

Act No. 130/2015 Coll., amending and supplementing Act No. 431/2002 Coll. on Accounting, as amended,
amending and supplementing certain Acts

The National Council of the Slovak Republic adopted the following Act:

Art. I

Act No. 431/2002 Coll., on Accounting as amended by Act No. 562/2003 Coll., Act No. 561/2004 Coll., Act No. 518/2005 Coll., Act No. 688/2006 Coll., Act No. 198/2007 Coll., Act No. 540/2007 Coll., Act No. 621/2007 Coll., Act No. 378/2008 Coll., Act No. 465/2008 Coll., Act No. 567/2008 Coll., Act No. 61/2009 Coll., Act No. 492/2009 Coll., Act No. 504/2009 Coll., Act No. 486/2010 Coll., Act No. 547/2011 Coll., Act No. 440/2012 Coll., Act No. 352/2013 Coll., Act No. 463/2013 Coll. and Act No. 333/2014 Coll. is amended and supplemented as follows:

1 In Section 2 paragraph 4 is supplemented with letter m) with the following wording:

“m) By an ownership interest of at least a twenty-percent share in the equity of the accounting unit held to create a permanent connection with this other accounting unit for the purpose of enabling the contributing of such a connection to the accounting unit activity.”.

2 In Section 2 paragraph 10 will be supplemented with the following ending clauses: “An accounting unit not fulfilling the preconditions for its classification in the size classes according to paragraphs 5 to 8 will be classified as a small accounting unit. An accounting unit will not change its classification in the size group after it enters into liquidation or after a bankruptcy proceeding has been initiated.”.

3 In Section 3 paragraph 8 the words “a legal person with a state equity participation established in compliance with special regulations,^{29b)} a legal person with a municipal equity participation or a legal person with an equity participation of a higher territorial unit” will be inserted after the words (hereinafter referred to as the “public administration accounting unit”).

4 In Section 6 paragraph 4 will be supplemented with the following ending clause: “The parent accounting unit with all its subsidiary accounting units belongs to the group of accounting units.”.

5 In Section 9 paragraph 2 letter c) the words “their organizational units” will be replaced by the words “its organizational units” and the following words will be added at the end: “provided that they are not a public administration entity,⁵⁾”.

6 In Section 11 paragraph 3 will have the following wording:

“(3) An accounting unit cannot perform any accounting records outside the accounting books, perform any record on an accounting case which has not occurred, and conceal or not recognise any fact that is a subject to the accounting.”.

7 In Section 17 paragraph 5 the second sentence will have the following wording: “A signature deed according to paragraph 2 letter g) must be attached to the compiled financial statements.”

8 In Section 17 paragraph 8 the full stop will be replaced by a comma and the following words will be added: “while the accounting unit itself will determine the date of the financial statements compilation.”.

9 In Section 18 paragraph 4 the second sentence will have the following wording: “The profit and loss statement included in the intermediate financial statement must show information from the beginning of the accounting period until the date when the intermediate financial statement is compiled for the applicable accounting period, as well as information concerning the previous accounting period.”.

10 In Section 20 paragraph 1 in the first sentence after the word “report” the comma as well as the text “the compliance of which with the financial statements compiled for the same accounting period must be verified by an auditor, with the exception of the annual report according to a special regulation²⁷⁾” will be omitted.

11 In Section 20 paragraph 2 a new first sentence will be inserted at the beginning with the following wording: "In addition to the information according to paragraph 1, the annual report also comprises a report in compliance with Sections 20a and 20b."

