ensuing periods Note. An indication of impairment may indicate that the remaining useful life, depreciation (amortization) method or the residual life for the asset need to be reviewed and adjusted, even if no impairment loss is recognized.							consolidation Same Same Same NOT SPECIFIED. NOT SPECIFIED. NOT SPECIFIED. NOT SPECIFIED. NOT SPECIFIED.							
Measurement of recoverable amount	Recoverable amount is the higher of an asset's net selling price and value in use. If either of these amounts exceeds the asset's carrying value the other amount need not be estimated. Estimates, averages and computational shortcuts may provide a reasonable approximation of the detailed computations for determining net selling price or value in use in this Standard and may be applied. The recoverable amount of an asset held for disposal is its net selling price. Recoverable amount is determined for an individual asset, unless the asset does	Not specified.	No statutory rules exist in this area.	No statutory rules in this area exist.	Comparable to IAS	Adjustment to assets is made when their value as ascertained during the inventory taking is lower than their net book value, and when this decrease in value cannot be considered temporary.	Comparable to IAS.	Same External experts are required for estimating market value of assets. Same NOT SPECIFIED.	Comparable to IAS.	Not defined.	Not specified – category of recoverable amount not defined and used for assets valuation purposes.	Comparable to IAS.	Not specified.	As above.	No SAS covers this area, use IAS.

Topic	International (IAS 36)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
	not generate cash inflows that are largely independent of those from other assets of groups of assets. If this is the case the recoverable amount is determined for the cash-generating unit to which the asset belongs unless: • the assets net selling price is higher than its carrying amount; or ▪ the assets value in use is close to its net selling price and net selling price can be determined.														
Net selling price	The best evidence of an asset's net selling price is its price in a binding sale agreement. If there is no sale agreement but the asset is traded on an active market, the best evidence of net selling price is its market value less the costs of disposal. If there is no sale agreement and no active market, net selling price is based on the best information available regarding similar arm-length transactions. Forced sale prices are only used when management is compelled to sell. Costs of disposal are direct incremental costs to dispose of an asset. Termination costs and costs associated with reorganizing the business after the disposal of the asset are not direct incremental costs of disposal.	Not specified.	No statutory rules exist in this area.	No statutory rules in this area exist.	Comparable to IAS	Comparable to IAS	The detailed guidance regarding measurement found in IAS 36 may be applied.	Same Same NOT SPECIFIED. Same		Not defined.	The amount that can be obtained from the sale of the asset at the balance sheet date (less VAT payable) less trade and cash discounts, excise duty and costs to be incurred to bring the item to a sellable condition plus any subsidies receivable. If the asset is traded on an active market, its market value may be used as an indicator of the sales price. Costs of disposal generally defined as costs to be incurred to bring the asset to a sellable condition and to effect the sale. No detailed guidance on components of such costs is provided.	Comparable to IAS	Not specified.	As above.	No SAS covers this area, use IAS.
Value in use	Estimating value in use involves: • estimating the future cash inflows and outflows to be derived from continuing use and ultimate disposal; • applying the appropriate discount rate to these future cash flows. • Future cash flow projections should based on; • reasonable assumptions that management's best estimate of the conditions that will exist over the remaining useful life of the asset; • on the most recent budgets/forecasts approved by management for a maximum period of 5 years; • a steady or declining growth	Not specified.	No statutory rules exist in this area.	No statutory rules in this area exist.	Comparable to IAS	Not specified	Comparable to IAS.	The purchase cost (purchase price) is the expenditure which is incurred in the interest of the acquisition, establishment or putting into operation of the assets before the putting into operation or delivery thereof to the individual asset items. The purchase price includes the purchase price reduced by any discounts and increased by any extra charges, the costs of intermediaries related to		Not defined.	Not specified – category of value in use not defined and used for assets valuation purposes.	Comparable to IAS.	Not specified.	As above.	No SAS covers this area, use IAS.

Topic	International (IAS 36)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
	rate for subsequent years, which is used to extrapolate projections until the end of the asset's useful life.							delivery, loading, foundation, installation, putting into operation and purchase, any agency commission, as well as the taxes (the excise tax paid at purchase) and customs duties (levies, customs surtaxes, customs clearance fees) related to the purchase.							
	Estimates of future cash flows should include projections of cash inflows from the continuing use of the asset: • projections of cash outflows incurred to generate cash inflows from the continuing use of the asset; • Future cash flows should be estimated for the asset in its current condition on a pre-tax basis. Future capital expenditures necessary to maintain or sustain an asset at its original performance level are included (see b above).							NOT SPECIFIED.							
	Note. If an asset is not yet ready for use or sale, future cash outflows that are expected to be incurred before the asset is ready for use or sale are included. • Net cash flows to be received (or paid) for the disposal of the asset at the end of its useful life. • The estimate of net cash flows to be received for the disposal of an asset at the end of its useful life should be its net selling price less costs of disposal prevailing at the date of the estimate. Note. These prices may be adjusted for inflation and specific future price increases. However, if estimates of future cash flows and the discount rate exclude the effect of general inflation, this effect is also excluded from the estimates of net cash flows on disposal.							NOT SPECIFIED.							
	Estimates of future cash flows should not include cash flows expected to arise from: • A future restructuring to							NOT SPECIFIED.							

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	which the enterprise is not committed; • Future capital expenditure that will improve or enhance the asset in excess of its originally assessed standard of performance; • Cash inflows or outflows from financing activities; or • Income tax receipts or payments														
Discount rate	The discount rate should be a pre-tax rate (rates) that reflect current market assessment of the time value of money independent of the enterprises capital structure. The discount rate should not reflect risks for which future cash flow estimates have been adjusted. The rate is estimated from • The rate explicit in current market transactions for similar assets; or • The weighted average cost of capital of a listed enterprise that has a single asset (or portfolio of assets) similar in terms of service potential and risks to the assets under review. The enterprise may initially take into account: • Its weighted average cost of capital using techniques such as the Capital Asset Pricing Model; • The enterprises incremental borrowing rate; • Other market borrowing rates. These rates are then adjusted for the way the market would assess the specific risks associated with the projected cash flows and to exclude risks which are not relevant.	Not specified.	No statutory rules exist in this area.	No statutory rules in this area exist.	Comparable to IAS	Not specified	Comparable to IAS.	Not specified.	Not specified, refer to IAS.	Not defined.	Not applicable. Since the category of value in use or a similar one is not defined in the 'Act'. No discounting used in practice.	Comparable to IAS.	Not specified.	As above.	No SAS covers this area, use IAS.
Recognition and measurement	If the recoverable amount of an asset is less than its carrying amount, the carrying amount is reduced to the recoverable amount and an impairment loss is recognized. An impairment loss on a revealed asset is treated as a revaluation decrease. If the loss exceeds the revaluation surplus the remaining amount is recognized as an expense. If the impairment loss is greater than the carrying amount of the asset a liability is recognized only if required by another Standard. If an impairment loss is recognized, any related deferred tax assets or liabilities are determined under IAS 12, Income Taxes.	Not specified.	No statutory rules exist in this area.	No statutory rules in this area exist.	Comparable to IAS	Adjustments to assets should be created only for assets when there is a decrease in their accounting value. These adjustments shall be created only where the decrease in the asset value is not temporary. When there is a permanent decrease in the asset value, the decrease shall be debited to expenses or, in the case of tangible and	Comparable to IAS. (EAL §28 and §31, EASB Nr. 6 "Balance Sheet Accounts" sections 8 and 9 and EASB Nr. 9,"Equity Method".)	Same as IAS, called "extraordinary depreciation". NOT SPECIFIED. NOT SPECIFIED. NOT SPECIFIED.	Comparable to IAS.	Not defined.	In circumstances where an impairment loss has occurred, the asset's carrying value should be reduced to its net sales value (fixed assets and intangibles) or a relevant write off reflecting its permanent diminution in value (long term investments and other assets) should be made. Impairment losses resulting from events of fate, discontinuance or suspension of certain types of	Comparable to IAS, except for deferred tax assets.	AS per IAS. Provision is made for impairment in value of assets.	As above.	No SAS covers this area, use IAS.

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						tangible and intangible fixed assets, an extraordinary write-off shall be made, and the depreciation policy adjusted accordingly.					certain types of activity should be treated as extraordinary items. Other losses are charged to other operating expenses. The treatment of impairment losses in excess of the carrying amount of the asset is not directly addressed. In practice liabilities are recognized in such circumstances. Relevant deferred tax should be determined in connection with the impairment losses recognized.				
Cash generating units	Recoverable amount should be estimated for the individual asset. If this is not possible the enterprise should determine the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount of an individual asset cannot be determined if: The asset's value in use cannot be estimated to be close to its net selling price (for example when future cash flows from continuing use cannot be estimated to be negligible while the asset's net selling value equals scrap value); and The asset does not generate cash inflows that are independent of those from other assets (for example if the output of an asset or group of assets are used internally). Note. If net selling price or value in use is determinable and greater than the carrying amount, this procedure is redundant. If an active market exists for the output produced by an asset (group of assets), this asset or group of assets should be identified as a cash-generating unit, even if some of the output is used internally.	Not specified.	No statutory rules exist in this area.	No statutory rules in this area exist.	Comparable to IAS	Not specified	Comparable to IAS.	Not specified.	Not specified, refer to IAS	Not defined.	Not applicable – category of cash generating units not defined and used for assets valuation purposes.	Comparable to IAS.	Not specified.	As above.	No SAS covers this area, use IAS.
Recoverable amount and carrying amount of a cash-generating unit	The carrying amount of a cash-generating unit: Includes the carrying amount of all the assets that can be attributed directly, or allocated on a reasonable and consistent basis to the unit;	Not specified.	No statutory rules exist in this area.	No statutory rules in this area exist.	Comparable to IAS	Not specified	Not specified, but in practice comparable to IAS.	Not specified.	Not specified, refer to IAS	Not defined.	Not applicable.	Not specified	Not specified.	As above.	No SAS covers this area, use IAS.

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	Does not include the carrying amount of any liability, unless the recoverable amount cannot be determined without considering the liability. Note. A liability is considered if for example the buyer would be required to take over a liability on disposal. Net selling price would be the estimated selling price for the assets and the "sold" liability less disposal costs. The net selling price and value in use of a cash-generating unit exclude assets that are not a part of the unit and liabilities that have already been recognized in the financial statements.														
Goodwill	As goodwill does not generate cash flows independently from other assets or groups of assets the recoverable amount of goodwill as an individual asset cannot be determined. If there is an indication that goodwill is impaired, recoverable amount is determined for the cash-generating unit to which goodwill belongs. The enterprise performs the "bottom-up" test by Identifying whether goodwill can be allocated to the unit on a reasonable basis; and Comparing the recoverable amount of the cash-generating unit to its carrying amount (including allocated goodwill) and recognizing any impairment loss. If goodwill could not be allocated on a reasonable basis to the unit under review, the enterprise performs the "top-down" test by Identifying the smallest cash-generating unit that includes the unit under review and to which goodwill can be allocated on a reasonable basis; and Compares the recoverable amount of the larger unit with its carrying value and recognizes any impairment loss The "bottom-up" test ensures that any impairment loss for the smaller cash-generating unit has been determined. The "top-down" test then identifies the impairment loss related to the goodwill allocated to the larger unit.	Not specified.	No statutory rules exist in this area.	No statutory rules in this area exist.	Comparable to IAS	Not specified	Not specified, but in practice comparable to IAS.	The purchase price of goodwill is the difference between the consideration paid for the business or company purchased, and the value, established according to the evaluation defined in this Act, of the assets of the business or company purchased, less the liabilities, if the consideration paid is higher. The purchase price of goodwill may be written off over a period of 5 years or more, but up to a period of 15 years. Should an entrepreneur decide to write off goodwill over a period of more than 5 years, it shall be explained in the supplementary appendix.	Not specified, refer to IAS	Not defined.	Goodwill should be assessed for impairment at each balance sheet date according to general rules. When economic usefulness of goodwill is lost, it should be written off by means of an unplanned depreciation charge.	Not specified	Not specified, but in practice comparable to IAS. If there is indication that goodwill is impaired, it is written-down.	As above.	No SAS covers this area, use IAS.
Corporate assets	Because corporate assets cannot generate separate cash inflows, the recoverable	Not specified.	No statutory rules exist in this area.	No statutory rules in this area exist.	Comparable to IAS	Not specified	Not specified, but in practice comparable to	Not specified.	Not specified, refer to IAS	Not defined.	Corporate assets are treated as any other assets and	Not specified	Not specified.	As above.	No SAS covers this area, use IAS.

