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- Atlasmont Banka Podgorica
- Delta Osiguranje
- Delta Re Osiguranje
- Durav - TBI
- Ekstimbanka
- Komercijalna Banka Ruzica
- Kulska Banka
- LHB Banka Beograd
- Nova Banka Bijeljina
- Polis Osiguranje
- Privredna Banka
- Societa Generalne Jugoslav Bank
- Sepska Regionalna Banka
- SKZ Samostalnih privrednika Srbije
- TBI Stockbroker
- TBI Lizing

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- Garancijski Fond Beograd
- NSU Tuzla
- Republic of Serbia, Ministry of Finance - Tax Authorities
- Republic of Serbia, Ministry of Health
- University of Belgrade
- World Vision International
- Microfinance Institution

### Industrial Products

- Cement Company Novi Popovac Holcim
- Fabrika akumulatora Sombor
- Micronas Nit Novi Sad
- Tetrapak Production

### Technology, Communication and Entertainment

- Blic Press
- Blic Marketing
- Cisco System Management B.V. Beograd
- Hewlett - Packard Beograd
- Institut Mibajlo Papin
- Reuters Press Editorial Office Beograd

### Retail and Consumer Products

- Delyug
- Droga Beograd
- Efes Brewery Panzevo
- Frikom
- Hyundai Auto
- McDonald's
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- Sugar Company Sajska
- Super Company Crvenka
- Swissson Novi Sad
- Veropoulos
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- Jugopetrol Kotor
- Tehnogas
- Termoelektrno Beograd

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Vladimir Filipović, direktor

# REVIZIJA SE U SRBIJI ODOMAĆILA

## *Auditing Has Taken Root in Serbia*

Vladimir Filipovic, Director

Banke u Srbiji oduvek prednjačile u reviziji

ERNST&YOUNG sa revizorskim i savetodavnim uslugama ima značajno učešće u privatizaciji u Srbiji

Šansa za inostrane ulagače - predstojeće restrukturiranje Elektroprivrede i Naftne industrije, ocenjuje ERNST&YOUNG

**Banks in Serbia have always been champions in auditing**

**ERNST&YOUNG, with its auditing and consulting services, significantly participates in the privatization process in Serbia**

**An opportunity for foreign investors - the upcoming restructuring of the power and oil companies, assesses ERNST&YOUNG**



ERNST&YOUNG, jedna od vodećih svetskih revizorskih firmi, posluje u Srbiji od 1996. godine, nakon ukidanja sankcija UN. Te godine, pored ostalog, usvojen je Zakon o računovodstvu, kao i Zakon o reviziji bazirani na direktivama Evropske unije, što je sa uspostavljanjem ekonomskih kontakata naših ekonomskih subjekata sa poslovnim svetom, kao i sa obazrivim dolaskom stranih investitora na ovo područje, otvorilo vrata za ekspanziju revizorske profesije.

Danas je revizija u Srbiji postala normalna stvar i potpuno se odomaćila u privrednom životu zemlje, uprkos činjenici da pravni okvir i ekonomski ambijent i dalje predstavljaju ograničavajući faktor njene pune afirmacije.

**Kakve su indikacije srpskog tržišta u pogledu potrebe za revizorskim aktivnostima?**

- Potrebe za revizorskim uslugama uslovljene su pre svega zahtevima raznih regulatornih institucija iz pravne, privredne i finansijske sfere, sa ciljem da se primenom opšteprihvaćenih standarda obezbedi objektivnost, tačnost i transparentnost u iskazivanju finansijskog stanja i rezultata poslovanja privrednih subjekata.

Sve veće prisustvo stranih kompanija na ovom prostoru u dobroj meri je uticalo na povećanje zahteva za revizorskim i srodnim uslugama što je imalo za posledicu da se procenat učešća revizorskih klijenata "Velike četvorke" sve više pomera u korist stranih kompanija, koje su već tradicionalni klijenti pojedinih revizorskih firmi iz grupe "Velike četvorke".