12 In Section 20 paragraph 3 will have the following wording:

"(3) The annual report of the accounting unit according to paragraph 1 must provide a true and fair view and must be verified by an auditor within one year from the termination of the accounting period. The auditor must

- a) provide its opinion regarding compliance of the annual report with the financial statements, with the exception of the annual report according to a special regulation;²⁷⁾
- b) provide its opinion regarding the information provided in paragraph 6 letter d) and paragraph 7 letters c) to e), g) and h);
- c) provide its opinion whether the annual report comprises information according to a special regulation;^{28ab)};
- d) provide its opinion whether the annual report comprises information according to this Act;
- e) specify whether any significant misstatement was found in the annual report based on the findings obtained about the accounting unit and specify the character of each misstatement ascertained".

Footnotes to reference numbers 27 and 28ab have the following wording:

²⁷⁾ For example Section 39 of Act of the National Council of the Slovak Republic No. 566/1992 Coll., as amended, Section 33 (3) of Act No. 213/1997 Coll. as amended by Act No. 445/2008 Coll., Section 34 (3) of Act No. 34/2002 Coll. as amended by Act No. 463/2013 Coll.

^{28ab)} For example Section 15 of Act No. 429/2002 Coll., as amended, Section 76 of Act No. 566/2001 Coll., as amended."

13 In Section 20 paragraph 6 letter d) will have the following wording:

"d) Description of the main systems of internal controls and risk management in relation to the financial statements,".

14 Section 20 will be supplemented with paragraphs 9 to 15 with the following wording:

"(9) A public-interest entity, with the exception of an accounting unit according to Section 17b with the average calculated number of employees for the accounting period exceeding 500 employees, will also provide in its annual report non-financial information regarding the development, performance, position and effect of the accounting unit activity on the environmental, social and employment issues, information regarding the respecting of human rights and information concerning the fight against bribery and corruption (hereinafter referred to as the "social responsibility area") whereas it will provide at least a) a brief description of the business model;

- b) a description and the results of the policy applied by the accounting unit in the social responsibility area;
- c) a description of the main risks related to the accounting unit impact on the social responsibility area, which ensue from the accounting unit activity that could have adverse consequences, and when appropriate, also a description of the business relations, products or services provided by the accounting unit and a description of the way in which the accounting unit manages the above risks;
- d) significant non-financial information regarding the accounting unit activity according to the individual activities;
- e) a reference to the sums shown in the financial statements and an explanation of such sums as regards their impact on the social responsibility area, if appropriate.

(10) As regards information provided according to paragraph 9, a public-interest entity can use the European Union framework or another international framework governing non-financial information as a base if it accurately specifies which framework was used.

(11) A public-interest entity which is a subsidiary accounting unit is not obliged to provide the information according to paragraph 9, provided that the information about such a subject and its subsidiary accounting units is comprised in the annual report or in a similar report issued by the parent accounting unit.

(12) If a public-interest entity does not publish information according to paragraph 9, in its annual report it will provide the reasons due to which it did not publish such information.

(13) An accounting unit which emitted securities accepted for trading on a regulated market of any Member State will also provide a description of the diversity policy applied in its administrative bodies, governing bodies and supervisory bodies, mainly in relation to the age, sex, education and professional experience of the members of such organizations, the targets of such policy, the way of its application, and the results attained for the reporting

period in its annual report, provided that on the date of the compilation of the financial statements it has fulfilled at least two of the following conditions:

- a) The overall sum of assets exceeded EUR 20,000,000 while the sum of assets for this purpose means the sum ascertained from the balance in evaluation adjusted by the items in compliance with Section 26 (3);
- b) The net turnover exceeded EUR 40,000,000;
- c) The average recounted number of employees exceeded 250.

(14) An accounting unit not providing a description of the diversity policy according to paragraph 13 in its annual report shall specify the reasons due to which it decided not to apply such a diversity policy in its annual report.

(15) By providing the information according to paragraph 9 the accounting unit has fulfilled its obligation to provide non-financial information regarding the impact of the accounting unit activity on the environment and employment according to paragraph 1 letter a).”.

