REGULUS SOFTWARE - INNOVATION IN ONLINE ACCOUNTING

Easier, simpler, faster access to the accounting records

In December 2016, our company was the first in Serbia to sign a partnership agreement with software company Xero for creating a new software package for online Accounting – REGULUS.

This software represents an innovative step forward in our financial management, and a solution that will greatly facilitate and simplify the daily accounting job with guaranteed security, protection and time-saving effect.

Thanks to this service, our customers will now be able to have constant access to their accounting books at any time and any place, which would be a large and significant innovation in their business process.

REGULUS is a software package created with the help of the New Zealand Company Xero, which produces accounting software for small and medium-sized enterprises, used in over 180 countries worldwide. Forbes recognized Xero as the World’s Most Innovative Growth Company in 2014 and 2015.

REGULUS is entirely user friendly software, designed for a quick, easy and simple access to accounting data. Thanks to an easy access via passwords, all users will be able to monitor the current account balance, previous and future transactions etc.

Additional benefit is that this program can be accessed from a computer, a mobile device or a tablet.

REGULUS, as unique software package, significantly simplifies the process of communication with an accountant, since accounting documents can be scanned or photographed using a mobile phone and sent to your accountant for further processing.

In addition to providing insight into business data at any time, a great benefit is an automatic update of the software, as well as the option to exchange and store electronic business documents, which simplifies the direct communication with the remote user.
LAW AMENDMENTS

The National Assembly of the Republic of Serbia has adopted a set of laws concerning the financial sector in late December 2016.

VAT Law amendments

The most important systemic change of the VAT Law deals with the place of supply of goods and services, which shall be effective as of April 1, 2017. The purpose of these changes is to harmonize domestic tax legislation with the legislation of the European Union. Amendments include the abolition of VAT refund for baby food and equipment and replacement with one-off compensation for the purchase of equipment for babies, which will be regulated under the Act on Financial Support for Families with Children.

In the construction sector the most important amendment is introduction of a rule by which having an invoice issued in accordance with the VAT Law by previous VAT participant – contractor will not be condition to apply reverse charge on the basis of internally calculated VAT.

Amendments to Excise Law

This law enables further gradual harmonization of the excise policy with European Union standards, with the aim of reducing the gray economy and ensuring a more stable inflow of funds from excise into the budget of the Republic of Serbia.

The amendments to Excise Law came into force on January 1, 2017, except for the excise duty on coffee, which will be implemented as of January 1, 2018.

Law on Real Estate Appraisers

The Law prescribes the conditions for becoming a real estate appraiser, training courses, national exam, license and continuous professional development. The law was adopted in the light of harmonization with EU regulations and the application of the Mortgage Credit Directive.

Amendments to the Law on Tax Procedure and Tax Administration

The most important amendment is that the second-instance tax procedure shifts to the jurisdiction of the authority that is to be established within the Ministry of Finance. Implementation of this amendment is planned for July 1, 2017. Similar structure has already been introduced in certain neighboring countries.

AMENDED DECREE ON TERMS AND CONDITIONS FOR ATTRACTION DIRECT INVESTMENT

The new Decree on the terms and conditions for attracting direct investment lowers the threshold for obtaining state aid from 150,000 EUR to 100,000 EUR in the value of an investment, while employing at least 10 people. The Decree was voted in December 2016.

The Decree defines that Serbian government will pay to investor 3,000 to 7,000 EUR for each new worker, depending on the areas where the investment is made. The largest amount will be available to investors who start or expand their business in underdeveloped parts of Serbia.

The Decree also stipulates that investors will be able to obtain subsidy from the government for fixed assets in the amount of 10% to 30% of the invested money, on condition they provide 25% of the total investment from their own resources. Funds will be delivered in tranches.
In a recent article in Forbes, five Forbes Finance Council members highlighted changes that will impact the finance industry over the next two years.

**Banking technology**

One big transformation is in banking and the change is going to be huge, anticipates Jessica Mah, CEO, co-founder and product architect of inDinero. Mah says we will see changes in the way banks behave, in the way they are becoming virtual, and in the way they are specialising and coming up with niche products.

**Artificial intelligence**

People now want instant results. This is the idea behind Botkeeper, a company that offers automatic bookkeeping and 24/7 support to its clients. Louie Balasny, its Managing Director, says ‘as the AI continues to advance, the ability to provide more and more accounting in real-time with reporting and charts at your fingertips is going to change the bookkeeping industry and the traditional monthly accounting process.’

**Shops will close**

Changes in the finance industry will have a huge impact on some businesses, according to Michael Hsu, founder and CEO of DeepSky. Five or six years ago, ‘the industry pushed the idea of having every certified public accountant (CPA), enrolled agent (EA) or bookkeeper start their own outsourced accounting practice.’ In his opinion, this is not the right way. He predicts that in the next two years ‘we’ll see a ton of consolidation and shops closing.’

**App Developers**

The number of app developers in the accounting industry may increase, according to Marjorie Adams, founder and CEO of the consulting firm Fourlane. She points out that ‘everyone wants their own application’ and ‘it is becoming more affordable to build proprietary systems’ for SMEs.

**More automation**

According to David Ehrenberg, CEO of Early Growth Financial Services, consumers will take advantage of a change in technology as long as they’re prepared. Ehrenberg believes education is important in ensuring people adapt to automation. He says ‘we are starting to see more automation in the lower-level accounting functions already, and that’s going to really change how everyone in the accounting services industry does business in the next few years.’

These five examples of digital disruption identified in this article are already well and truly with us, and the impact they will have on the profession will continually increase. Firms need to be careful and meet their clients’ real future needs, moving away from compliance and processing and focusing on valued added advisory services. New players can provide the processing, but the value to SME clients comes from the experience mid-tier accountants are able to add with advisory services – supporting profit development, tax minimisation, and sound strategies for wealth growth.
Kreston MDM is a company that provides service in audit, consulting, tax and financial advisory. The company was founded in 2005 as MDM Audit with the goal of using its own resources to build a dynamic business relationship with clients and providing the highest service quality.

In February 2015, after an extensive due diligence and strict selection process, MDM Audit became an exclusive member, for Serbia, of KRESTON global network of independent high ranking accounting firms with extensive experience and knowledge of local markets providing daily support to its customers in over 100 countries.

Kreston MDM offers a wide range of services including audit of financial statements and accounting services, valuation of companies, financial and tax consulting, financial and tax due diligence. Our primary goal is to find solutions to real problems in the areas of finance and accounting.

Our team of highly professional experts with extensive years of experience uses business skills and experience to help organizations mitigate risks and cope with challenging environment. Every day our employees strive to expand their knowledge and give new perspective to every project.

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BUSEINESS BAROMETER

January to November 2016, 7,810 newly formed companies were registered with the Agency for Business Registers. Compared to the same period in the previous year, the number of newly established commercial companies increased by 3.88%. In the same period 2,091 companies were deregistered. On the day of December 31, 2016, 125,551 companies were registered as ‘active’ companies.

Analyzed by industry, majority of the newly established companies have been registered for the following activities: specialized wholesale trade, road transport, business and other management consultancy activities. We may find similar situation with de-registered companies. On the basis of the analysis of companies which satisfy at least one of the three following criteria - income above EUR 1 million, assets above EUR 20 million, number of employees above 15, we are presenting the chart which shows revenue by industry code for Serbia and Croatia in 2014 and 2015.