



INSTRUCTIONS ON RECOGNITION, MEASURING AND RECORDING OF ASSETS OWNED BY REPUBLIC OF CROATIA

Ministry of Finance
Republic of Croatia



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1. Legal Framework

- Law on Management and Disposal of Assets Owned by Republic of Croatia (PG, no. 94/13). According to the Law state owned assets comprise:

- Investment property owned by Republic of Croatia, management and disposal of which is regulated by this and other specific laws;
- Shares and business holdings in companies owned by Republic of Croatia, Croatian Pension Insurance Fund and State Agency for Insurance of Savings Deposits and Rehabilitation of Banks, acquired in the process of rehabilitation and privatisation of banks;
- Shares and business holdings in companies and property owned by institutes and other legal entities founded by Republic of Croatia;
- Existing property of the Agency for Management of State Owned Property acquired based on the article 49, paragraph 3 of the Law on Management of State Owned Assets (PG, nm. 145/10 and 70/12), in the shape of movable property and receivables and
- Other assets.



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Who must apply the Instruction

BUDGET BENEFICIARIES OF STATE BUDGET



EXTRA BUDGET BENEFICIARIES OF THE STATE BUDGET



BUDGET BENEFICIARIES OF THE UNITS OF LOCAL AND TERRITORIAL (REGIONAL) GOVERNMENT



EXTRA BUDGETARY BENEFICIARIES OF THE UNITS OF LOCAL AND TERRITORIAL (REGIONAL) GOVERNMENT



UNITS OF LOCAL AND TERRITORIAL (REGIONAL) GOVERNMENT



OTHER BENEFICIARIES OF STATE ASSETS



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2. Aligning the accounting records with actual values

- Subjects who must apply this Instruction are obliged to perform a comprehensive **inventory of state owned assets** at their disposal or under their management, as of **31 December of every year** (regardless of the legal basis under which they use such assets, i.e. on the books ownership, off the books ownership, other legal basis for use, no legal basis for use).
- Based on the inventory conducted and actual status identified analytical records and/or supplementary ledgers must be aligned or organised to reflect the status of all assets.
- Analytical accounting and records of assets must be aligned with the entries in the general ledger.



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3. Principles for presentation of value of assets

- The values of all forms of state assets must be presented, individually and collectively and uniformly presented in the Register of State Assets.
- Assets are classified by type, useful life and functions in performing of the activities.
- Assets are presented in line with accrual accounting with application of method of historical cost (initially they are presented at purchase costs).
- Assets that have not been previously presented in the business ledgers will be recognised in line with principles of International Accounting Standards for Public Sector and Internationally accepted good practices.

Content, type and manner of collection of data for the Register of State Assets is within remit of the State Office for Management of State Owned Assets (a body that establishes and manages the Registry of State Assets).



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4. Process of asset valuation previously unrecorded and accounting of differences

1. **INTERNAL VALUATION** – by using information from the market, Tax Administration, Land Registry, etc.
 2. **BY AUTHORISED VALUATOR** – in exceptional circumstances when the assets are in the process of disposal, replacement, immediately prior to disposal, etc.
 3. **FOR ASSETS WITH INDIVIDUAL VALUE IN THE AMOUNT OF 1 KUNA (1KN)** – for each type of asset the value of which, due to its specific characteristics, is not reasonable or possible to assess (cultural and historical heritage, natural resources, some infrastructure, etc).
- Differences identified in the course of inventory conducted and of asset valuation performed, are entered into analytical records and supplementary ledgers.
 - Accounting of the differences in the General Ledger is done pursuant with the Rulebook on Budget Account and Budget Chart of Accounts.

1. and 3. are relevant only for purposes of presentation in balance sheet and Registry of State Owned Assets.

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