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	amount of an individual corporate asset cannot be determined unless management has decided to dispose of the asset. In testing a cash-generating unit for impairment all corporate assets should be identified. If the carrying amount of the corporate asset can be allocated to the cash-generating unit under review on a reasonable basis, only the “bottom-up” test is applied If the corporate asset cannot be allocated, both the “bottom-up” and “top-down” tests should be applied.						IAS.				assessed for impairment (if applicable) individually.				
Impairment loss for a cash-generating unit	The impairment loss should be allocated to reduce the carrying amounts of the assets of the unit in the following order: • First to goodwill; and • To other assets on a pro-rata basis based on the carrying amount of each asset in the unit The carrying amount of an asset should not be reduced below the higher of: • Net selling price; • Its value in use • Zero. If the recoverable amount of an individual asset cannot be determined: An impairment loss is recognized if its carrying amount is greater than the higher of the values shown above; No impairment loss is recognized if the related cash-generating unit is not impaired even if the asset’s net selling price is less than its carrying amount.	Not specified.	No statutory rules exist in this area.	No statutory rules in this area exist.	Comparable to IAS	Not specified	Not specified, but in practice comparable to IAS.	Not specified.	Not specified, refer to IAS.	Not defined.	Not applicable in the context of cash generating units. In practice when a selling price is determined for a group of assets (e.g. in a sale of an organized part of the entity), any loss arising from the transaction is apportioned to assets intended to be disposed of on a pro-rata basis.	Not specified.	Not specified.	As above.	No SAS covers this area, use IAS.
Reversal of an impairment loss	An enterprise should assess whether a previously recognized impairment loss may no longer exist or may have decreased. A formal estimate of recoverable amount is required if there is any indication of a reversal. The following indications should be considered: • External sources of information • The asset’s market value has increased significantly during the period; • Significant changes in the technological, market, economic or legal	Not specified.	No statutory rules exist in this area.	No statutory rules in this area exist.	Comparable to IAS	An adjustment to assets shall be reduced or cancelled by a credit entry to revenues when inventory taking in the next period does not provide evidence substantiating their amount. Not specified, but in practice comparable to IAS	Not specified, but in practice comparable to IAS.	NOT SPECIFIED. Only revaluation is accepted if performed by an external expert, but it has no effect on the profit and loss account.	Not specified, refer to IAS.	Not defined.	Not specified.	Not specified.	Not specified.	As above.	No SAS covers this area, use IAS.

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	environment with a favorable effect on the enterprise have occurred during the period or are expect to occur in the near future; • An decrease in market interest rates or other market rates of return which are likely to effect the discount rate used in calculating an assets value in use (increases recoverable amount); • Internal sources of information • Evidence of obsolescence or physical damage is available; • Significant changes with a favorable effect have occurred or are expected to occur in the near future. These include capital expenditures that have incurred during the period to improve or enhance an asset in excess of its originally assessed standard of performance or a commitment to discontinue or restructure the operation to which the asset belongs; and • Evidence from internal reporting indicates that the economic performance of an asset is, or will be, better than previously expected. A reversal of an impairment loss reflects an increase in the estimated service potential of an asset, either from use or sale. An asset's value may become greater than its carrying amount because the present value of future cash flows increase as they come closer. As the service potential of the asset has not increased, the impairment loss is not reversed because of the passage of time.														
Reversal of impairment loss on individual asset	The increased carrying amount of an asset due to a reversal of an impairment loss should not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized in prior years. A reversal of an impairment loss is recognized as income, unless the asset is carried at revealed amount under another Standard. Any reversal of an impairment loss taken to revaluation surplus shall be recognized as a revaluation increase.	Not specified.	No statutory rules exist in this area.	No statutory rules in this area exist.	Comparable to IAS	Adjustments to assets shall be reduced or cancelled by a credit entry to revenues when inventory taking in the next period does not provide evidence substantiating their amount. Adjustments shall not have a debit balance. The creation of an adjustment in order to increase the value of an asset is prohibited	Comparable to IAS perEAL §28 and §31, EASB nr. 6 "Balance Sheet Accounts" sections 8 and 9 and EASB nr. 9,"Equity Method".	See above	Comparable to IAS.	Not defined.	Not specified.	Not specified.	Not specified. Reversal of an impairment loss is recognized as income.	As above.	No SAS covers this area, use IAS.

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Reversal of an impairment loss for a cash-generating unit	A reversal of an impairment loss for a cash-generating unit is allocated in the following order: • First, to assets other than goodwill on a pro-rata basis based on the carrying amount of each asset; • To goodwill, if the following criteria are met: • The impairment loss was caused by a specific external event not expected to occur; and • Subsequent external events have occurred that reverse the effect of that event. • The carrying amounts of assets should not be increased above the lower of: • Its recoverable amount; • Its carrying amount that would have been determined (net of depreciation and amortization) had no loss been recognized.	Not specified.	No statutory rules exist in this area.	No statutory rules in this area exist.	Comparable to IAS	Not specified	Comparable to IAS.	Not specified.	Not specified, refer to IAS.	Not defined.	Not applicable – impairment losses are recognized for cash generating units.	Comparable to IAS.	Not specified.	As above.	No SAS covers this area, use IAS.
Disclosure	For each class of assets, the financial statements should disclose: • The amount of impairment losses and reversals recognized in the income statement and the line items affected. • The amount of impairment losses and reversals recognized in equity. An enterprise that applies IAS 14, Segment reporting, should disclose the amount of impairment losses and reversals recognized in the income statement or directly in equity. If impairment losses and reversals are material, an enterprise should disclose: • The events and circumstances that led to the recognition or reversal of the impairment loss; • Amount of the loss recognized or reversed; • For an individual asset; • the nature of the asset and the reportable segment to which it belongs • for a cash-generating unit; • a description of the cash-generating unit (such as whether it is a product line, plant or reportable segment; • the amount of the loss or reversal recognized by class	Not specified.	No statutory rules exist in this area.	No statutory rules in this area exist.	Comparable to IAS	Specification by individual groups with separate disclosure of acquisition cost and related accumulated depreciation and adjustments provided.	Impairment losses and reversals, their amounts, nature and reasons for recognition must be disclosed under EAL.	The purchase or manufacturing costs (purchase price and/or direct manufacturing costs) of intangible assets and tangible assets, shall be distributed over the years in which such assets are expected to be used (accounting for depreciation). The ratio of the annual depreciation to be accounted for to the purchase and manufacturing costs (gross value), or to the net value or the performance-proportionate amount of the purchase and manufacturing costs, and the absolute amount of depreciation shall be planned with regard to the expected use of the individual asset, its duration arising therefrom, its physical wearing out and moral obsolescence, as well as to the circumstances	Impairment losses and reversals, their amounts, nature and reasons for recognition must be disclosed under EAL.	Not defined.	Major categories of decreases in the carrying value of fixed assets, intangibles and long-term investments should be disclosed in the relevant required statements of movements. Additionally amount and reasons for unplanned depreciation charges (also resulting from recognized impairment losses) should be disclosed in the notes.	Not specified.	The movement in the provision made for impairment in value is disclosed. No further disclosure requirement specified.	Not specified	No SAS covers this area, use IAS.

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	reversal recognized by class of asset and reportable segment; • if the aggregation of assets for identifying cash-generating units has changed the current and former way and the reasons for the change; • whether the recoverable amount is its net selling price or value in use; • if net selling price the basis used to determine it • if value in use the discount rate used in current and previous estimates.							typical of the entrepreneurial activity concerned, and shall be applied following entry thereof in the registers from the date of putting into operation. The purchase price of rights representing assets may be written off over a period of 6 years or more, goodwill may be written off over a period of 15 years, while the capitalized value of completed research and development and the capitalized value of original contribution and restructuring may be written off over a period of 5 years or less. Should an entrepreneur decide to write off goodwill over a period of more than 5 years, it shall be explained in the supplementary appendix. No depreciation may be accounted for the purchase price of land, plots of land (other than land or plots of land used for mining or the storage of chemical waste), forest, and works of fine art, in respect of investments not put into operation, and intangible assets and tangible assets already written off completely. Extra depreciation above and beyond that planned shall be accounted for in respect of intangible assets, tangible assets and investments, if							

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								a) the value of intellectual property, tangible assets and investments drops permanently because such intellectual property, tangible assets and investments have become unnecessary due to a change in the entrepreneurial activity, or cannot be used for the original purpose thereof as a consequence of damage destruction, or cannot be used at all; b) rights representing assets can only be exercised to a limited extent or cannot be exercised at all due to the amendment of the contract; c) an activity coming into being as a result of completed research and development is limited or terminated, or produces no result. Depreciation shall be effected to an extent that the intangible assets, tangible assets and investments listed in Paragraphs a), b) and c) be shown in the balance-sheet at the (known) market value corresponding to the utility thereof, and prevailing at the preparation date of the balance-sheet. If a material change, other than those defined in Subsection (1), has occurred in the circumstances taken into							

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								consideration at the time of the establishment (planning) of the annual depreciation to be accounted for in respect of tangible assets of crucial importance from the point of view of the enterprise the							

29. Provisions, Contingent Liabilities and Contingent Assets

Topic	International (IAS 37)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Scope and effective date	IAS 37 becomes effective for accounting periods beginning on or after July 1, 1999. Earlier application is encouraged. IAS 37 prescribes the accounting and disclosure for all provision, contingent liabilities and contingent assets except: • those resulting from financial instruments carried at fair value; • those resulting from non-onerous executory contracts; • those arising in insurance enterprises from contracts with policyholders; and • those covered by other Standards. The effect of adopting this Standard on its effective date should be reported as an adjustment to the opening balance of retained earning for the period in which the Standard is first adopted. If comparative information is not restated, this fact should be disclosed.	Not specified.	Provisions for bad debts and potential liabilities are accounted for in accordance with NAS 3, which becomes effective for accounting periods on or after January 1, 1999.	The statutory regulations in banking industry prescribe provisioning for bad or doubtful loans and other credit risk related assets. The provisioning is based on methodology developed by the National Bank, which may not be as conservative as it is required by the International Accounting Standards. The statutory rules do not require provisioning for doubtful or bad accounts receivable, however an entity is allowed to create tax non-deductible provisions.	Comparable to IAS	Accounting Act, Accounting Procedures for Businessmen Article XI and Income Tax Act.	Comparable to IAS (EAL §3, §35). Applying IAS 37 does not bring about any changes in current practice.	The Act on Accounting came into force on January 1, 1992. N/A N/A N/A N/A N/A	Comparable to IAS.	Not defined.	Not applicable.	Comparable to IAS.	Not applicable	Basically comparable to IAS, but less detailed. IAS may be applied as a guidance	No SAS covers this area, use IAS.
Definitions	A provision is a liability of uncertain timing or amount. Note. In some countries the term 'provision` is used in the context of impairment of assets and doubtful debts i.e. asset value adjustment accounts. An obligating event is an event that creates a legal or constructive obligation that results in an enterprise having no realistic alternative to settling that obligation. A constructive obligation is an obligation that derives from an enterprise's actions where the enterprise has indicated that it will accept certain responsibilities by an established pattern of past practice or published policies which have created a valid expectation on the part of those other parties that it will discharge those responsibilities. A contingent liability is: • a possible obligation that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or	Comparable to IAS. The following is not defined: • An obligating event • A constructive obligation • A contingent asset • An onerous contract • A restructuring	Note in NAS the term "provision" is used in the context of doubtful debts i.e. adjustments in the value of assets. Provisions are accrued expenses for overdue receivables or potential liabilities. Overdue receivables are receivables outstanding for more than 90 days. Overdue receivables can be subdivided to: • Doubtful debts – outstanding for less than 180 days; • Bad debts – outstanding for more than 180 days; and • Irrecoverable debts – which meet at least one of the	A provision is a liability of uncertain timing or amount. Note. In Belarus the term 'provision` is used in the context of doubtful debts i.e. asset value adjustment accounts. The statutory rules do not give a definition of contingent assets and liabilities.	Comparable to IAS	Czech accounting law does not have specific definitions of the listed items.	Comparable to IAS (EAL §35).	The principle is the same under HAS but it is not detailed in the Act on Accounting.	Comparable to IAS.	Not defined.	No direct definition of provision, contingent liability or contingent asset is given in the 'Act'. The term 'provision' also used in respect of amounts adjusting the value of doubtful or overdue debts.	Comparable to IAS.	There is no distinction made between a provision and a contingency. The term "provision" is used in the context: • Of impairment of assets and doubtful debts • Risks (litigation, guarantees to customers, unrealized foreign exchange loss) There is no equivalent definition in the RAS.	Only general definition for a provision.	No SAS covers this area, use IAS.

