



# 2015 Transparency Report

KPMG d.o.o. Beograd

Belgrade, March 2016



# KPMG's Values

KPMG people work together to deliver value to clients. We believe strongly in a common set of shared values which guide our behavior when dealing with both clients and each other:

## **We lead by example**

At all levels we act in a way that exemplifies what we expect of each other and our clients.

## **We work together**

We bring out the best in each other and create strong and successful working relationships.

## **We respect the individual**

We respect people for who they are and for their knowledge, skills, and experience as individuals and team members.

## **We seek the facts and provide insight**

By challenging assumptions and pursuing facts, we strengthen our reputation as trusted and objective business advisers.

## **We are open and honest in our communication**

We share information, insight, and advice frequently and constructively and manage tough situations with courage and candor.

## **We are committed to our communities**

We act as responsible corporate citizens by broadening our skills, experience, and perspectives through work in our communities and protecting the environment.

## **Above all, we act with INTEGRITY**

We are constantly striving to uphold the highest professional standards, provide sound advice and rigorously maintain our independence.





# Foreword from the Senior Partner & Head of Audit

Belgrade, March 2016



It gives me great pleasure to present KPMG's third annual Transparency Report for 2015. The report showcases how we continue to deliver on our commitment to build a modern and transparent firm, as a competent provider of professional opinion. You will learn about the checks and balances that we maintain to ensure the provision of professional services in full accordance with local expert and ethical standards, as well as international best practice.

This Report demonstrates our local leadership position which is built wholly on quality, independence, trust and respect. It contributes towards a full understanding of our firm, our governance and management structure, as well as the mechanisms established to safeguard the independence, professionalism and quality of our deliverables.

Here at KPMG, we know that our professional services, whether financial statement independent audits or our advisory services are crucial to your business success. The KPMG Transparency Report shows how the firm acts in your best business interest, while maintaining absolute and unquestionable compliance with local law and regulation.

Audit quality is a key strategic imperative for us. As part of our overall strategy we drive a relentless focus on quality and excellent service, take a long term view and deploy talented staff to deliver insights and innovative ideas. As part of our commitments to stakeholders — including regulators, investors, audit committees, clients, our people and the public — we aim to be transparent and open in communicating how we address audit quality to foster public trust, inspire confidence and empower change.

We are committed to making a positive contribution to society, supporting the economic development of Serbia. Our experience demonstrated in the Report helps to build the confidence of investors and the business community by assuring them of the ability of our market to function under global rules and standards. We are proud of our history and success at KPMG, and believe that the strength of our professional reputation is the cornerstone of our future.

Should you have any questions or comments, please do not hesitate to contact me or any of our partners. We would be more than happy to discuss the Report in detail.

Sincerely,

A handwritten signature in blue ink, appearing to read 'James Thornley', written in a cursive style.

James Thornley  
Senior Partner  
KPMG in Serbia

*Throughout this document, "KPMG" ("we," "our," and "us") refers to KPMG International Cooperative ("KPMG International"), a Swiss entity, and/or to any one or more of the member firms of the KPMG network of independent firms affiliated with KPMG International. KPMG International provides no client services.*

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# 1. KPMG in Serbia

**KPMG d.o.o. Beograd** traces its origins back in 1996.

In 2001 a subsidiary company **KPMG d.o.o. Podgorica** was established in Montenegro.

Our portfolio of services was further expanded in 2010 with the establishment of **KPMG A.A.S. d.o.o.**

## 1.1 Our business

**Društvo za konsalting i reviziju KPMG d.o.o. Beograd** (hereinafter: **KPMG d.o.o. Beograd**) is a professional services firm that delivers Audit, Tax and Advisory services. KPMG d.o.o. Beograd traces its origins back in 1996, and today is one of the largest Audit, Tax and Advisory organizations in the Serbian market. Our firm comprises of more than 220 people, including 9 partners.

In 2001 a subsidiary company **KPMG d.o.o. Podgorica** was established in Montenegro, making our services available to clients in that market. Since 2006 the Montenegrin branch operates as a limited liability company.

Our portfolio of services was further expanded in 2010 with the establishment of **KPMG A.A.S. d.o.o.** which provides clients with accounting services, including payroll services, as well as advisory services in the area of accounting.

Our audit services in Serbia are provided only by KPMG d.o.o. Beograd. Details on professional services provided by KPMG d.o.o. Beograd can be found on the Internet site [www.kpmg.rs](http://www.kpmg.rs).