Pri tome ne treba izgubiti iz vida da pored "Velike četvorke" u Srbiji svoju aktivnost ostvaruje i oko dvadesetak lokalnih ili mešovitih revizorskih firmi, mahom orijentisanih prema domaćim privrednim sub-

ERNST&YOUNG, one of the world's leading auditing companies, has been operating in Serbia since 1996, after the lifting of the UN sanctions. That year, also adopted were the Law on Accounting and the Law on Auditing, based on the European Union directives. The establishment of Serbian companies' economic contacts with the business world, as well as the cautious arrival of foreign investors in this region, opened the door to the expansion of the auditing profession.

Auditing has become a normal thing in Serbia today and it has fully taken root in the country's economic life, despite the fact that the legal framework and the economic environment still represent a limiting factor for its full affirmation.

**What is the Serbian market indicating regarding the need for auditing activities?**

- The needs for auditing services are determined primarily by the requests of various regulatory institutions from the legal, economic and financial spheres, with the goal of ensuring objectivity, accuracy and transparency in the presentation of companies' financial positions and business results through the implementation of generally accepted standards.

The increasing presence of foreign companies in these regions has largely led to an increase in the requests for auditing and similar services. The result of this is that the clients of the "Big Four" include a growing number of foreign companies, already the traditional clients of auditing companies belonging to the "Big Four" group.

In this regard, one should not lose sight of the fact that, apart from the "Big Four", also active in Serbia are about twenty local or mixed auditing companies, mostly oriented towards domestic companies. If to

jektima. Ako se ovome pridoda i jedan veći broj domaćih i stranih konsultantskih organizacija koje su u značajnoj meri uključene u proces privatizacije i restrukturiranja, može se zaključiti da je sa tog aspekta u Srbiji ostvaren ambijent tipičan za jednu zemlju u tranziciji, u kojoj se i naša zemlja trenutno nalazi.

## Srbija - mesto za dobre poslove

### Koju poruku imate za strane investitore?

- Svi ekonomisti, a pogotovo revizori, pate od profesionalnog skepticizma. Ne može niko reći da je Srbija raj za ulaganja. Ona to nije i mi tu moramo biti realni. U Srbiji se ne može napraviti nekakav ogroman posao, ali se može napraviti dobar posao.

Srbija ide u dobrom pravcu, ona stvara pravni ambijent, okvir koji će je približiti Evropskoj uniji, a time će i harmonizacijom naših propisa, jednostavno atraktivnost ovog tržišta i položaj ove zemlje, u znatnoj meri doprineti sve većem prilivu stranog kapitala. U krajnjem slučaju to se može iz dnevnih informacija jasno zaključiti - kaže Vladimir Filipović, direktor beogradskog ogranaka revizorske kuće ERNST&YOUNG.

### Da li je na povećanu potrebu za revizorskim izveštajima uticao dolazak stranih investitora ili su i same kompanije iz Srbije želele da imaju neku vrstu atesta o svom dobrom poslovanju?

- Tačno je da je otvaranje naše zemlje prema svetu nakon 2000. godine, imalo za posledicu povećano interesovanje stranih kompanija za investiranjem, a naročito u periodu 2001-2003, kada je veliki broj značajnih preduzeća u Srbiji privatizovan tenderskom ili aukcijskom metodom. Taj proces bio je delimično usporen nakon atentata na premijera Đinđića, da bi se nastavio polovinom 2004. godine kada su pored preduzeća, jedan broj banaka postale predmet preuzimanja ili privatizacije od strane stranih investitora.

Od samog početka Ernst&Young je imao značajno učešće u tom procesu, pružanjem različitih savetodavnih usluga učesnicima u postupku privatizacije ili preuzimanja kako preduzeća, tako i banaka.