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	or non-occurrence or one or more future events not wholly within the control of the enterprise; or • a present obligation that arises from past events but is not recognized because its is not probable that the obligation will require settlement or the amount of the obligation cannot be measures reliably. Note. The term ´contingent liability` is used for liabilities that do not meet the recognition criteria. A contingent asset is a possible asset that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the enterprise. An onerous contract is a contract in which the unavoidable costs of meeting the obligation under the contract exceed the economic benefits expected to be received from it. A restructuring is a program that is planned and controlled by management, and materially changes either the scope of the business undertaken or the manner in which the business is conducted.		following conditions: (i) the debtor is declared insolvent or in liquidation or (ii) insolvency procedures have ceased, but the debt will not be recovered. Provisions for bad and doubtful debts are recognized as current expenses at the following rates: • Doubtful debts – 20%; • Bad debts – 50%; • Irrecoverable debts – 100%. Potential liabilities are legal, court and constructive obligations of the enterprise, which will be settled in the periods subsequent to the balance sheet date. Legal liabilities arise form the current legislation requirements such as liabilities for environmental costs. Court liabilities arise from court claims placed against the enterprise, due to be settled in the future, whereby the potential loss is probable. Constructive obligation arise when the enterprise has entered into a binding contracts where the expenses to be incurred will outweigh the income expected.												
Recognizing provisions	A provision is recognized, if and only if,: • an enterprise has a present obligation (legal or constructive) as a result of a past event; • it is probable that an outflow of resources will be required to settle the obligation;		A provision for potential obligations (all types) should be recognized if reliable estimate could be made for expenses to be incurred by taking into account the risks,	Recognition of the loan loss provisions according to the National Bank's methodology is based on the following criteria: • time of a loan being overdue;	Comparable to IAS	Provisions shall be established for general purposes (e.g. for risks or business losses) or for some specific purpose (e.g. for repairs of tangible assets, exchange rate losses). They are	Comparable to IAS (EAL §3).	Provisions can be formed for ♦ expected losses (1) ♦ expected liabilities (2) ♦ other causes (3) (1) On the basis of	Comparable to IAS.	Not defined.	A provision should be recognized when: • it relates to definite or probable losses on economic activities in process;	Comparable to IAS.	Not specified.	Comparable to IAS. The IAS approach may be applied.	No SAS covers this area, use IAS.

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	• a reliable estimate can be made of the amount of the obligation. A past event that leads to a present obligation is called an obligating event. For an event to be obligating, it is necessary that the enterprise have no realistic alternative to settling the obligation created. This is the case, when settlement can be enforced by law or creates valid expectation that the enterprise will discharge the obligation. Note. As an obligation always involves a commitment to another party, a valid expectation can only be created if the decision has been communicated to the other party. For the purpose of this Standard, a provision is recognized if the probability that the event will occur is greater than the probability that it will not. Where there are a number of similar obligations (e.g. product warranties or similar contract) the probability that an outflow will be required is determined by considering the class of obligations as a whole. Estimates are used to determine the carrying amount of provisions. It is generally possible to determine a range of possible outcomes, which are sufficiently reliable to use in recognizing the provision. As the use of estimates is an essential part of the preparation of financial statement, this does not undermine their reliability. If no reliable estimate can be made, a liability exists that cannot be recognized and the liability is disclosed as a contingent liability. Only expenditures that relate to the original provision are set against it.	A provision is recognized if the probability that the event will occur is greater than the probability that it will not. Estimates are used to determine the carrying amount of provisions. No further guidelines for recognizing provisions.	uncertainties, changes in current market conditions and any possible legislative and technological changes. A provision for legal and constructive obligation should be recognized when: • The company has a detailed formal plan approved by the owners; and • The plan has been announced.	• number of roll-overs; • type and value of collateral; • debt servicing; • some other.		created as a percentage of a determined base or as an absolute amount (e.g. for exchange rate losses), unless another act prescribes directly a method of creating these provisions. Provision is recognized for business risks or losses at the time when the potential future business risks or losses are known to them on the basis of the current facts, according to individual cases where such risks and losses can be expected to occur. Provisions shall be divided into those whose creation and use are prescribed by a legislative Act and are recognized by the Income Taxes Act (legal provisions), and those whose creation and use are not recognized by the Income Taxes Act, and which are determined by the accounting unit itself (other provisions).		the basis of classifying the customers and debtors, provisions shall be formed to the debit of pre-tax profit or loss for the purpose of covering any losses expected to be incurred due to receivables and doubtful debts outstanding on the accounting date of the balance-sheet (including any cash receivables from credit institutions or financial enterprises), and due to amounts extended as loans or advance payments. In the cases of receivables of a small amount as per each customer or debtor (that is, not exceeding three times the expected costs of any distrait proceedings), which have exceeded the term of payment by more that one year, the amount of the provisions may also be established as a percentage of the amount of such receivable. The amount of the provisions formed shall be detailed in the supplementary appendix according to the legal grounds listed. (2) Provisions may be formed for the purpose of covering guarantee obligations defined in legal provisions, early retirement pensions and severance payments.			• information about a loss is derived from an appropriate source (document) or it can be justified in a reliable way; • a reliable estimate of the potential loss can be made. No detailed guidance is given in respect of: • identification of obligating event; • assessment of probability of the loss occurrence.				

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								Should an entrepreneur from no provisions for covering the guarantee obligations defined above, all of such guarantee obligations by type of guarantee shall be detailed in the supplementary appendix. Should an entrepreneur have formed no provisions for covering the guarantee obligations, and the amount of the guarantee obligations incurred is substantially different from those of the previous year, it shall be demonstrated and explained in the supplementary appendix. (3) If the entrepreneur has accounted for any unrealized losses on exchange due to (investment-related) debts in a foreign currency not covered by the foreign exchange balance on the foreign exchange account, or to debts arising from the issue of bonds in any foreign exchange, as deferred expenses and accrued income in accordance with Subsection (4) of Section 24, at the end of the year, the entrepreneur shall demonstrate provisions in the amount corresponding to the proportion of the time passed since							

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								the borrowing and the full term of the credit, for the accumulated item of deferred expenses and accrued income concerned. Should the provisions formed for this purpose before the end of the previous year be less or more than this amount, the provisions shall be increased by such difference against other expenditures, or decreased by such difference against other income in the subject year. The full term of the credit taken into account during such calculation may not be longer that the expected lifetime of the tangible asset – as considered for depreciation – financed by the credit.							
Recognition of contingent liabilities and assets	An enterprise should not recognize a contingent liability or asset. A contingent liability is disclosed unless the outflow of resources to settle the obligation is remote. A contingent asset is disclosed where an inflow of economic benefits is probable. Contingent liabilities and assets are assessed continually to determine whether an outflow or inflow of resources has become probable. If this is the case a provision or income is recognized in the financial statements.	Not specified.	Not specified.	The statutory rules do not prescribe recognition and disclosure of contingent liabilities and assets.	Comparable to IAS	IAS can be applied unless provision is recognized as described above.	Comparable to IAS (EAL §3 and §35).	Not specified.	Comparable to IAS.	Not defined.	Recognition criteria not specified. Information about all contingent liabilities should be disclosed in the notes. No disclosure of contingent assets is required.	Comparable to IAS.	Some of the contingent liabilities (those recorded in off balance sheet accounts like guarantees and those arisen from bills of exchange) have to be disclosed.	An enterprise should not recognize a contingent liability or asset. Disclosure in the notes is necessary.	No SAS covers this area, use IAS.
Measurement	The amount recognized as a provision should be the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The best estimate required to	Not specified.	The amount recognized as a provision for potential obligation should be the best estimate of the expenditure required to settle	Not specified.	Comparable to IAS	IAS can be applied. They are created as a percentage of a determined base or as an absolute amount (e.g. for exchange rate losses), unless	Comparable to IAS (EAL §35 and EASB, Balance Sheet Accounts).	The principle is the same under HAS but it is not detailed in the Act on Accounting. The principle is the same under	Comparable to IAS.	Not defined.	The amount recognized as a provision should be the best estimate of the expected loss. No detailed guidance is	Comparable to IAS.	Not specified. Only for tax deductible provisions. Government issues calculation guidelines.	No detailed regulation, but IAS approach may be applied.	No SAS covers this area, use IAS.

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	settle the present obligation is the amount that an enterprise would rationally pay to settle the obligation at the balance sheet date or to transfer it to a third party. Where the provision being measured involves a large population of items, the obligation is estimated by weighing all possible outcomes by their associated probabilities. The name for this statistical method is expected value. Where a single obligation is being measured, the individual most likely outcome may be the best estimate of the liability. Even in such a case, the enterprise considers other possible outcomes. The risks and uncertainties that surround many events should be taken into account in reaching the best estimate of the provision. Prudence should be employed to ensure that assets are not overstated and liabilities understated. However, uncertainty does not justify the creation of excessive provisions or a deliberate overstatement of liabilities. Where the effect of the time value of money is material, the amount of the provision should be the present value of the expenditure expected to be required to settle the obligation. The discount rate should be a pre-tax rate (or rates) that reflect(s) current market assessments of the time value of money and the risks specific to the liability. Future events that may affect the amount required to settle an obligation should be reflected in the amount of the provision where there is sufficient objective evidence that they will occur. Gains on expected disposal or assets should not be taken into account in measuring a provision. If the enterprise expects that some or all of the expenditure required to settle a provision shall be reimbursement, the reimbursement is recognized as a separate assets when it is certain that payment will occur.		required to settle the present obligation at the balance sheet date.			losses), unless another Act prescribes directly a method of creating these reserves. Provisions are subject to inventory taking and, at the date of inventory taking, their level and necessity are evaluated. The accounting unit in its guidelines shall determine the title (description) of reserves, their amount or the methods of creation, and the method of their use.		HAS but it is not detailed in the Act on Accounting. The principle is the same under HAS but it is not detailed in the Act on Accounting. The principle is the same under HAS but it is not detailed in the Act on Accounting. The principle is the same under HAS but it is not detailed in the Act on Accounting. The principle is the same under HAS but it is not detailed in the Act on Accounting. Not specified. Not specified. The principle is the same under HAS but it is not detailed in the Act on Accounting. The principle is the same under HAS but it is not detailed in the Act on Accounting. Not specified.			guidance is provided on the methods of expected loss assessment. Discounting of provisions is not directly addressed in the 'Act'. In practice where the effect of time value of money is material, relevant amounts are subject to discounting.				