15 Sections 20a and 20b will be inserted after Section 20 and will have the following wording, including headings:

“Section 20a

Annual report on payments to public authorities

(1) A large accounting unit which is a trade company and a public-interest entity operating in the mining industry or in natural forest uprooting compiles and publishes an annual report on payments to public authorities (hereinafter referred to as the “report on payments”). The obligation to compile and publish a report on payments does not apply to any company from a Member State, which is a parent accounting unit or a subsidiary accounting unit, if the parent accounting unit is subject to the law of any Member State and the provided payments are comprised in the consolidated report on payments to public authorities (hereinafter referred to as the “consolidated report on payments”).

(2) For the purpose of this Act:

- a) An accounting unit operating in the mining industry shall mean an accounting unit whose activities may include research, finding and preparation of areas for mining or mineral resource mining according to a special regulation;^{28d)}
- b) An accounting unit operating in natural forest uprooting shall mean an accounting unit performing its activities according to a special regulation;^{28e)}
- c) Public authority shall mean a government authority or regional authority, including organizations, state enterprises and trade companies established and controlled by it, where a public authority executes rights in compliance with Section 22 (3);
- d) A natural forest shall mean a forest stand made of original plant species without any visible signs of human activity where ecological processes have not been significantly disturbed;
- e) A project shall mean operating activities performed on the basis of a particular contract or permit from which payment liabilities are derived; provided that there are more interconnected contracts and permits, they are considered as a single project while an accounting unit cannot divide or merge its operating activities with the aim of avoiding elaboration of the report on payments and will evaluate the nature of each payment regardless of the form of such a payment;
- f) A payment shall mean a monetary or non-monetary payment provided to a public authority.

(3) Payments specified in the report on payments are grouped according to the states where the accounting unit operates mineral resource mining activities or natural forest uprooting activities.

(4) Payments are classified according to their type as follows:

- a) Payment for the right of mining;
- b) Corporate income tax and similar tax;
- c) Dividend;
- d) License fee, entrance fee and other consideration ensuing from the lease agreement;
- e) Premium for signing of a contract for finding and mining;
- f) Payment for the infrastructure improvement;

(5) Single type payments performed in a single state with the total sum for the accounting period not exceeding EUR 100,000 need not be disclosed in the report on payments.

Section 20b
Content of report on payments

The report on payments will comprise:

- a) The total sum of payments provided to a single public authority classified according to the payment type;
- b) Payments relating to a project provided that they can be assigned to the project, their total sum and the total sum according to the particular type of payment; payments which the accounting unit is bound to pay and which cannot be assigned to the project, need not be assigned to the project and can be recognised separately;
- c) Payments performed by means of a non-monetary payment, including specification of their monetary value, while the content and extent of such a non-monetary payment must also be disclosed and described and it is necessary to explain how the monetary value expression of such a payment was determined;
- d) A statutory body declaration regarding the accounting unit signed by an authorized person that the report on payments provides a true representation of the payments.”.

The footnotes to reference numbers 28d and 28e have the following wording:

^{28d)} Annex 1, section B, divisions 05 to 08 of Regulation (EC) No. 1893/2006 of the European Parliament and of the Council as of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No. 3037/90 as well as certain EC Regulations on specific statistical domains (OJ L 393, 30 December 2006), as amended.

^{28e)} Annex 1, section A, division 02, group 02.2 of Regulation (EC) No. 1893/2006, as amended.”.

16. In Section 22 paragraph 2 will have the following wording:

“(2) Consolidated financial statements are compiled by the parent accounting unit. The parent accounting unit obliged to compile the consolidated financial statements compiles a consolidated annual report also comprising a consolidated report on payments in compliance with paragraphs 19 and 20. The consolidated financial statements must be verified by an auditor and the procedure according to Section 20 (3) will reasonably apply to such an auditor.”.

17. In Section 22 paragraph 3 the first sentence will have the following wording: “For the purpose of this Act a parent accounting unit is an accounting unit which is a trade company, a state enterprise, a cooperative or a public administration accounting unit and has a decisive influence in another accounting unit which is a trade company, whereby the parent accounting unit has a decisive influence, if”.