## 1.2 Our strategy

Our strategy is set by the Shareholder's Assembly of KPMG d.o.o. Beograd which includes inputs on policies and professional practices set at a global, regional and national level and has remained consistent for some time. It has determined that our overall ambition remains to be the leader among the multi-disciplinary professional services firms in Serbia.

We are aware that failing to provide the quality of services and deliverables may endanger the objectives defined in our business plan why KPMG d.o.o. Beograd leadership has determined a commitment to quality as our number one priority. In this regard, considerable attention has been focused on ensuring that we deliver the quality service that our clients expect from us, and to continually encourage the importance of quality within our company.

KPMG Belgrade has developed and is implementing Collaboration & Knowledge approach - to harness our knowledge to create and deliver more value for our clients. Our vision is to be the clear choice for our clients, our people and the community. Our strategy is how we will get there.

# 2. Our Structure and Governance

## 2.1 Legal Structure

KPMG d.o.o. Beograd is a Serbian limited liability company with its main office in Belgrade, No. 11, Kraljice Natalije Street. KPMG d.o.o. Beograd is a member firm of the KPMG network of independent firms associated with KPMG International Cooperative (“KPMG International”), a Swiss entity. Further details about KPMG International and its business, including our relationship with it are available in the [Supplement to 2015 KPMG International Transparency Report](#).

KPMG CEE Holdings Limited, Cyprus („KPMG CEE Holdings“) is the majority member of KPMG d.o.o. Beograd with a 98,2% share. Apart from KPMG CEE Holdings, there are following 9 minority members, partners in KPMG d.o.o. Beograd, each of them with a 0,2% share: Biljana Bujic, Boris Milosevic, Branko Vojnovic, Djordje Dimic, Dusan Tomic, Igor Loncarevic, Ivana Manigodic, James Thornley and Uros Acanski. The Senior Partner as Director of the company and Shareholders' Assembly hold authorizations and competences in accordance with the Company Law of the Republic of Serbia.

KPMG d.o.o. Beograd is a member of the Chamber of Certified Auditors of the Republic of Serbia and is registered under number 23.

At the end of FY 2015 KPMG d.o.o. Beograd had an average of 9 partners (2014: 8 partners).

A list of key entities, together with the details of legal structure, regulatory status, the nature of their business and areas of operation is set out in

**Appendix A.1.**

The firm adopts 30 September as its financial year end for reporting to KPMG International and 31 December for local statutory purposes. The fees reported to KPMG International for the financial year under review are disclosed in the financial information section of this report.

## 2.2 Name and ownership

KPMG is the registered trademark of KPMG International and is the name by which the member firms are commonly known. The rights of member firms to use the KPMG name and marks are contained within agreements with KPMG International.

Member firms are generally locally owned and managed. Each member firm is responsible for its own obligations and liabilities. KPMG International and other member firms are not responsible for a member firm's obligations or liabilities.

Member firms may consist of more than one separate legal entity. If this is the case, each separate legal entity will be responsible only for its own obligations and liabilities, unless it has expressly agreed otherwise.

## 2.3 Governance Structure

### National Governance

Consistent with our aspiration to be the most relevant, trusted firm of choice, we apply high standards of corporate governance.

The main company body of KPMG d.o.o. Beograd is Shareholders' Assembly, and the key leadership is represented by Director (who is also Senior Partner).

Comprehensive information on the management structure is available in the Business Registers Agency of the Republic of Serbia ([www.apr.gov.rs](http://www.apr.gov.rs)).

Along with the Director, KPMG d.o.o. Beograd also has a procurator and other lawmakers who represent the company in certain legal matters and with certain limitations, but together they are responsible for long-term growth and sustainability of the firm.

### Our Senior Partner

The Senior Partner is responsible for leading the firm's management and ensuring that all members receive accurate, timely and clear information and ensuring effective communication and relationships with the members at large. Our Senior Partner is James Thornley who assumed this position in October 2012.

The firm management is responsible to manage the firm within the framework of prudent and effective controls, define the firm's strategy and monitor its fulfilment as well to manage the operations in accordance with the core values, standards and processes of KPMG d.o.o. Beograd. The management meets from time to time to undertake certain statutory duties for KPMG d.o.o. Beograd (including approving the annual accounts and the transparency report). Full details of those charged with governance for KPMG d.o.o. Beograd, including their biographies are set out in **Appendix A.2.**

# 3. System of Quality Control

**A robust and consistent system of quality control is an essential requirement in performing high quality services.**

**Accordingly, KPMG International has policies of quality control that apply to all member firms.**

These policies and associated procedures are designed to guide member firms in complying with relevant professional standards, regulatory and legal requirements, and in issuing reports that are appropriate in the circumstances.