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Application of the recognition and measurement rules	Provisions for future operating losses should not recognized, as future losses do not meet the definition of a liability. If the enterprise has a contract that is onerous, the present obligation under the contract should be recognized and measured as a provision. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from the failure to fulfil it.	Not specified.	Provisions should not be recognized for future operating losses. No specific requirements for recognition of onerous contracts.	No statutory rules as to future operational losses exist.	Comparable to IAS	Recognition of provision for future losses is allowed under the condition mentioned above. Not specific described but covered by the general requirements for provisions.	Comparable to IAS.	Not specified.	Comparable to IAS.	Not defined.	Provisions for future operating losses not specifically addressed in the 'Act'. Provisions for expected losses on onerous contracts should be recognized according to general rules – for the amount of expected losses.	Comparable to IAS.	Not specified.	No detailed regulation, but IAS approach may be applied.	No SAS covers this area, use IAS.
Application of recognition and measurement rules to restructuring provisions	A restructuring is: • the sale or termination of a line of business; • the closure of business locations in a country or region or the relocation of business activities from one country to another; • changes in management structure, for example, eliminating a layer of management; • fundamental reorganizations that have a material effect on the nature and focus of the enterprise's operations. A provision for restructuring is recognized when the enterprise has a detailed formal plan for the restructuring which exactly identifies the business, locations and number of employees affected and the plan by being announced has raised valid expectations in those affected by the plan. No obligation arises from the sale of an operation until the enterprise is committed to the sale; i.e. there is a binding sale agreement. A restructuring provision should include only the direct expenditures arising from the restructuring, which are those both necessarily entailed by the restructuring and not associated with the ongoing activities of the enterprise. A restructuring provision does not include costs of retraining or relocating staff, marketing or investments in new systems or distribution networks.	Not specified.	Not specified.	No statutory rules as to the restructuring exist.	Comparable to IAS	Not specified.	Comparable to IAS.	Not specified.	Comparable to IAS.	Not defined.	Restructuring provisions not specifically addressed – general rules apply.	Comparable to IAS.	Not specified.	Comparable to IAS.	No SAS covers this area, use IAS.
Disclosure	For each class of provision a reconciliation of the opening and closing balance shall be disclosed. Comparative	Not specified.	An enterprise should disclose:	No statutory rules as to disclosure exist.	Comparable to IAS	Comparable to IAS.	Comparable to IAS (EAL Appendix 3).	The amount of provision formed in the subject year an in the	Comparable to IAS.	Not defined.	For each class of provision a reconciliation of the opening and	Comparable to IAS.	Reconciliation of the opening and closing balance of the provisions for	Comparable to IAS.	No SAS covers this area, use IAS.

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	disclosed. Comparative information is not required. A description regarding the nature of the expected obligation expected timing of cash outflows, uncertainties about amount or timing and the amount of expected reimbursements shall be disclosed. For contingent liabilities disclosure is required regarding their nature, estimated financial effect, the uncertainties surrounding their settlement and the possibility or reimbursement. For contingent assets their nature and estimated financial effect shall be disclosed.		• provisions for bad, doubtful and irrecoverable debts made in the period; • a brief description of the nature of the obligation for the potential liabilities; • the effect from the review of the potential liabilities.					year an in the previous year for the purpose of covering liabilities of environmental protection under guarantee, separated by legal grounds, the amounts accounted for in the subject year and in the previous year as costs of environmental protection under guarantee, as well as the expected amount of environmental damages and liabilities not included in the balance-sheet shall be described in the supplementary notes to the statutory financial statements.			the opening and closing balance showing increases, applications and reversals should be disclosed together with comparative information. Information about all contingent liabilities (including those for which the probability of outflow of resources is remote) should be disclosed in the notes. No disclosure of contingent assets is required.		the provisions for impairment of assets and for risks has to be disclosed. The method used for calculation has also to be disclosed. Disclosure is required for the contingent liabilities recorded in off balance sheet accounts like guarantees and bill of exchange. The required elements to be disclosed are not specified. No disclosure requirements for contingent assets.		

Deloitte & Touche

30. Intangible Assets

Topic	International (IAS 38)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Scope and effective date	IAS 38 becomes effective for accounting periods beginning on or after July 1, 1999. Earlier application is encouraged. Disclose earlier, application and apply IAS 22, Business Combinations and IAS 36, Impairment of Assets, at the same time. IAS 38 prescribes the accounting and disclosure for intangible assets that are not specifically dealt with in other Standards. This standard supersedes: • IAS 4, Depreciation Accounting, with respect to the amortization of intangible assets; and • IAS 9, Research and Development Costs. IAS 38 does not apply to rights and expenditure on the development and extraction of natural resources or intangibles arising in insurance enterprises from contracts with policyholders.	Comparable to IAS	Intangible assets are accounted for in accordance with NAS 5, which becomes effective for the accounting periods on or after January 1, 1999.	Comparable to IAS	Comparable to IAS	Czech Accounting Act and Accounting Procedures for Businessmen deal with Intangible Assets.	Comparable to IAS (EAL § 33, EASB, Balance Sheet Accounts).	Hungarian Accounting Standards („HAS“) are effective from 1992.	Not specified.	Not defined.	Not specified.	Comparable to IAS.	Romanian Accounting Law.	Slovak Accounting Act and Accounting Procedures for Businessmen deal with Intangible Assets.	No SAS covers this area, use IAS.
Definitions	An intangible asset is an identifiable non-monetary asset without physical substance held for use in the production or supply of goods or services, for rental to others, or for administrative purposes. Research is original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Development is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services prior to the commencement of commercial production or use. An active market is a market where all the following conditions exist: • the items traded are homogenous; • willing buyers and sellers can normally be found at any time; • prices are available to the public.	Comparable to IAS.	An intangible asset is an identifiable non-monetary asset without physical substance held for the purpose of future benefits expected to flow to the enterprise. Intangible assets are classified as current and fixed. Research is original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Development: the application of research findings generated in the company or purchased to a plan or design for the production of prototypes prior to the commencement of commercial production or use. An active market is a market where all the following	An intangible asset is an identifiable non-monetary asset without physical substance held for use in the production or supply of goods or services, for rental to others, or for administrative purposes. The statutory rules recognize the following intangible assets: • patents and licenses; • know-how; • rights for utilization of natural resources; • copyrights; and • establishment costs.	Comparable to IAS	Intangible assets include: • incorporation expenses – connected with the setting up of a new enterprise and expenses which are to be paid subsequently by the accounting unit to other persons, such as to its parent company, in connection with its establishment. • Results of research and similar activity – results of successfully completed projects (acquired separately or developed by the accounting unit for the purpose of sale, or recurring sales). • Computer software – acquired as a separate item or produced internally for the purpose of sale.	Comparable to IAS.	Non-material assets (rights representing pecuniary value, goodwill, intellectual property, capitalized value of research and development) which serve the entrepreneurial activity directly and on a permanent basis during the expected lifetime but at least during the depreciation period shall be entered among intangible assets. The capitalized value of original contribution and restructuring may also be entered among intangible assets.	Comparable to IAS.	Not defined.	Intangible assets are: • property rights (in particular right to perpetual usufruct, co-operative right to premises, copyright, rights to designs, inventions, patents, trademarks, ornamental patterns, licenses and computer programs) whose expected useful life is more than one year, designed to be used by the entity or rented to others; • start-up costs or costs of extension of a joint stock company; • goodwill; • costs of completed development work. Research: no definition provided.	Comparable to IAS.	Not specified. No distinction is made between research and development expenditures.	General basic definition of an intangible asset, as in IAS, is missing. Specific definitions for: • incorporation expenses • research and development • Computer software • Valuable rights – intangible industrial rights and other results of intellectual creative activities, patents, licenses and know-how.	No SAS covers this area, use IAS.

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			all the following conditions exist: • the items traded are homogenous; • willing buyers and sellers can normally be found at any time; • prices are available to the public.			• Valuable rights – intangible industrial rights and other results of intellectual creative activities, patents, licenses and know-how.					Development: investigations or otherwise gained knowledge, the result of which may be used for the production of specific new or improved products or technologies.				
Recognition and initial measurement of an intangible asset	An intangible asset should be recognized, if and only if: • its is probable that the futures economic benefits that are attributable to the asset will flow to the enterprise: and • the cost of the asset can be measured reliably. An enterprise should assess the probability of futures economic benefits using reasonable and supportable assumptions that represent management's best estimate of the economic conditions that will exist over the useful life of the asset. Greater weight should be given to external evidence. Intangible assets should be initially measured at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditures from which discounts and rebates have been deducted.	Comparable to IAS.	An asset should be recognized as an intangible fixed asset if, and only if: • it meets the definition of an intangible asset; • the cost of the asset can be measured reliably; • the expected economic benefit is proved by availability of plan foreseeing adequate resources allowing the economic benefits to flow to the enterprise; • is technically feasible; • is intended to be produced, sold, or used by the enterprise; • its value exceeds 150 Lev (new). The cost of an intangible asset comprises its purchase price and any directly attributable expenditures from which discounts and rebates have been deducted.	An intangible asset is recognized when it is purchased or when cost of registration of a patent or right is paid. An intangible asset should be measured at cost, initially.	Comparable to IAS	The limit for recognition is CZK 60,000 and a useful economic lifetime longer than one year. An intangible asset should be measured at cost, initially. Acquisition cost includes the purchase price and all expenses connected with their acquisition (such as prototypes, models, samples, alternatives versions)	Comparable to IAS.	Same as IAS.	Comparable to IAS.	Not defined.	Recognition criteria not specified. An intangible asset should Initially be recorded at cost (an acquisition price or asset production cost). Acquisition price defined similarly to IAS. Asset production cost comprises expenditure directly attributable and overheads that can be reasonably allocated to the project. If an asset received for no consideration (particularly in the form of a free gift) – value should be determined on the basis of the selling price of the same or a similar item. No specific regulations regarding exchange of assets. No discounting of deferred consideration.	Comparable to IAS.	Not specified.	The limit for recognition is SKK 40,000 and a useful economic lifetime longer than one year. An intangible asset should be initially measured at cost, which can be: • acquisition price • replacement cost (in case of donated intangible asset) • own expenditure (in case of internally produced intangible asset)	No SAS covers this area, use IAS.
Recognition and initial measurement of an intangible asset in a business combinatio	In accordance with this Standard and the requirements in IAS 22 (revised 1998) an acquirer recognizes an intangible asset that meets the general recognition criteria, even if that intangible asset has not	The recognition criteria are comparable to IAS. No further regulations	Comparable to IAS.	Not specified.	Comparable to IAS	Not specified	Comparable to IAS (EASB, Equity Method – Business Combinations and Consolidated Accounts).	Same as IAS.	Comparable to IAS.	Not defined.	An acquirer recognizes intangible assets that meet the general recognition criteria. It is not possible to	Comparable to IAS.	Not specified.	The approach for recognition of goodwill is comparable to IAS although its measurement may be different as statutory	No SAS covers this area, use IAS.

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n	been recognized in the financial statements of the acquire. If the cost cannot be measured reliably, that asset is not recognized as a separate asset, but included in goodwill. Quoted market prices in an active market provide the most reliable measurement of fair value. If no market price exists, its cost reflects the amount that the enterprise would have paid, at the date of the acquisition, for the asset in an arm's length transaction. Certain enterprises have developed techniques for estimating their fair values indirectly. These include applying multiples reflecting current market transactions to certain indicators driving the profitability of the asset or discounting estimated future net cash flows from the assets. Unless there is an active market for the intangible acquired, IAS 22 (revised 1998) limits the cost initially recognized to an amount that does not create or increase any negative goodwill arising at the date of acquisition.	specified.						Same Same Same Not specified			recognize intangible assets not included in the financial statements of the acquiree. Assets acquired in a business combination are measured at their market values as at the date of acquisition. Assets can be measured at their pre-acquisition carrying amounts, if the difference between pre-acquisition carrying amounts and market values is not material.			valuation standards may differ significantly from those accepted by IAS.	
Acquisition by way of government grant	Intangible assets may be acquired free of charge, or for a nominal consideration, by way of government grant. These may include airport-landing rights, licenses to operate radio or television stations, import licenses or quotas, etc. Under IAS 20, Accounting for Government Grants and Disclosure of Government Assistance, an enterprise may choose to recognize both the intangible asset and the grant at fair value. If not, the intangible assets and grant are recognized at a nominal amount plus any expenditure that is directly attributable to preparing the asset	Comparable to IAS.	Not specified.	Not specified.	Comparable to IAS	Not specified. The general provisions require recognition at acquisition cost.	Comparable to IAS.	Not defined under HAS.	Not specified.	Not defined.	Intangible assets acquired free of charge should be recognized at their selling price (if available) or the selling price of the same or a similar item. Value of the grant is credited to deferred income and amortized proportionately to depreciation of the related asset.	Comparable to IAS.	Not specified.	Donated intangible assets are recognized at their replacement cost.	No SAS covers this area, use IAS.
Internally generated goodwill	Internally generated goodwill should not be recognized as an asset. To assess whether an internally generated intangible asset meets the criteria for recognition, an enterprise classifies the generation of the asset into a research and development	Comparable to IAS.	The accounting of internally generated goodwill is not specified by the standard. No intangible asset arising from	Not specified.	Comparable to IAS	The treatment of internally generated goodwill is comparable to IAS. Czech accounting law does not	Comparable to IAS (EASB, Balance Sheet Accounts and EAL §33).	Not specified.	The treatment of internally generated goodwill and research and development costs is comparable to IAS.	Not defined.	Treatment of internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items as well as research	Comparable to IAS	Internally generated goodwill is not recognized. No distinction is made between research and development	Treatment of internally generated goodwill, research and development, internally generated brands, mastheads, publishing titles,	No SAS covers this area, use IAS.