18. In section 22 paragraph 3 letter c) the words “to control an accounting unit” will be replaced by “exercise a decisive influence in another accounting unit”.

19. In section 22 paragraph 3 letter d) the word “and” will be inserted after the words “accounting period” and a semicolon and the words “this will not apply provided that there is another, third party disposing of the rights according to letters a) to c)” will be inserted after the words “accounting unit”.

20. In Section 22 paragraph 4 will have the following wording:

“(4) A subsidiary accounting unit is an accounting unit in which the parent accounting unit has a decisive influence, directly or indirectly, by means of its subsidiary accounting units.”.

21. In Section 22 paragraph 6 letter b) the following words will be added: “or that are held in relation to the provision of loans within the business activity provided that voting rights are exercised in favour of the party providing security”.

22. In Section 22 paragraph 9 letter c) will have the following wording:

“(c) Consolidated financial statement of the parent accounting unit provided in letter a), consolidated annual report of the parent accounting unit and auditor's report are published in compliance with legally binding laws of the European Union,”.

23. In Section 22 paragraphs 10 and 11 will have the following wording:

“(10) A parent accounting unit shall not be obliged to compile a consolidated financial statement provided that on the date when the consolidated financial statement is compiled

a) based on the individual financial statement of the parent accounting unit and on individual financial statements of all its subsidiary accounting units at least two of the following conditions are not fulfilled:

1. The total sum of the parent accounting unit assets and of the assets of all subsidiary accounting units exceeds EUR 24,000,000 ; for this purpose the sum of assets shall mean the sum of assets ascertained from the balances in the evaluation adjusted by the items in compliance with Section 26 (3);
2. The net turnover of the parent accounting unit and of all subsidiary accounting units exceeds EUR 48,000,000;
3. The average recounted number of employees of the parent accounting unit and of all its subsidiary accounting units for the accounting period exceeded 250 employees; or

b) at least two of the following conditions are not fulfilled for the consolidated entity after the consolidation of capital, consolidation of mutual relations between the accounting units, consolidation of management results and consolidation of costs and revenues:

1. The total sum of the parent accounting unit assets and of the assets of all subsidiary accounting units exceeds EUR 20,000,000; for this purpose the sum of assets shall mean the sum of assets ascertained from the balances in evaluation adjusted by the items in compliance with Section 26 (3);
2. The net turnover of the parent accounting unit and of all its subsidiary accounting units exceeds EUR 40,000,000;
3. The average recounted number of employees of the parent accounting unit and of all its subsidiary accounting units for the accounting period exceeded 250 employees.

(11) Exemption according to paragraph 8 does not apply to a parent accounting unit which issued securities and these securities were accepted for trading on a regulated market of any Member State or of any state of the European Economic Area and to the parent accounting unit if is a public-interest entity or if any of its subsidiary accounting units is a public-interest entity. A parent accounting unit will discontinue application of the exemption from the obligation to compile a consolidated financial statement from the following accounting period if it has fulfilled the conditions according to paragraph 10 for two consecutive accounting periods. Upon assessment of the conditions for exemption from the compilation of a consolidated financial statement according to paragraph 10, the parent accounting unit will proceed as follows:

- a) Upon assessment of the conditions it will include only those subsidiary accounting units which do not fulfil the conditions according to paragraph 13;
- b) It can decide whether it will assess the conditions according to paragraph 10 letter a) or paragraph 10 letter b).".

24. In Section 22 paragraph 13 will have the following wording:

"(13) A parent accounting unit has no obligation to compile a consolidated financial statement, provided that on the date when the consolidated financial statement would be compiled it only has subsidiary accounting units fulfilling at least one of the following conditions:

- a) There are long-term barriers significantly preventing the parent accounting unit from exercising its rights related to the subsidiary accounting unit assets or the rights of controlling the subsidiary accounting unit;
- b) Data needed for compilation of the consolidated financial statement can only be gained for unreasonably high costs or with unreasonable delay; or
- c) The parent accounting unit holds the ownership interests in a subsidiary accounting unit only for the purpose of its sale."