These policies and procedures are based on the International Standard on Quality Control 1 (ISQC 1) issued by the International Auditing and Assurance Standards Board (IAASB), and on the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA). Both of these are relevant to firms that perform statutory audits and other assurance and related services engagements.

KPMG d.o.o. Beograd implements KPMG International policies and procedures and adopts additional policies and procedures that are designed to address rules and standards as defined under the Law on auditing of the Republic of Serbia, Chamber of Certified Auditors of the Republic of Serbia and other relevant regulators as well as applicable legal and other requirements.

KPMG International's policies reflect individual quality control elements to help our personnel act with integrity and objectivity, perform their work with diligence, and comply with applicable laws, regulations, and professional standards.

Quality control and risk management are the responsibility of all KPMG personnel. This responsibility includes the need to understand and adhere to firm policies and associated procedures in carrying out their day-to-day activities.

While many KPMG quality control processes are cross-functional, and apply equally to tax and advisory work, the remainder of this section focuses on what we do to enable the delivery of quality audits. In this section we therefore focus on our system of audit quality control.

At KPMG audit quality is not just about reaching the right opinion, but how we reach that opinion. It is about the processes, thought, and integrity behind the audit report. KPMG views the outcome of a quality audit as the delivery of an appropriate and independent opinion in compliance with the auditing standards. This means, above all, being independent, and compliant with relevant legal and professional requirements.

# 3. System of Quality Control (continued)

To help all audit professionals concentrate on the fundamental skills and behaviors required to deliver an appropriate and independent opinion, we have developed our global Audit Quality Framework. Our Framework introduces a common language that is used by all KPMG member firms to describe what we believe drives audit quality, and to highlight how every audit professional at KPMG contributes to the delivery of audit quality.

Our Audit Quality Framework identifies seven drivers of audit quality:

1. Tone at the top
2. Association with the right clients
3. Clear standards and robust audit tools
4. Recruitment, development and assignment of appropriately qualified personnel
5. Commitment to technical excellence and quality service delivery
6. Performance of effective and efficient audits
7. Commitment to continuous improvement

Tone at the top sits at the core of the Audit Quality Framework's seven drivers of audit quality and helps ensure that the right behaviors permeate across our entire network.

All of the other drivers are presented within a virtuous circle because each driver is intended to reinforce the others. Each of the seven drivers is described in more detail in the following sections of this report.





# 3.1 Tone at the top – the foundation of audit quality

Tone at the top is a term used to describe an organization's general ethical climate, as established by its leadership. KPMG and its leadership use 'tone at the top' to indicate its commitment to quality, ethics and integrity.

## KPMG's focus on quality

KPMG's tone at the top provides a clear focus on quality through:

- culture, values, and code of conduct – clearly stated and demonstrated in the way we work
- focused and well-articulated strategy – incorporating quality at all levels
- standard set by our leadership
- governance structure and clear lines of responsibility for quality – skilled and experienced people in the right positions to influence the quality agenda.

Integrity is a critical characteristic that stakeholders expect and rely on. It is also the key KPMG core value – above all, we act with integrity.

This commitment underlies our values-based compliance culture where individuals are encouraged to raise their concerns when they see behaviors or actions that are inconsistent with our values or professional responsibilities.

Our Code of Conduct incorporates our core values and addresses the commitments that we make as well as the responsibilities of our personnel at all levels across the firm.

A KPMG International [hotline](#) is available for KPMG personnel, clients, and other parties to confidentially report concerns they have relating to certain areas of activity by KPMG International itself, those who work for KPMG International, or the senior leadership of a KPMG member firm.

## 3.1.1 Leadership responsibilities for quality and risk management

While we stress that all professionals are responsible for quality and risk management the following entities and individuals have leadership responsibilities.

### Senior Partner

In accordance with the ISQC 1 principles, our Senior Partner James Thornley has assumed ultimate responsibility for KPMG d.o.o. Beograd system of quality control.

Resources for Risk Management at KPMG d.o.o. Beograd ensure that all global, regional and local policies relating risk management and independence, professional standards and procedures are adopted and fully implemented within the essential elements of the firm's business culture. Before their deployment, we perform the comparison of international and regional policies against the relevant local professional standards, laws and regulations in order to avoid potential conflicts or territorial implications.