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	phase. No intangible asset arising from research should be recognized. Expenditure on research is expensed when incurred. An intangible asset arising from development should be recognized, if and only if, an enterprise can demonstrate the following: (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (b) its intention to complete the intangible asset and use or sell it; (c) its ability to use or sell the intangible asset; (d) how the intangible asset will generate probable future economic benefits; (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the asset; and (f) its ability to measure the expenditure attributable to the intangible during its development reliably. Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance should not be recognized as intangible assets.		asset arising from research should be recognized. Expenditure on research is expensed when incurred. An intangible asset arising from development (or from the development of an internal project) should be recognized if, and only if it meets the criteria specified above for the recognition of intangible fixed assets.			law does not distinguish between research and development cost. Research and development costs can be capitalized under intangible assets as long as they relate to successfully completed projects not subject to industrial and other valuable rights if: • it is separately identifiable in a project (i.e. not forming part of other fixed assets), and • it can generate future income for the entity. The treatment of internally generated brands etc. comparable to IAS		Same as IAS. Same	IAS. The treatment of internally generated brands etc. is not specified, refer to IAS.		costs comparable to IAS. Recognition of intangible asset arising from development is optional to the entity, provided it is applied consistently. Recognition criteria are comparable to IAS except for: • development expenditure has to be covered by additional revenues from sales of the new or improved product or application of technology • availability of adequate resources to complete the project and use the asset is not specifically required.		development expenses that are capitalized if they are made for research objectives or for projects clearly defined, for which there is the guarantee that they will meet their planned objectives and they will be useful to the enterprise.	customer lists and items similar in substance is comparable to IAS.	
Recognition of an expense	Expenditure on an intangible asset should be recognized as an expense unless its meets the recognition criteria in this Standard or is acquired in a business combination and forms a part of the amount of goodwill at the date of acquisition. Examples of other expenditure that is recognized as an expense when incurred include: (a) expenditure on start-up activities; (b) expenditure on training activities; (c) expenditure on	Comparable to IAS.	Expenditure on an intangible asset should be recognized as an expense unless its meets the recognition criteria in this Standard. Examples of other expenditure that is recognized as an expense when incurred include: • expenditure on start-up activities; • expenditure on training activities;	Any expenditure should only be recognized in case it meets the classification specified by the statutory rules.	Comparable to IAS	Comparable to IAS but with reference to Czech accounting law (and not this IAS). Incorporation costs must be capitalized as intangible assets. Regarding other examples of expenditure comparable to IAS.	Comparable to IAS.	Comparable to IAS.	Comparable to IAS.	Not defined.	Comparable to IAS except that start-up costs or costs of extension of a joint stock company should be capitalized as an intangible asset.	Comparable to IAS.	Comparable to IAS except for expenditure on start-up activities which is capitalized. The treatment of expenditure on an intangible asset is not specified.	Comparable to IAS, except for expenditure on start-up activities, which is capitalized. .	No SAS covers this area, use IAS.

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	advertising and promotional activities; (d) expenditure on relocating or re-organizing part or all of an enterprise. Note. This does not preclude recognizing a prepayment as an asset.		• expenditure on advertising and promotional activities; • expenditure on relocating or re-organizing part or all of an enterprise, licenses,, quotas, etc.												
Subsequent expenditure	Subsequent expenditure on an intangible asset after its purchase or its completion should be recognized as an expense when it is incurred unless: • it is possible that this expenditure will enable the asset to generate future benefits in excess of its originally assessed standard of performance; and • this expenditure can be measured and attributed to the asset reliably. If these conditions are met, the subsequent expenditure should be added to the cost of the intangible asset.	Comparable to IAS.	Subsequent expenditure on an intangible asset after its purchase or its completion should be recognized as an expense when it is incurred unless these enable the asset to increase the expected economic benefits to flow to the enterprise and : • they increase the useful life of the asset; and • increase productivity; and • improve the quality of the products; and • decrease the production costs; and • change the scope of functions of the asset. If these conditions are met, the subsequent expenditure should be added to the cost of the intangible asset.	Any expenditure should only be recognized in case it meets the classification specified by the statutory rules.	Comparable to IAS	Comparable to IAS	Comparable to IAS.	Comparable to IAS.	Comparable to IAS.	Not defined.	Subsequent expenditure on an intangible asset should be recognized as an expense when incurred.	Comparable to IAS.	Not specified	Comparable to IAS.	No SAS covers this area, use IAS.
Measurement	Intangible assets are initially recognized at cost. **Benchmark treatment**: After initial recognition, an intangible asset is carried at cost less accumulated amortization. **Allowed Alternative Treatment**: After initial recognition, an intangible asset should be carried at revealed amount, being its	Comparable to IAS The treatment of reversal of a revaluation decrease and the treatment of realized surplus is not defined.	Intangible assets are initially recognized at cost. **The benchmark treatment** is comparable to IAS. **The alternative treatment** is allowed.	Intangible assets are initially recognized at cost. After initial recognition, an intangible asset is carried at cost less accumulated amortization.	Comparable to IAS	Comparable to IAS **The benchmark treatment** is to be applied. **The alternative treatment is** prohibited.	Comparable to IAS (EAL §33). **The benchmark treatment** is to be applied. **The alternative treatment** is prohibited.	Comparable to IAS. Comparable to IAS. Comparable to IAS.	Comparable to IAS. **The benchmark treatment** is to be applied. Other methods are not allowed.	Not defined.	Intangible assets initially recognized at cost. Subsequent measurement at cost less accumulated depreciation. Revaluation of intangible assets not allowed.	Comparable to IAS. The benchmark treatment is to be applied. The alternative treatment is allowed	Initial recognition comparable to IAS. **The benchmark treatment** is to be applied. **The alternative treatment is not specified.**	Only IAS benchmark treatment is allowed. The revaluation is prohibited.	No SAS covers this area, use IAS.

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	revealed amount, being its fair value at the date of the revaluation less any subsequent accumulated amortization and any subsequent accumulated impairment losses. Fair value should be determined by reference to an active market. If no active market exists, the asset should be carried at its cost less any accumulated amortization and impairment losses. The allowed treatment does not apply to intangible assets that have not previously been recognized as assets. If an intangible asset is revealed, any accumulated depreciation is either restated proportionally with the change in the gross carrying amount or eliminated against the gross carrying amount of the asset and the net amount restated to the revealed amount. The revaluation increase should be credited directly to equity under the heading of revaluation surplus. A revaluation decrease of the same asset is eliminated against the revaluation surplus. Any excess is expensed. A revaluation increase should be recognized as income to the extent that it reverses a revaluation decrease, which was previously expensed. The cumulative revaluation surplus may be transferred directly to retained earnings when the surplus is realized.		Any revaluation increase should be credited directly to equity under the heading of revaluation surplus. A revaluation decrease of the same asset is eliminated against the revaluation surplus. Any excess is expensed. A revaluation increase should be recognized as income to the extent that it reverses a revaluation decrease, which was previously expensed. The cumulative revaluation surplus is recognized as income upon disposal of the revalued intangible asset.					N/A. The revalued amount of intangible assets shall be carried in the balance sheet at the revalued amount and new carrying amount shall be reduced by applicable amortization over the remaining useful life of the asset. The revaluation increase should be credited directly to equity under the heading of revaluation surplus. A revaluation decrease of the same asset is eliminated against the revaluation surplus. A revaluation should be performed on a yearly basis and the increasing or decreasing effect is charged directly to the revaluation surplus.							
Amortization period	The depreciable amount of an intangible asset should be allocated over the best estimate of its useful life. There is a rebuttable presumption that useful life will not exceed twenty years from the date when the asset is available for use. Amortization should commence when the asset is available for use. In rare cases, there may be persuasive evidence that the useful life of an intangible asset will exceed 20 years. In these cases the presumption	Comparable to IAS The case when the useful life exceed 20 years is not dealt with. Neither is the treatment of a legal right for a finite period specified.	The depreciable amount of an intangible asset should be allocated over the best estimate of its useful life.	Intangible asset is amortized over its useful life determined by the enterprise or producer of this asset. In case the useful life is not determinable the amortization period should not exceed 10 years.	Comparable to IAS	Intangible assets are amortized within a maximum period of five years. The amortization period may be changed to reflect changes in circumstances.	Intangible assets are amortized on a straight-line basis within a period of five years with the exception of purchased rights (concessions, licenses, and trademarks) which may be amortized within a period not to exceed 20 years.	The purchase or manufacturing costs (purchase price and/or direct manufacturing costs) of intangible assets shall be distributed over the years in which such assets are expected to be used. Depreciation shall be effected to an extent that the intangible assets be shown in the balance-sheet at	Intangible assets are amortized on a straight-line basis within a period of five years.	Intangible assets are amortized on a straight-line basis within a period of five years with the exception of purchased rights (concessions, licenses, and trademarks) which may be amortized within a period not to exceed 20 years.	The depreciable amount of an intangible asset should be allocated over the best estimate of its useful life. Amortization period for development costs, capitalized start-up (expansion) costs and purchased goodwill shall not exceed 5 years.	Intangible assets are amortized on a straight-line basis within a period of five years.	Concessions, licenses, trademarks are amortized over their intended period of use. Capitalized research and development expenses and set up expenditures are amortized over a maximum of five years. Goodwill is not amortized. Only if impairment in	Intangible assets are generally amortized within a period of five years.	No SAS covers this area, use IAS.

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	is rebutted. The enterprise amortizes the intangible asset over the best estimate of its useful life. However, the enterprise shall estimate the assets recoverable amount at least annually in order to identify any impairment loss. The reasons for the rebuttal and the factors significant to determining useful life shall be disclosed. The useful life of an intangible asset is always finite. If control is achieved through legal rights that have been granted for a finite period, the useful life of the intangible asset should not exceed the period of the legal rights unless the rights are renewable and renewal is certain.							the (known) market value corresponding to the utility thereof, and prevailing at the preparation date of the balance-sheet.					value is noted, that impairment is recorded as amortization. Software (that is considered intangible assets) is amortized over a maximum of five years.		
Amortization method and residual value	The amortization method used should reflect the pattern in which the assets economic benefits are consumed. If that method cannot be determined, the straight-line method should be used. The residual value of an intangible asset should be assumed to be zero unless there is a commitment by a third party to purchase the asset at the end of its useful life or there is an active market for the asset. If there are changes in the expected pattern of economic benefits, the amortization method should be changed to reflect these changes.	Comparable to IAS	Intangible fixed assets are to be amortized by applying straight-line or non-linear methods (e.g. reducing balance method, sum of the digits method, etc).	The straight-line method or accelerated method shall be applied. Amortization rates for each year of the useful life are set by the enterprise.	Comparable to IAS	The straight-line method shall be applied.	The straight-line method shall be applied. The amortization period may be changed to reflect changes in circumstances.	When defining the value of intangible assets as shown in the balance-sheet, the amount of depreciation accounted for in accordance with the Act shall be deducted from: a. the consideration paid for the acquisition of rights which are marketable themselves, such as rights of lease, easement, concession; in respect of rights representing assets, b. the acquisition price, in respect of goodwill, c. the acquisition and manufacturing costs of know-how an manufacturing procedures of patents an industrial design, of inventions and assets protected under industrial law, software products falling under copyright, other intellectual property, of assets without legal protection but monopolized through secrecy; in respect of the value of intellectual property,	The straight-line method shall be applied. The amortization period may be changed to reflect changes in circumstances.	The straight-line method shall be applied. The amortization period may be changed to reflect changes in circumstances.	The straight-line method of amortization should be applied.	The straight-line method shall be applied. The amortization period may be changed to reflect changes in circumstances.	The straight-line method shall be applied. No further regulations are specified.	Amortization method is not specified. Residual value is always zero. The amortization period may be changed to reflect changes in circumstances.	No SAS covers this area, use IAS.