25. Section 22 will be supplemented with paragraphs 19 to 20 with the following wording:

"(19) An accounting unit according to paragraph 20 with the obligation to compile the consolidated financial statement compiles a consolidated report on payments only including payments for the activities provided in Section 20a (1). Sections 20a and 20b will reasonably apply to the consolidated report on payments.

(20) A parent accounting unit is considered as an accounting unit operating in the mining industry or as an accounting unit operating in natural forest uprooting provided that the parent accounting unit or its subsidiary accounting unit operates in the mining industry or in natural forest uprooting."

26. Section 22a including its heading will have the following wording:

"Section 22a

Consolidated financial statements of a public administration accounting unit, consolidated financial statement of the central government and aggregated financial statement of the public administration

(1) A consolidated financial statement of a public administration accounting unit is compiled by the administrator of the state budget chapter (hereinafter referred to as the "chapter"), a municipality or a higher territorial unit based on individual financial statements

- a) Established financed organizations;
- b) Established co-financed organizations;
- c) Subsidiary accounting units according to Section 22 (4);
- d) Legal persons with an equity participation held by the state established according to special regulations;^{29b)} or
- e) State funds.^{29ba)}

(2) A consolidated financial statement of the central government is compiled by the Ministry for all chapters based on consolidated financial statements according to paragraph 1 compiled by the administrators of chapters. Provided that the administrator of the chapter is not obliged to compile a consolidated financial statement according to paragraph 1, the individual financial statements of the administrator of the chapter will be used as a base for the compilation of the consolidated financial statement of the central government.

(3) The aggregated financial statement of the public administration is compiled by the Ministry based on the consolidated financial statement of the central government according to paragraph 2, consolidated financial statements of the public administration accounting units according to paragraph 1 and financial statements of the public administration entities⁵⁾ not compiling a consolidated financial statement according to paragraph 1.

(4) A consolidated financial statement of a public administration accounting unit and a consolidated financial statement of the central government are certified by an auditor.

(5) Accounting units included in consolidated financial statements according to paragraphs 1 and 2 and accounting units included in the aggregated financial statement of the public administration according to paragraph 3 are obliged to provide their individual financial statement and other information needed for the compilation of a consolidated financial statement of the central government and aggregated financial statement of the public administration within the deadline and in the structure determined by the accounting unit which compiles the consolidated financial statement of the central government and aggregated financial statement of the public administration, with the exception of information and the individual financial statement comprising classified information according to a special regulation.^{29c)}".

The footnote to reference 29ba will have the following wording:

"29ba) Section 5 of Act No. 523/2004 Coll."

27. Section 22b will be inserted after Section 22a with the following wording including heading:

"Section 22b

Content of the annual report and the consolidated annual report of public administration entities

(1) An accounting unit which is a chapter administrator, a municipality or a higher territorial unit and which must have its financial statement verified by an auditor according to Section 19 or Section 22a, is obliged to compile an annual report the compliance of which with the financial statements compiled for the same accounting period must be verified by an auditor.

(2) Provided that an accounting unit compiling consolidated financial statements according to Section 22a (1) is also obliged to compile an individual annual report, it can provide the data from the individual annual report in the consolidated annual report and the individual annual report does not have to be compiled as an independent document.

(3) The annual report and consolidated annual report will contain a financial statement for the accounting period for which the annual report is issued and the auditor's report to this financial statements and information mainly about

- a) The chapter, municipality or higher territorial unit or about the consolidated entity organizations;
- b) Geographic data, demographic data, history, monuments and symbols of the municipality or about symbols of the higher territorial unit;
- c) Fulfilment of the tasks of a municipality or a higher territorial unit in the area of education and training, social insurance, health care, culture and the economy;
- d) Fulfilment of the tasks of ministries and other central authorities of the state administration."