### Kakvu sliku pružaju kompanije iz Srbije sa stanovišta Međunarodnih računovodstvenih standarda?

- Primena Međunarodnih računovodstvenih standarda je od 2004. godine propisana Zakonom i to je jednostavno imperativ. To ne može biti pitanje njihove selektivne primene, bilo po obimu ili sadržaju.

Međutim, primena Međunarodnih računovodstvenih standarda zahteva postojanje odgovarajućeg ambijenta tipičnog za razvijene tržišne ekonomije, počevši od stepena razvoja tržišta kapitala, adekvatne statističke i pravne podrške, pa sve do odgovarajućeg iskustva u primeni sličnih računovodstvenih principa i postojanja dovoljnog broja obučanih i iskusnih kadrova koji bi taj proces bez teškoća obavili.

Mora se istaći da, uprkos svim naporima koji su poslednjih godina učinjeni na ovom planu u Srbiji, još nije dostignut nivo tog ambijenta koji bi omogućio neometanu primenu Međunarodnih računovodstvenih standarda kao osnovnih standarda finansijskog izveštavanja, mada, ako je to za utehu, u tome nisu do sada u potpunosti uspele ni pojedine zemlje sa neuporedivo višim stepenom razvoja tržišne ekonomije i sa znatno većim prethodnim iskustvom.

this one also adds a large number of domestic and foreign consulting organizations which are considerably involved in the process of privatization and restructuring, one can conclude that, from this aspect, an environment typical of a country in transition, which our country is currently going through, has been created in Serbia.

### Was it the arrival of foreign investors that led to the increased need for audit reports or did companies in Serbia themselves wish to have some kind of a certificate of their good business performance?

- It is true that our country's opening towards the world after 2000 resulted in the greater interest of foreign companies in investments, especially in the period between 2001 and 2003, when a large number of important companies in Serbia were privatized by the tender or auction methods. This process was partly slowed down after the assassination of prime minister Djindjic, only to continue at the middle of 2004, when, apart from companies, a certain number of banks also became the subject of the takeover or privatization by foreign investors.

Since the very beginning, Ernst & Young has been significantly involved in this process, through the offering of various consulting services to the participants in the process of the privatization or takeover of companies and banks alike.

## Serbia - a Place for Good Business

### What is your message for foreign investors?

- All economists, especially auditors, suffer from professional skepticism. No one can say that Serbia is a paradise for investments. That is not the case and we must be realistic there. Huge business deals are not possible in Serbia, but good ones are.

Serbia is heading in the right direction, it is creating the legal environment, a framework that will draw it closer to the European Union. The harmonization of our regulations with EU regulations, the attractiveness of our market and the position of the country will contribute to the larger inflow of foreign capital. Ultimately, this can be quite clearly concluded from the information that arrives on a daily basis- says Vladimir Filipovic, director of the ERNST&YOUNG auditing company's Belgrade branch.

### What kind of a picture do companies from Serbia portray from the aspect of International Accounting Standards?

- In 2004, the implementation of International Accounting Standards by companies was prescribed by the law and this is simply an imperative. This cannot be a matter of their selective implementation, either in regard to their scope or essence.

However, the implementation of International Accounting Standards requires the existence of an adequate environment, typical of developed market economies, starting from the level of the development of market capital, adequate statistical and legal support, to adequate experiences in the implementation of similar accounting principals and a sufficient number of trained and experienced personnel to carry out the process without difficulty.

It should be mentioned that, despite all the efforts made in Serbia over the past years, an adequate level of this environment, which would