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								d. the manufacturing costs of research and development, if the results of such experimental development can be utilized in the future; in respect of the capitalized value of research and development, e. the acquisition and manufacturing costs related to the start-up, substantial expansion, restructuring or reorganization of the entrepreneurial activity; in respect of the capitalized value of original contribution and restructuring. f. The value of rights representing assets as per Paragraph a), and the value of intellectual property as per Paragraph c) may not contain the amount of any value correction. g. Only an amount exceeding the book value of rights representing assets and intellectual property may be shown as value correction of intangible assets, and in the amount equal to the evaluation reserve within equity.							
Recoverability	In addition to the requirements in IAS 36, Impairment of Assets, the recoverable amount of intangible assets that are not yet available for use and intangibles amortized over a period exceeding 20 years shall be estimated at each financial year-end.	Not specified	Not specified.	Not specified.	Comparable to IAS	No specific requirements. The general provision regarding impairment of assets applies.	Comparable to IAS.	The recoverable amount of intangible amount of intangible assets shall be estimated at each financial year-end.	Not specified, refer to IAS.	Comparable to IAS.	Intangible assets should be assessed for impairment at each balance sheet date according to general rules.	Comparable to IAS.	Not specified	IAS 36 may be applied as a guideline for estimate of impairment provision (based on the principle of prudence).	No SAS covers this area, use IAS.
Disposals	An intangible asset shall be derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal.	Comparable to IAS	Comparable to IAS.	An intangible asset shall be derecognized on disposal.	Comparable to IAS	Comparable to IAS	Comparable to IAS.	Comparable to IAS.	Comparable to IAS.	Not defined.	Derecognition criteria are comparable to IAS.	Comparable to IAS.	Comparable to IAS.	Comparable to IAS.	No SAS covers this area, use IAS.

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	Gains and losses are recognized as income or expense in the income statement.			Gains and losses are recognized as income or expense in the income statement.							The carrying amount of the asset at the moment of disposal should be recognized as other operating cost, while proceeds from disposal (if any) respectively as other operating income.				
Disclosure	For each class of intangible asset: • the useful lives or amortization rates used; • the amortization methods used; • gross carrying amount and accumulated depreciation at the beginning and end of the period; • the line items in which amortization is included; • a reconciliation of the carrying amount at the beginning and end of the period. Comparative information is not required. Disclosure is required for the aggregate amount of research and development expenditure recognized as an expense during the period.	Comparable to IAS	For each class of intangible assets disclose: • the gross carrying amount, accumulated amortization and net book value at the beginning and the end of the period; • value of the intangible assets acquired during the period; • subsequent expenditure related to intangible fixed assets; • subsequent expenditure related to intangible fixed assets recognized as a separate intangible fixed asset or as an increase of the initial value; • value of intangible fixed assets disposed during the period; and • revaluation surplus at the beginning and at the end of the period. For research costs disclose total amount of the expenditure in the period. For development costs disclose: • total amount of the expenditure for the period and cumulatively; • total amount of	Disclose: • accounting policies adopted; • amortization methods used; • the useful lives or amortization rates used; and • reconciliation of the balances of intangible assets disclosed by type at the beginning and end of the period.	Comparable to IAS	Comparable to IAS	Comparable to IAS.	Comparable to IAS. Comparative information is required. Not defined. The following shall be accounted for among other revenues: a. revenues from the sale of intangible assets and tangible assets in the period of such sale. The following shall be accounted for as other expenditures. a. costs of the sale of intangible assets and tangible assets (including the registered value of these assets) in the period of such sale.	Comparable to IAS.	Not defined.	Disclose: • a description of valuation methods available under the 'Act' adopted by the entity (including depreciation); • in respect of each major class of intangible assets – a detailed reconciliation of opening to closing balances of gross carrying amount and accumulated depreciation showing significant categories of movements during the year; • listing of liabilities groups secured on the entity's assets; • amounts and reasons for unplanned depreciation charges; • own development costs capitalized.	Comparable to IAS.	For each class of intangible asset: • the amortization methods used; • gross carrying amount and accumulated depreciation at the beginning and end of the period; • the line items in which amortization is included; • a reconciliation of the carrying amount at the beginning and end of the period. Comparative information is not required	Comparable to IAS.	No SAS covers this area, use IAS.

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			the intangible assets recognized in the period.												

31. Financial Instruments: Recognition and Measurement

Topic	International (IAS 39)	Albania	Bulgaria	Byelorussia	Croatia	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Poland	Republic of Macedonia	Romania	Slovakia	Slovenia
Scope and effective date	IAS 39 is operative for financial statements covering financial years beginning on or after 1 January 2001. Earlier application is permitted for financial years that end after 15 March 1999. Retrospective application is not permitted. IAS 39 establishes principles for recognizing, measuring, and disclosing information about financial assets and liabilities. IAS 39 does not apply to: • interests in subsidiaries, associates and joint ventures that are accounted for under other standards (IAS 27, 28 and 31); • rights and obligations under leases accounted for under IAS 17 with the exception of receivables recognized by lessors; • employer's assets and liabilities under employment benefit plans accounted for under IAS 19, Employee Benefits. • rights and obligations under insurance contracts; • equity instruments of the issuer including options, warrants, and other financial instruments classified as equity; • financial guarantee contracts except for those incurred or retained as a result of the derecognition standards set out in this standard; • contract for contingent consideration in a business combination; • contracts that require a payment based on Note. IAS 39 applies to derivatives embedded in lease, insurance and other contracts and financial guarantee contracts the settlement of which are linked to underlying variables or indices.	Not specified	See Section 'IAS 32'.	Financial assets are carried at cost	Comparable to IAS.	Not specified. The concepts of financial instruments included within IAS 39 are not defined within Czech accounting legislation and regulations. The legislation and regulations refer only to individual instrument types.	Not specified. Financial instruments are referred to in the EAL and EASB's guidelines, but not in total.	Comparable to IAS.	Not defined.	Not defined.	Not applicable. Financial instruments and their recognition and measurement criteria are not addressed in the 'Act".	Not specified	Not specified.	No regulation specifically covering financial instruments. Certain aspects are covered by regulation.	No SAS covers this area, use IAS.
Definitions	Financial instruments, financial assets, financial liabilities and equity instruments are defined as in IAS 32, Financial Instruments: Disclosure and Presentation. Derivative – a financial instrument • whose value changes in response to the changes in a specified underlying rate, price, index or ´underlying` variable. • that requires little or no initial	Not specified	See Section 'IAS 32'.	Financial assets are carried at cost	Comparable to IAS.	See above	Comparable to IAS (EASB, Annual Accounts of Credit Institutions).	Comparable to IAS.	Not defined.	Not defined.	Not specified.	Not specified	Not specified.	No definition of derivative in accounting regulation.	No SAS covers this area, use IAS.

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	investment relative to other contracts that have a similar response to changes in market conditions; and • that is settled at a future date. Note. Typical examples of derivatives are future, forward, swap and option contracts. The derivative usually has a notional amount, which is amount of currency, number of shares, number of units of weight or volume or other units specified in the contract.														
Four definitions of financial assets	**Held for trading** – financial assets or liabilities held for the purpose of generating a profit from short-term fluctuations in price of dealer's margin. Derivatives are ´held for trading` unless designated as hedging instruments. **Held-to-maturity** – financial assets with fixed or determinable payments and maturity that the enterprise has the positive intent and ability to hold to maturity. **Loans and receivables originated by the enterprise** – classified separately. If originated with the intent to sell immediately or in the short term – classified as ´held for trading`. **Available for sale** – financial assets not classified under the three categories shown above.	Comparable to IAS	Comparable to IAS.	Not specifically defined by the statutory rules.	Comparable to IAS.	See above	Comparable to IAS.	Comparable to IAS.	Not defined.	Not defined.	Not specified.	Not specified	Not specified.	No definitions, but held for trading and available for sales are mentioned when describing short term financial investments. Regulation for banks does include distinction between trading and investment portfolios of securities. Their treatment and accounting policies, is comparable to IAS treatment.	No SAS covers this area, use IAS.
Definitions relating to recognition and measurement	**Amortized cost of a financial asset or liability** – amount initially recognized minus principle repayments, plus/minus cumulative amortization of the difference between initial and maturity amount, less any write-down for impairment or uncollectability. **Effective interest method** – method for calculating amortization using the effective interest rate of a financial asset or liability. Note. Effective interest rate is the internal rate of return of the financial asset or liability for that period.	Not specified	Not specifically defined by the statutory rules.	Not specifically defined by the statutory rules.	Comparable to IAS	See above.	Comparable to IAS.	Comparable to IAS.	Not defined.	Not defined.	Not specified.	Not specified	Not specified.	Amortized costs are not defined.	No SAS covers this area, use IAS.
Definitions related to hedge accounting	**Hedging** – offsetting changes in fair value or cash flows of a hedged item **Hedged item** – is an asset, liability, firm commitment or forecasted future transaction that exposes the enterprise to risk of changes in fair value or in future cash flows.	Not specified	Comparable to IAS.	Not specifically defined by the statutory rules. A generally accepted classification is: Hedging- offsetting changes in fair value or cash flows of a hedged item. Hedged item – is	Comparable to IAS	Hedge accounting is not defined in existing Czech legislation and regulations.	Comparable to IAS.	Comparable to IAS.	Not defined.	Not defined.	Not specified.	Not specified	Not specified.	Hedging and hedging accounting is not covered by regulation.	No SAS covers this area, use IAS.

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	Hedging instrument – a designated financial asset/liability or derivative whose fair value or cash flows are expected to offset changes in the fair value or cash flows of a hedged item. **Hedge effectiveness** – the degree to which offsetting changes in fair value or cash flows attributable to a hedged risk are achieved by the hedging instrument.			an asset, liability, firm commitment or forecasted future transaction that exposes the enterprise to risk of changes in fair value or future cash flows. Hedging instrument – a designated financial asset/liability or derivative whose fair value or cash flows are expected to offset changes in the fair value or cash flows of a hedged item.											
Initial recognition	Recognize a financial assets and liability when and only when the enterprise become party to a contractual provision of the instrument. Receivables and payables are recognized when the enterprise becomes a party to the contract and has a legal right to receive or pay cash. Firm commitments to purchase or sell goods or services are not recognized under present accounting standards. Forward contracts are recognized on the commitment date. The fair values of the right and obligation are often equal so that the net fair value is zero. Only the net fair value of the right and obligation is recognized as an asset or liability. Financial options are recognized as assets and liabilities when the holder or writer becomes a party to the contract.	Not specified	Comparable to IAS.	Recognize a financial asset or liability only when the enterprise becomes party to the contractual provisions of the instrument. Loans and investments should be recognized on the balance sheet – derivatives should be recorded in off balance sheet accounts. Receivables and payables are recognized on the value date, when the enterprise obtains a legal right to receive or pay cash.	Comparable to IAS.	Comparable to IAS.	Comparable to IAS	Comparable to IAS.	Not defined.	Not defined.	Not specified.	Comparable to IAS.	Not specified.	Recognition moment can be the same. Commitments to purchase or sell goods or services are not recognized. Initial recognition in banks is similar to the treatment under IAS except they are accounted for in the off balance sheet (included in this group for example is: derivatives, guarantees, collateral, loan commitments, letters of credit, assets under leases). Certain items can be recognized at nominal value (difference is posted to accrued/deferred items), certain at cost. Derivative is recognized when the company paid the initial amount. It should be carried at cost. Derivatives with zero initial value should be treated as off balance sheet items with disclosure in the footnotes. For example payments related to signing forward contract should be expensed.	No SAS covers this area, use IAS.
Initial recognition of ´regular way`	A ´regular way` contract requires the delivery of assets within a short time frame established by regulation or convention in the	Not specified.	Financial instruments are recognized using trade date or	Not specified	Comparable to IAS.	No specific guidance on the use of settlement date or trade date	`Regular way` purchases and sales contracts are recognized using	Comparable to IAS.	Not defined.	Not defined	Not specified.	Not specified	Not specified.	Regular way contracts are not covered by the regulation. Asset is	No SAS covers this area, use IAS.