28. In Section 23a paragraph 7 will be inserted after paragraph 6 with the following wording:

“(7) An accounting unit must file the approved financial statement or notification about the date of approval of such a financial statement in the register at the latest within one year from the end of the accounting period for which the financial statement is compiled.”.

The current paragraphs 7 to 9 will be indicated as paragraphs 8 to 10.

29. In Section 23c (5) the words “or confirmation that a certain document is not filed in the register” will be inserted after the word “concern”.

30. In Section 25 paragraph 1 letter d) will have the following wording:

“d) The fair value according to Section 27 (2)

1. Assets acquired for free, with the exception of monetary funds, valuables and receivables evaluated in nominal values;

2. Assets transferred from personal ownership to enterprising, with the exception of monetary funds, valuables and receivables evaluated in nominal values;

3. Intangible assets and tangible assets newly ascertained in the course of stock-taking and not recognised in the accounting so far;

4. Assets acquired by a contracting authority for free from a concessionaire for the performance in the form of a concession for construction works according to a special regulation;^{35aa)}”.

31. In Section 25 paragraph 1 letter f) the words “paragraph 1 letter d)” will be replaced with “paragraph 2”.

32. In Section 25 paragraph 1 letter g) the words “paragraph 2 letter d)” will be replaced with “paragraph 1 letter j)”.

33. In Section 25 paragraph 6 letter a) will have the following wording:

“a) The acquisition price is the price for which the assets were acquired, including the costs related with the acquisition and all reductions of such an acquisition price”.

34. In Section 25 paragraph 6 letter b) will be omitted.

The current letters c) and d) will be marked as letters b) and c).

35. Section 25 will be supplemented with paragraph 8 with the following wording:

“(8) On the date of evaluation according to Section 24 (1) letter a) to c) an accounting unit can, in addition to the securities provided in paragraph 1 letter e), point three, evaluate securities and shares intended for sale with their fair value according to Section 27 (2).”.

36. Section 27 will have the following wording:

“Section 27

(1) On the date of evaluation according to Section 24 (1) letter b) or letter c) the particular asset or liability items or the set of homogeneous asset or liability items are evaluated as follows:

a) Securities and shares in equity with their fair value, with the exception of held-to-maturity securities, securities issued by the accounting unit and shares in equity in trade companies for which the accounting unit is a parent accounting unit or in which the accounting unit has an ownership interest, except for an equity participation in a real estate company according to a special regulation^{37a)} and shares in equity of trade companies, which do not have the form of securities and have been acquired in a special shares fund for alternative investments according to a special regulation;^{37b)}

b) Derivative instruments with their fair value;

c) In trade companies or in cooperatives wound up without liquidation³⁸⁾ with their fair value;

d) With their fair value provided that they are secured with derivative instruments to secure their fair value,

e) Fixed assets in a special fixed assets shares fund and fixed assets serving for maintaining technical reserves of the accounting units which are insurance companies according to a special regulation¹⁹⁾ with their fair value;

f) Commodities with the market price;

g) Precious metals in the ownership of a fund⁹⁾ with the market price;

h) Share certificate in the fund asset 35a) with their share in the value of net assets in the relevant fund;

i) Liabilities which are a part of a portfolio of financial instruments for trading with their fair value;

j) With the value of a work completed by a concessionaire for a contracting authority, for which the concessionaire acquires intangible assets as defined in Section 25 (1) letter g).