Details of some of the measures that Senior Partner and the rest of the management have taken to ensure that a culture of quality prevails within KPMG d.o.o. Beograd are set out in following sections.

## Quality & Risk Management Department

The firm has established the Quality & Risk Management Department whose primary responsibility is to:

- recommend to the firm leadership and then formally announce, implement and maintain a sound system of risk oversight, management and internal control which identifies, assesses, manages and monitors risk;
- promote a business culture that is based on the highest standards of ethical behavior required of all partners, employees, clients and contractors and encourage observance of those standards.

The Q&RM Department also considers the impact of the key findings from our monitoring of the quality compliance programs and proposes appropriate corrective measures.

The Quality and Risk Management Department consists of Risk Management Partner, Ethics & Independence Partner, Senior Manager and Assistant.

# 3.1 Tone at the top – the foundation of audit quality

## (continued)

### **National Risk Management Partner**

Operational responsibility for the system of quality control, risk management and compliance in KPMG d.o.o. Beograd has been delegated to the National Risk Management Partner who is responsible for:

- setting overall professional risk management and quality control policies and monitoring compliance for firm
- implementation and monitoring of the fulfilment of the requirements in accordance with the global and local policies and procedures in the area of risk management in the firm (including all other associated entities), which aim at improving quality control and compliance with laws, regulations, and professional standards;
- identifying, managing, mitigating, monitoring and reporting on risks and issues related to quality control, and if necessary consults the resources responsible for risk management and quality control at the regional and global levels;
- understanding the requirements arising from the ISQC 1 principles, Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and KPMG Global Quality & Risk Management Manual, including their application, explanatory material, and the ultimate goal.

Risk Management Partner is appointed by Senior Partner in accordance with the firm's internal rules.

Risk Management Partner reports to the firm's Senior Partner and to KPMG Global Quality and Risk Management, regional or sub-regional Risk Management Partners in accordance with the agreed dynamics.

Risk Management Partner is supported by a team of partners in each of the functions, as well by Ethics & Independence Partner and Risk Management Senior Manager.

### **The Audit, Tax and Advisory functions – Function Heads**

The three heads of the client service functions (Audit, Tax and Advisory) are accountable to the Senior Partner for the quality of service delivered in their respective functions. Between them, they determine the operation of the risk management, quality assurance and monitoring procedures for their specific functions within the framework set by the National Risk Management Partner.

These procedures make it clear that at the engagement level, risk management and quality control is ultimately the responsibility of all professionals.

## 3.2 Association with the right clients

### 3.2.1 Acceptance and continuance of clients and engagements

Rigorous client and engagement acceptance and continuance policies and processes are vital to our ability to provide high-quality professional services and to protect KPMG's reputation and support its brand.

Accordingly, KPMG International has established policies and procedures which all member firms have implemented in order to decide whether to accept or continue a client relationship, and whether to perform a specific engagement for that client.

For this purpose KPMG d.o.o. Beograd uses MARS Risk Module (CEAC) application to perform evaluation of the potential and existing clients as well the service engagements provided to these clients. KPMG has a process for conducting and documenting client assessments for all new clients, including clients who are referred by KPMG member firms, before the firm accepts or rejects the client, or initiate engagement that meets the minimum requirements of KPMG International. Client assessment is analyzed and approved by the respective partners in accordance with their responsibilities.

### 3.2.2 Prospective client and engagement evaluation process

Before accepting a client, we undertake an evaluation of the prospective client. This involves an assessment of its key management, significant beneficial owners, its business, and other service-related matters that could influence our decision to accept the prospective client. A key focus is on the integrity of management at a prospective client and the evaluation considers breaches of law and regulation, anti-bribery and corruption and human rights among the factors to consider. Responsibility for evaluating and concluding on background checks and related information for client acceptance rests with the Client Service Partner.

A second partner, as well as the evaluating partner, approves the prospective client evaluation. Where the client is considered to be "high risk" the Risk Management Partner or his delegate is involved in approving the evaluation.

The prospective engagement partner evaluates each prospective engagement. The evaluation identifies potential risks in relation to the engagement. A range of factors is considered as part of this evaluation, including potential independence and conflict of interest issues (using Sentinel™, our global conflicts and independence checking system) as well as factors specific to the type of engagement, including for audit services, the competence of the client's financial management team and the skills and experience of personnel assigned to staff the engagement.

The evaluation is made in consultation with other senior member firm personnel and includes review by quality and risk management leadership as required.

Where audit services are to be provided for the first time, the prospective engagement team is required to perform additional independence evaluation procedures including a review of any non-audit services provided to the client and of other relevant relationships.