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contracts	market place. A ´regular-way`purchase of financial assets is recognized using trade date or settlement date accounting.  A ´regular way`sale of financial assets is recognized using settlement date accounting. Under settlement date accounting, the purchaser recognizes and the seller derecognizes the asset when transferred. The amounts of any change in the fair value of the asset to be received or transferred between the trade and settlement dates will depend on how the contract is classified.		settlement date accounting. Trade date accounting refers to the recognition of the financial instruments when the enterprise becomes a party to the contractual provisions of the instrument. Under settlement date accounting, the financial instrument is recognized when ownership is transferred.			accounting. Practice has been to use settlement date method.	the settlement date method (EASB, Annual Accounts of Credit Institutions).							usually recognized using settlement date when the legal ownership is transferred.	
Derecognition	A financial asset (portion) is derecognized when, the enterprise loses control of the contractual rights that comprise the financial asset e.g. realizes the rights to benefits specified in the contract, the rights expire, or the enterprise surrenders these rights. If the transfer of financial assets do not meet these conditions, the transferor accounts for the transaction as a collaterized borrowing and the transferor's right to reacquire the assets is not a derivative. A transferor has not lost control if, for example • the transferor has a right to reacquire the asset unless wither (i) the asset is not readily obtainable or (ii) the reacquisition price is fair value at the time of acquisition: • the transferor is both entitled and obligated to repurchase or redeem the asset on terms that effectively provide the transferee with a lender's return on assets • the asset transferred is not readily obtainable on the market and the transferor has retained substantially all the risks/returns of ownership. Note. The transferor generally has lost control of the transferred asset only if the transferee has the ability to obtain benefits of the transferred asset.	Not specified	Comparable to IAS. No specific guidance for accounting of collateralized borrowings.	A financial asset (portion) is derecognized when, the enterprise loses control of the contractual rights that comprise the financial asset e.g. realizes the rights to benefits specified in the contract, the rights expire, or the enterprise surrenders these rights. This is also the case with as to accounting for repurchase agreements.	Comparable to IAS.	Comparable to IAS. Accounting for repurchase agreements and collaterized borrowing is prescribed in the relevant regulations.	Comparable to IAS. Accounting for repurchase agreements and collaterized borrowing is prescribed in EASB, Annual Accounts for Credit Institutions.	Comparable to IAS.	Not defined.	Not defined	Not specified.	Comparable to IAS No specific guidance for accounting of collateralized Borrowings.	Not specified.	Assets are derecognized when legal ownership is transferred, when rights expire, or the enterprise surrenders these rights. Collaterized borrowings are not defined in our legislation. They are usually accounted for as sale and subsequent purchase. This is due to the fact that the substance over form concept is not used. In banks, the treatment is comparable to IAS.	No SAS covers this area, use IAS.
Accounting for collateral	If a debtor delivers collateral and the creditor is permitted to sell or repledge the collateral without constraints, then • the debtor discloses the collateral separate from other assets: and	Not specified	Comparable to IAS.	No statutory rules exist in this area.	Comparable to IAS	No specific guidance exists with regards to these transactions.	Comparable to IAS.	Comparable to IAS.	Not defined.	Not defined	Not specified.	Comparable to IAS	Not specified.	See above	No SAS covers this area, use IAS.

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	• the creditor should recognize the collateral and obligation to return the collateral (liability) at fair value.														
Derecognizing part of a financial asset	Allocate the carrying amount between the amount retained and sold relative to their fair values. A gain/loss is recognized for the portion sold. If the fair value of the part retained cannot be measured reliably, its is recorded at zero.	Not specified	No statutory rules exist in this area.	No statutory rules exist in this area.	Comparable to IAS	Comparable to IAS	Comparable to IAS.	Comparable to IAS.	Not defined.	Not defined	Not specified.	Comparable to IAS	Not specified.	See above	No SAS covers this area, use IAS.
Asset derecognition coupled with a new financial asset or liability	If an entire financial asset is transferred but a new asset or liability is assumed, the new asset or liability is recognized at fair value. The gain or loss is recognized as the difference between the proceeds and the carrying amount of the financial asset sold plus the fair value of any new liability assumed, minus the fair value of any new financial assets acquired, plus/minus any adjustments that had previously been reported in equity to reflect fair value. If the fair value of the new financial asset cannot be measured reliably, its initial carrying amount is zero and a gain or loss is recognized equal to the difference between the proceeds and the previous carrying amount of the derecognized asset plus/minus any prior adjustments reported in equity to reflect the fair value of that asset If the fair value of the new liability cannot be measured reliably, its initial carrying amount should be such that no gain is recognized on the transaction and if IAS 37 so requires, a loss should be recognized.	Not specified	If an entire financial asset is transferred in exchange for a new asset or liability the new financial instrument is recognized at fair value. If the fair value cannot be measured reliably, it is recognized at the net book value of the replaced financial instrument.	No statutory rules exist in this area.	Comparable to IAS	In the absence of specific guidance it is likely that such transactions would be treated as a separate sale and purchase – the accounting would follow the legal form of the transaction.	Comparable to IAS.	Comparable to IAS.	Not defined.	Not defined	Not specified.	Comparable to IAS	Not specified.	No regulation exists.	No SAS covers this area, use IAS.
Derecognizing a financial liability	Financial liabilities are removed from the balance sheet when extinguished e.g. discharged, cancelled or expired. The difference between the carrying amount of a liability extinguished or transferred to another party, including related unamortized costs, and the amount paid for its should be included in net profit or loss for the period.	Not specified	Comparable to IAS.	Financial liabilities are removed from the balance sheet when settled or offset.	Comparable to IAS	Comparable to IAS.	Comparable to IAS	Comparable to IAS.	Not defined.	Not defined.	Not specified.	Comparable to IAS	Not specified.	Comparable to IAS	No SAS covers this area, use IAS.
Measurement	A financial asset or liability is initially recognized at cost, which is the fair value of the consideration given or received. Transaction costs are included in the initial measurement of financial assets or liabilities. Subsequent measurement is dependent on the classification of	Not specified	A financial asset or liability is initially recognized at cost, which is the fair value of the consideration given or received. All direct costs which can be measured reliably are included in the	A financial asset or liability is initially recognized at cost, which is the carrying amount of the consideration given or received. Transaction costs are not included in the initial measurement of	Comparable to IAS	Regulations typically state that such assets are carried at cost less any provision for a decline in value. Transaction costs are typically expensed.	Comparable to IAS.	Comparable to IAS.	Not defined.	Not defined	Not specified.	Comparable to IAS	Not specified.	A financial asset or liability is initially recognized at cost, which is the fair value of the consideration given or received. Transaction costs are NOT included in the initial measurement of	No SAS covers this area, use IAS.

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	a financial asset. Financial assets held for trading or sale which have a quoted market price in an active market are measured at fair values without any deduction for transaction costs that may incur on sale or other disposal. If a financial asset required to be measured at fair value has a fair value below zero, it is accounted for as a financial liability. Financial assets not held for trading or sale that have a fixed maturity shall be measured at amortized costs using the effective interest method. Those that do not have a fixed maturity are recognized at cost. Note. All financial assets are subject to review for impairment. Any foreign exchange gains and losses on monetary financial assets are reported in net profit or loss regardless of how the change in the fair value of the instrument is reported under this Standard. Foreign exchange gains and losses on non-monetary items are reported together with any changes in fair value.		initial measurement of financial assets or liabilities. Subsequently all types of financial instruments are measured at fair value with the following exceptions: • instruments which are not quoted on a stock exchange; • instruments for which fair value cannot be measured reliably; • instruments that have been issued by the enterprise and are not held for resale. Note1. Loans are subject to review for provisioning. Note2. Financial assets and liabilities in foreign currencies are revalued at balance sheet date at current official exchange rate of the National Bank. The revaluation gains and losses are recorded in the profit and loss accounts.	financial assets or liabilities. Subsequently all types of financial assets are measured at cost. Note1. Loans are subject to review for provisioning. Note2. Financial assets and liabilities in foreign currencies are revalued at balance sheet date at current official exchange rate of the National Bank. The revaluation gains and losses are deferred in the following way: net foreign exchange difference for a period is deferred and monthly written off to PL account in the amount equal to 10 % of cost of goods sold which is charged to expenses during the respective period.										financial assets or liabilities. Subsequent measurement of the assets cannot exceed cost decreased by subsequent installments, there can be adjustment to decrease value of the asset when there exist indications of decrease in value of the asset. Adjustment should be made via provision posted through P&L Foreign exchange losses and gains related to assets and liabilities at the balance sheet date (unrealized foreign exchange differences) are posted to special accounts in the balance sheet. A provision for unrealized foreign exchange losses is created, which will form part of liabilities. In banks, monetary assets and liabilities are translated using the current exchange rate valid at the balance sheet date and such unrealized gains or losses are recognized as a gain or loss in the P&L. Trading assets (including off-balance sheet instruments) are provisioned so that they reflect fair market values (but not above value of initial measurement).	
Measurement of held to maturity investments	The held-to-maturity classification is an exception, but only if the enterprise has the positive intent and ability to hold the investment to maturity. Note. Most equity securities cannot be held-to-maturity because they have an indefinite life or the amounts that may be received are not predetermined. A financial asset that is puttable satisfies the criteria if the holder	Not specified	Not specified.	The held-to-maturity instruments are measured at cost.	Comparable to IAS	Concepts not defined in domestic legislation.	Comparable to IAS (EASB, Annual Accounts of Credit Institutions).	Comparable to IAS.	Not defined.	Not defined.	Not specified.	Comparable to IAS.	Not specified.	Held to maturity investment is not specified. Refer to the general measurement mentioned above.	No SAS covers this area, use IAS.

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	has no intent of exercising the put feature before maturity. A financial asset that is callable by the issuer satisfies the criteria if the holder would recover substantially all of its carrying amount. If not, the financial asset is not classified as held-to-maturity. If the enterprise has during the current or two preceding financial years sold, transferred, or exercised a put option on more than an insignificant amount of held-to-maturity investments before maturity, the enterprise is precluded form classifying financial assets as held-to maturity. If the enterprise dose not have the financial resources to continue to finance the investment or is subject to existing legal or other constraints that could frustrate its intentions, the ability to hold the investment to maturity is not demonstrated. If there is a change in intent or the ability to retain the investment until maturity, the investment is restated to fair value and the difference between the carrying amount and fair value is reported as a gain or loss in a manner appropriate to the investments new classification. If it is no longer appropriate to report a financial asset at fair value, the fair value carrying amount becomes its new amortized cost. If the financial asset has a fixed maturity and gains/losses were previously recognized in equity, the difference between the new amortized cost and maturity amount is amortized over the remaining life of the financial asset. If the financial asset does not have a fixed maturity, previous gains/losses recognized in equity enter into the determination of net profit and loss on disposal.														
Subsequent measurement of financial liability	Financial liabilities held for trading and derivatives are measured at fair value except for those to be settled by the delivery of an unquoted equity instrument with a reliable measure of fair value. Other financial liabilities are recognized at amortized cost. Foreign exchange gains and losses on monetary financial assets are reported in net profit or loss regardless of how the change in the fair value of the instrument is reported under this Standard. Foreign exchange	Not specified.	Subsequently financial liabilities are measured at fair value.	Subsequently financial liabilities are measured at fair value.	Comparable to IAS	Concepts not defined in domestic legislation.	Comparable to IAS.	Comparable to IAS.	Not defined.	Not defined	Not specified.	Comparable to IAS.	Not specified.	Liabilities held for trading are not defined in regulations. Liabilities are usually measured at initial nominal value. Foreign exchange losses and gains related to assets and liabilities at the balance sheet date (unrealized foreign exchange differences) are posted to special	No SAS covers this area, use IAS.