(2) The fair value of the particular asset or liability items or of the set of homogeneous assets or liability items for the purpose of this Act is

- a) The market price;
- b) The value ascertained by means of an evaluation model mainly using information from operations or from the quotations at an active market provided that the price according to letter a) is unknown;
- c) The value ascertained by means of an evaluation model mainly using information from operations or from the quotations other than the active market provided that information which could be used in the evaluation model according to letter b) is not available on the active market; or
- d) An expert's opinion provided that it is impossible to ascertain the fair value of the evaluated asset item according to letters a) to c) or if an evaluation model is not available for the evaluated asset item, which could be used to estimate with sufficient reliability the price of the asset for which it could be sold in the given period or the using of such a model would require the accounting unit to make unreasonable efforts or spend unreasonable costs compared to the benefits of its use for quality reflection of the financial position of such an accounting unit in the financial statements.

(3) The market price is

a) The final price issued at the stock exchange on the date of evaluation according to Section 24 (1) provided that the market for the appropriate assets organized by the stock exchange is an active market or

b) The most abundant bid price or if such a price is not representative, the bid price median at another active market on the date of evaluation according to Section 24 (1) provided that the evaluation according to letter a) cannot be used; if the costs of transport of the purchased asset from the place of its storing for trading purposes on an active market to the place of its use at the purchaser are not negligible, they will be added to the market price.

(4) If the particular market does not publish closing prices or other prices realised on such a market, the price quoted on such a market or other forms of bid prices will be used provided that they do not have a quotation form, provided that such a market fulfils the conditions of an active market according to paragraph 5 letter a) and b).

(5) An active market is a market where

a) Assets are traded according to the type of such assets with similar characteristics and under similar terms;

b) Persons are usually willing to buy or sell;

c) Information on prices is available for the public.

(6) If an asset is not traded on the domestic stock exchange, but it is traded on foreign regulated public markets, the market price according to paragraph 3 letter a) shall mean the closing price declared on the decisive regulated market. If the asset which is subject to evaluation was not traded on the decisive regulated asset market on the date of evaluation, the market price according to paragraph 3 letter a) shall mean the highest of the closing prices declared at the foreign regulated public markets to which the accounting unit had access to trading.

(7) Evaluation models are based on the

a) Market approach using information ensuing from the market operations, such as

1. The price for similar assets obtained on an active market while such a price is adjusted by the effect of the asset characteristics to the extent in which such characteristics differ from the characteristics of the evaluated asset;

2. The price for assets on the price development of which the evaluated asset shows statistical dependence;

3. In case of a debt asset the interest rate, yield curve, risk margin or other evaluation components of a similar debt instrument with a similar maturity and similar debtor;

b) Expenditure approach ensuing from the sum in the monetary amount which would have to be spent to purchase an asset having comparable benefits for the accounting unit as the evaluated asset; while such an approach is mainly used for the evaluation of non-financial assets; information from operations or the price bids on the market is taken into account as regards its type and place where such an asset could probably be acquired, including the retail market;

c) Revenue approach, for example the present value model based on the present value of future cash flows from the asset and future expenditures on the asset while the discount rate is determined as the inner rate of return required by the investors for the given type of asset carrying the given level of risk on the date of its evaluation.

(8) Shares and ownership interests in a subsidiary accounting unit or in an accounting unit with an ownership interest can be evaluated with the equity method. When using the equity method, the shares and shares value is compared to the value corresponding with the level of contribution in equity in the subsidiary accounting unit and in the unit with an ownership interest and the value of shares and shares is adjusted to the value corresponding with the level of interest in equity in the subsidiary accounting unit and in the unit with an ownership interest. Provided

that an accounting unit uses this evaluation method, it is obliged to use the same for the evaluation of all such shares and shares provided that it is able to determine evaluation with the equity method. The accounting unit where another accounting unit has an ownership interest must provide information regarding the current structure of its equity within the period enabling the accounting unit to evaluate the shares and shares with the equity method.