### Da li procenjujete da li će do kraja ove godine biti veće interesovanje stranih investitora za ulaganja u Srbiju?

- Procenjujem da će do toga doći. Ako imamo u vidu da je započeo proces preuzimanja banaka, očekujem da u skorom periodu dođe do restrukturiranja velikih javnih preduzeća koja će biti ponudena na prodaju. Pre svega mislim na energetske sektor. U narednom periodu očekujem da će se znatno povećati koncesiona aktivnost u našoj zemlji i na infrastrukturi. Prevedeno mislim na koridor 10, izgradnju odgovarajuće putne i železničke infrastrukture, sa čim se već dobrim delom i krenulo. Tražiće se odgovarajući strateški partneri koji će taj proces nastaviti. U narednom periodu sigurno će doći do određenih restrukturiranja kod elektroprivrede i Naftne industrije Srbije, koji predstavljaju veoma atraktivnu oblast za inostrane ulagače i mislim da će to u znatnoj meri pokrenuti investicionu aktivnost u pratećim delatnostima i granama i to će biti jedan zamajac opštoj ekonomskoj aktivnosti, čime će se i ukupan položaj ove zemlje i njenih građana znatno popraviti.

### Uspešna aktivnost u privatizaciji

Ernst&Young je ostvario značajno učešće u procesu privatizacije i preuzimanja domaćih privrednih subjekata od strane stranih investitora. Ta aktivnost uglavnom se odnosila na ispitivanje finansijskih, poreskih i pravnih rizika sa kojima bi se potencijalni investitori mogli suočiti nakon preuzimanja domaćih firmi, što je u krajnjem slučaju pored cene, jedan od odlučujućih faktora za donošenje investicione odluke.

Takođe, Ernst&Young je imao značajna angažovanja na proceni vrednosti kako kapitala, tako i imovine većeg broja privrednih subjekata.

Najznačajnija angažovanja Ernst&Young u toj oblasti odnosila su se na privatizaciju tri domaće cementare, duvanske industrije, najznačajnijih pivara u Srbiji, kao i većeg broja preduzeća iz oblasti metaloprerađivačke, prehrambene i industrije za proizvodnju motornih vozila.

U privatizaciji i preuzimanju banaka od strane stranih investitora, Ernst&Young je takođe imao značajno učešće vezano za privatizaciju Ju banke, preuzimanje Delta banke i Kreditno eksportne banke, kao i učesća u procesu spajanja više banaka u Srbiji i Bosni i Hercegovini.

enable the unhindered implementation of International Accounting Standards, as the basic standards of financial reporting, has still not been achieved. However, if it is any comfort, certain countries with a much more developed market economy and with far greater experience have so far not fully succeeded in this either.

### Do you assess that foreign investors' interest in investing in Serbia will increase by the end of the year?

- My assessment is that this will be the case. If we bear in mind the fact that the process of the takeover of banks has started, I soon expect the restructuring of large public enterprises which will be put up for sale. I am primarily referring to the energy sector. In the upcoming period, I expect a considerable increase in concession activities in our country in regard to the infrastructure as well. By this I primarily mean Corridor 10, the construction of an adequate road and railway infrastructure, which has largely already started. An appropriate strategic partner will be sought to continue the process. The following period will quite certainly bring about some kind of restructuring of the electric power company and the Naftna Industrija Srbije oil company, which are very attractive fields for foreign investors. I believe this will largely stimulate investment activity in the accompanying activities and branches, which will represent the driving force of general economic activity. This will considerably improve the general position of the country and its citizens.

### Successful activity in privatization

Ernst & Young largely participates in the process of privatization and the takeover of domestic companies by foreign investors. These activities mostly concern the evaluation of the financial, tax and legal risks which potential investors could be faced with following the takeover of domestic companies. Apart from the price, this is ultimately one of the crucial factors for deciding on investments.

Furthermore, Ernst & Young has also been considerably engaged in the appraisal of the value of both the capital and property of a large number of companies.

The most important activities of ERNST & YOUNG in this sphere concern the privatization of three domestic cement factories, the tobacco industry, the leading beer factories in Serbia, as well as a large number of companies from the metal processing industry, food industry and the motor vehicle production industry.

In the privatization and takeover of banks by foreign investors, Ernst & Young also had a significant role regarding the privatization of Jubanka, the takeover of Delta Banka and Kreditno Eksportna Banka, as well as in the merger of several banks in Serbia and Bosnia-Herzegovina.

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