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	gains and losses on non-monetary items are reported together with any changes in fair value.													accounts in the balance sheet. A provision for unrealized foreign exchange losses is created, which forms part of liabilities. It is posted directly to P&L when liabilities are settled. In banks, accounting treatment is comparable to IAS.	
Gains/losses on remeasurement to fair value	A gain/loss on a financial asset/liability held for trading is included in net profit or loss when it arises. A gain/loss on a financial asset/liability available for sale is either included in net income or loss for the period; or • Recognized directly in equity, through the statement of changes in equity until the financial asset is sold, collected or disposed of or determined to be impaired. Upon the occurrence of these events, the cumulative gain or loss is included in net profit or loss for the period. Note. Either a or b must be applied to all available-for-sale financial assets.	Not specified	A gain/loss on a financial asset/liability is included in net profit or loss when it arises.	Not specified	Comparable to IAS	Concepts not defined in domestic legislation.	Comparable to IAS (EASB, Annual Accounts of Credit Institutions).	Comparable to IAS.	Not defined.	Not defined.	Not specified.	Not specified	Not specified.	The same, but not above original cost. In banks, accounting treatment is comparable to IAS.	No SAS covers this area, use IAS.
Gains/losses on assets/liabilities at cost	A gain/loss is recognized in net income or loss when the financial asset or liability is derecognized or impaired.	Not specified	A gain/loss is recognized in net income or loss when the financial asset or liability is derecognized.	A gain/loss is recognized in net income or loss when the financial asset or liability is derecognized.	Comparable to IAS.	Comparable to IAS.	Comparable to IAS	Comparable to IAS.	Not defined.	Not defined	Not specified.	Not specified	Not specified.	Comparable to IAS.	No SAS covers this area, use IAS.
Impairment of financial assets carried at cost	If there is evidence of impairment: • recoverable amount is estimated: • carrying amount is reduced to recoverable amount and the difference included in net profit/loss for the period. If circumstances change, the write-down is reversed. The reversal may not exceed what amortized amount would have been had the impairment not been recognized.	Not specified	The statutory rules do not prescribe write-downs of the instruments to recoverable amount in case of impairment.	The statutory rules do not prescribe write-downs of the instruments to recoverable amount in case of impairment.	Comparable to IAS	Comparable to IAS.	Comparable to IAS	Comparable to IAS.	Not defined.	Not defined	Not specified.	Comparable to IAS	Not specified.	There is no description of impairment, but the requirement for providing for any decrease in value does exist as a result of prudence concept. If circumstances change, the provision is reversed. The reversal may not exceed the original cost decreased by subsequent installments.	No SAS covers this area, use IAS.
Impairment of financial assets carried at fair value	If there is evidence that held for sale financial assets are impaired, any fair value losses previously recognized directly in equity are removed from equity and reported in net profit/loss for the period.	Not specified	Not specified.	Not specified.	Comparable to IAS	Comparable to IAS.	Comparable to IAS	Comparable to IAS.	Not defined.	Not defined	Not specified.	Comparable to IAS	Not specified.	All financial assets carried at cost – see above.	No SAS covers this area, use IAS.

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	The amount removed is the difference between acquisition cost and current fair value (equity instruments) or recoverable amount (debt instruments), less any impairment loss previously recognized in profit or loss. If conditions change, the write-down is reversed and the amount of the reversal included in net profit or loss for the period.														
Hedging relationships	Hedging relationships: • fair value hedge – hedge of exposure to changes in fair value of a recognized asset or liability (or portion) that is attributable to a particular risk and will effect net income or loss • cash flow hedge – hedge of the exposure to variability in cash flows attributable to a particular risk or a forecasted transaction and that will affect net profit or loss Note. A hedge of an unrecognized firm commitment to buy or sell an asset at a fixed price in the enterprise's reporting currency is accounted for as a cash flow hedge even though it has a fair value exposure. Hedge of a net investment on a foreign entity – a hedge as defined in IAS 21, Effects of Changes in Foreign Exchange Rates	Not specified	Hedging relationships: • fair value hedge – hedge of exposure to changes in fair value of a recognized asset or liability (or portion) that is attributable to a particular risk and will effect net income or loss; • cash flow hedge – hedge of the exposure to variability in cash flows attributable to a particular risk or a forecasted transaction and that will affect net profit or loss. Hedge of a net investment in a foreign entity is accounted for as cash flow hedge.	No statutory rules exist in this area.	Comparable to IAS.	Not defined in domestic legislation and regulations.	Comparable to IAS.	Comparable to IAS.	Not defined.	Not defined	Not specified.	Not specified	Not specified.	No regulation for hedge accounting.	No SAS covers this area, use IAS.
Hedge accounting	Hedge accounting recognizes the symmetrically offsetting effects on net profit or loss of changes in the fair values of the hedging instrument and items being hedged. A hedging relationship qualifies for hedge accounting if all the following conditions are met: • at the inception of the hedge - formal documentation which identifies the hedging instrument, the hedged item, the nature of the risk to be hedged and, and how the hedging instrument's effectiveness will be assessed Note. To qualify the hedge must relate to a specific risk – not merely to overall business risks	Not specified.	Comparable to IAS.	No statutory rules exist in this area.	Comparable to IAS.	See above.	Comparable to IAS.	Comparable to IAS.	Not defined.	Not defined	Not specified.	Not specified	Not specified.	No regulation for hedge accounting.	No SAS covers this area, use IAS.

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	and must ultimately effect net profit or loss. • the hedge is expected to be highly effective, consistent with the originally documented risk strategy • for cash flow hedges, a forecasted transaction that is the subject of the hedge must be highly probable and must present an exposure to variations in cash flows that will ultimately effect net profit or loss; • the effectiveness of the hedge can be reliably measured; • the hedge was assessed on an ongoing basis and determined to be effective during the reporting period														
Hedge effectivenes s	A hedge is highly effective, if, at inception and throughout the life of the hedge, the enterprise can expect changes in fair value of cash flows to be almost fully offset and actual results are within a range of 80-125%. If the critical terms of the hedging instrument and the entire hedged asset or liability or forecasted transaction are the same, an enterprise could conclude that the hedge is likely to be effective in offsetting the changes in fair value and cash flows attributable to the risk being hedged, at inception and until completion. The time value of money needs to be considered in assessing the effectiveness of the hedge. Note. The fixed rate on a hedged item need not exactly match the fixed rate on a swap designated as a fair value hedge as a swap's fair value comes from its net settlements.	Not specified	A hedge is highly effective, if, at inception and throughout the life of the hedge, the enterprise can expect changes in fair value of cash flows to be almost fully offset and actual results are within a range of 80-125%.	No statutory rules exist in this area.	Comparable to IAS.	See above.	Comparable to IAS.	Comparable to IAS.	Not defined.	Not defined	Not specified.	Not specified	Not specified.	No regulation for hedge accounting.	No SAS covers this area, use IAS.
Fair value hedges	Recognize a gain/loss from remeasuring the hedging instrument at fair value in net profit and loss immediately. Recognize a gain/loss on the hedged item attributable to the hedged risk as an adjustment to carrying amount and in net profit or loss immediately. If only certain risks have been hedged, recognize changes in the fair value in accordance with the hedged items classification • held for trading - in net profit or loss • held for sale - in net profit or loss or equity. Discontinue hedge accounting when the hedging instrument	Not specified	Comparable to IAS.	No statutory rules exist in this area.	Comparable to IAS.	See above.	Comparable to IAS.	Comparable to IAS.	Not defined.	Not defined	Not specified.	Not specified	Not specified.	No regulation for hedge accounting.	No SAS covers this area, use IAS.

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	expires, is sold, terminated or exercised. If a hedged interest-bearing financial instrument ceases to be adjusted for changes to fair value, its carrying value is amortized to cost. The adjustment should be fully amortized by maturity.														
Cash flow hedges	Recognize the portion of the gain/loss determined to be an effective hedge directly in equity through the statement of changes in equity. The component of equity associated with the hedged item id adjusted to the lesser of • the cumulative gain/loss on the hedging instrument necessary to offset the cumulative changes in expected future cash flows on the hedged item from inception of the hedge • the fair value of the cumulative changes in expected future cash flows on the hedged item from inception of the hedge Recognize any remaining gain/loss on the hedging instrument in net profit or loss. Recognize the ineffective portion in net profit or loss if the hedging instrument is a derivative. If the hedging instrument is not a derivative, recognize the ineffective portion in accordance with the hedged instruments classification – • held for trading – in net income or loss • held for sale – in net income or loss or equity If the hedged firm commitment or forecasted transaction results in the recognition of an asset or liability, the associated gains/losses recognized in equity are recognized as a component of acquisition cost or carrying amount of the asset or liability. These amounts initially recognized in equity are recycled to net profit and loss when the asset or liability affects net income or loss. Recycle amounts recognized in equity in net profit and loss in the same period or periods during which the hedged firm commitment or forecasted transaction affects net profit or loss. Hedge accounting is discontinued when the hedging instrument expires, is	Not specified	Recognize the gain from the changes in cash flow hedge in hedging reserve or financial income up to the amount of previously incurred financial expense arising on the same hedges. Recognize the loss from the changes in cash flow hedge as decrease of the hedging reserve, arising on the same hedge and the amount exceeding the hedging reserve as financial expense. Hedge accounting is discontinued when: • the hedging instrument expires, is sold, terminated or exercised • the hedge no longer meets the criteria for hedge accounting. • the committed or forecasted transaction is no longer expected to occur.	No statutory rules exist in this area.	Comparable to IAS.	See above.	Comparable to IAS.	Comparable to IAS.	Not defined.	Not defined	Not specified.	Not specified	Not specified.	No regulation for hedge accounting.	No SAS covers this area, use IAS.

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	sold, terminated or exercised the hedge no longer meets the criteria for hedge accounting. the committed or forecasted transaction is no longer expected to occur Note. Net cumulative gains/losses reported in equity remain in equity until the committed or forecasted transaction occurs. If the transaction is no longer expected to occur the net cumulative gains/losses recognized in equity are reported in net profit/loss for the period.														
Hedge of an investment in a foreign entity	Recognize gains/losses as for cash flow hedges. The gain/loss on the hedging instrument related to the effective portion if the hedge is classified in the same manner as the foreign currency translation gain/loss.	Not specified	Comparable to IAS.	No statutory rules exist in this area.	Comparable to IAS.	See above.	Comparable to IAS.	Comparable to IAS.	Not defined.	Not defined	Not specified.	Not specified	Not specified.	No regulation for hedge accounting.	No SAS covers this area, use IAS.
Disclosure	General • methods and significant assumptions applied in estimating fair values • whether gains/losses on available-for sale financial assets carried at fair value are recognized in net profit or loss or directly in equity • whether ´regular way`purchases are accounted for at trade or settlement date Hedges • description of enterprise's financial risk management objectives and policies, including policy for hedging each major type of forecasted transaction • for fair value hedges, cash flow hedges and hedges of net investment in a foreign entity • description of hedge, hedging instrument and nature of risks • for forecasted transactions, the periods in which the transactions are expected to occur and affect net profit/loss • if gains/losses have been recognized in equity – amounts recognized and removed during period Other • significant items of income, expense, and gains/losses included in net profit and loss or as a separate component of	Not specified.	Disclose: • total amount of on-balance sheet and off-balance sheet financial instruments by type and classification groups; • the portfolio of financial instruments; • accounting policies regarding recognition, accounting and valuation of financial instruments and the portfolio of financial instruments; • all significant financial risks related to financial instruments and portfolio of instruments arising during the accounting period; • total value of hedged instruments by type and the hedging reserves created thereof, the average hedging efficiency by type of hedging	No statutory rules exist in this area.	Comparable to IAS	Comparable to IAS.	Comparable to IAS.	Comparable to IAS.	Not defined.	Not defined	Not applicable – no regulations included in the 'Act'. For public companies disclosure requirements for certain groups of financial instruments are prescribed under securities and exchange regulations.	Not specified	Not specified.	General requirement to describe derivatives. In banks, off balance sheet assets and liabilities are part of the financial statements including general comment in the footnotes.	No SAS covers this area, use IAS.

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	equity • securitization and repurchase agreements • impairment losses and reversals		instruments and for the company as a whole and the adopted policy regarding accounting and valuation of hedging efficiency.												