(9) As regards debt securities and other receivables bearing interest, their evaluation from the date of their purchase settlement until the date of their maturity or their transfer to another person must be increased by the accrued agreed interest and decreased by the principal repayment and interest settlement. As regards debt securities issued by an accounting unit and other receivables bearing interest their evaluation from the date of their first recognition until the maturity date or their assignment to another person must be increased by the accrued agreed interest and decreased by the principal repayment and interest settlement..

(10) An accounting unit which does not evaluate securities and shares according to Section 25 (8) with their fair value on the date of evaluation according to Section 24 (1) letter a), will not evaluate such securities and shares with their fair value on the date of evaluation according to Section 24 (1) letter b) and c) either.

(11) A micro-accounting unit, an accounting unit which has not been established or founded for the purpose of enterprising and an accounting unit using the single entry accounting which on the date when the financial statement is compiled does not evaluate assets and liabilities with their fair value, with the exception of the assets and liabilities according to paragraph 1 letter c) and does not evaluate assets with use of the equity value according to paragraph 8.

(12) Evaluation with fair value must not be performed on the date of evaluation provided that the fair value cannot be reliably determined.”.

The footnote to reference 39 will be omitted.

37. In Section 28 paragraph 4 the second and third sentence will have the following wording: “If the life of goodwill and activated costs cannot be reliably estimated, the accounting unit must amortise them at the latest within five years from the date of their acquisition. If the activated costs of development have not been amortised in full, the accounting unit can divide the profit provided that the aggregate amount of reserve funds and other equity components available for payout is higher than the total amount of the not amortised activated costs of development.”.

38. In Section 38 paragraph 1 letter a) will have the following wording:

“a) Did not keep accounts according to Section 4 (1) or did not compile financial statements according to Section 6 (4),”.

39. In Section 38 paragraph 1 is supplemented with letter o) with the following wording:

“o) breached the provision of Section 11(3).”.

40. In Section 38 (2) letter a) the words “up to 1,000,000” will be replaced with “and o) up to 3,000,000”.

41. Sections 39l and 39m will be inserted after Section 39k and will have the following wording, including headings:

“Section 39l

Temporary provisions regarding the amendments effective from 1 July 2015

(1) The provision of Section 2 (10) in the wording effective from 1 July 2015 will be used for the first time in the accounting period ending on 31 December 2015 at the latest. If an accounting unit with the accounting period beginning after 1 January 2015 compiles an extraordinary financial statement, it will use Section 2 (10) with the wording effective from 1 July 2015 for its compiling after 30 June 2015.

(2) Acting according to Section 38 initiated and not legally terminated before 1 July 2015 is subject to the regulations applicable until 30 June 2015.

Section 39m

Temporary provisions regarding the amendments effective from 01 January 2016

(1) An accounting unit the accounting period of which is the fiscal year, evaluates assets according to Section 25 (1) letter d) and assets and liabilities according to Section 27 in the wording effective from 1 January 2016 for the first time for the fiscal year beginning in the course of 2016.

(2) An accounting unit the accounting period of which is the fiscal year, compiles the annual report, the report on payments, the consolidated annual report and the consolidated report on payments for the first time for the fiscal year beginning in the course of 2016.

(3) A parent accounting unit compiles consolidated financial statements according to Section 22 in the wording effective from 1 January 2016 for the first time for the fiscal year beginning in the course of 2016.

(4) Section 28 (4) with the wording effective from 1 January 2016 will apply to goodwill and activated costs of development procured from 1 January 2016.”.

42. Annex will be supplemented with paragraphs 12 and 13 with the following wording:

”12. Directive 2014/95/EU of the European Parliament and of the Council as of 22 October 2014 amending Directive 2013/34/EU as regards the disclosure of non-financial and diversity information by certain large undertakings and groups (OJ L 330, 15 November 2014).

13. Council Directive 2014/102/EU as of 7 November 2014 adapting Directive 2013/34/EU of the European Parliament and of the Council on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, by reason of the accession of the Republic of Croatia (OJ L 334, 21 November 2014).”.