Any potential independence or conflict of interest issues are documented and resolved prior to acceptance.

Depending on the overall risk assessment of the prospective client and engagement, additional safeguards may be introduced to help mitigate the identified risks. Any potential independence or conflict of interest issues are documented and resolved prior to acceptance.

We will decline a prospective client or engagement if a potential independence or conflict issue cannot be resolved satisfactorily in accordance with professional and firm standards, or there are other quality and risk issues that cannot be appropriately mitigated.

The Non-Audit Services and Conflict of Interest sections provide more information on our independence and conflict checking policies.



## 3.2 Association with the right clients (continued)

### 3.2.3 Continuance process

An annual re-evaluation of all audit clients and audit engagements is undertaken. In addition, clients are re-evaluated earlier if there is an indication that there may be a change in their risk profile. Recurring or long running engagements are also subject to re-evaluation.

This re-evaluation serves two purposes. Firstly, we will decline to continue to act for any client where we are unable to deliver to our expected level of quality, or if we consider that it would not be appropriate to continue to be associated with the client. More commonly, we use the re-evaluation to consider whether or not any additional risk management or quality control procedures need to be put in place for the next engagement (this may include the assignment of additional professionals or the need to involve additional specialists on the audit).

### 3.2.4 Client portfolio management

Our leadership appoints engagement partners who have the appropriate competence, capabilities, time and authority to perform the role for each engagement.

We have implemented a monitoring mechanism that suits the needs of the firm and complies with the requirements or expectations of local regulators. This process anticipates:

- well defined hiring standards with objective assessment and reference checks to ensure that personnel hired possess the characteristics that enable them to perform competently
- annual performance evaluations, including on assessment of the skills and behaviors which support audit quality
- application of appropriate protocols for partner admission
- availability and assignment of professional resources, including specialists, with the appropriate skills and experience to fulfil professional commitments
- review of audit partner and manager workloads, including EQCRs for reasonableness on a periodic basis
- advancement of personnel that have the qualifications necessary to fulfill the responsibilities they will be called on to assume
- effective allocation of EQC reviewers

Each partner's client portfolio is regularly reviewed to ensure that they have sufficient time to manage the portfolio and to ensure that the risks are being appropriately managed.

# 3.3 Clear standards and robust audit tools

Professional practice, risk management, and quality control are the responsibilities of every KPMG professional. Our professionals are expected to adhere to KPMG policies and procedures (including independence policies), and are provided with a range of tools to support them in meeting these expectations. The policies and procedures set for audit incorporate the relevant requirements of accounting, auditing, ethics, and quality control standards, and other relevant laws and regulations.

## 3.3.1 Audit methodology and tools

Significant resources are dedicated to keeping our standards and tools complete and up to date. Our global audit methodology, developed by the Global Service Centre (GSC), is based on the requirements of the International Standards on Auditing (ISAs). The methodology is set out in KPMG International's KPMG Audit Manual (KAM) and includes additional requirements that go beyond the ISAs, and which KPMG believes enhance the quality of our audits. KPMG member firms may add local requirements and/or guidance in KAM to comply with additional professional, legal, or regulatory requirements.

Our audit methodology is supported by eAudit, KPMG International's electronic audit tool, which provides KPMG auditors worldwide with the methodology, guidance, and industry knowledge needed to perform efficient, high-quality audits.

eAudit's activity-based workflow provides engagement teams with ready access to relevant information at the right time throughout the audit, thereby enhancing effectiveness and efficiency and delivering value to stakeholders. The key activities within the eAudit workflow are:

### Engagement setup

- perform engagement acceptance and scoping
- determine team selection and timetable

### Risk assessment

- understand the entity;
- identify and assess risks;
- plan for involvement of KPMG specialists and external experts, internal audit, service organizations and other auditors as required;
- evaluate design and implementation of relevant controls;
- conduct risk assessment and planning discussion;
- determine audit strategy and planned audit approach;

### Testing

- test operating effectiveness of selected controls;
- plan and perform substantive procedures;

### Completion

- update risk assessment;
- perform completion procedures, including overall review of financial statements;
- perform overall evaluation, including evaluation of significant findings and issues;
- communicate with those charged with governance (e.g., the audit committee); and
- form the audit opinion.

KAM contains, among other things, procedures intended to identify and assess the risk of material misstatement and procedures to respond to those assessed risks. Our methodology encourages engagement teams to exercise professional skepticism in all aspects of planning and performing an audit. The methodology encourages use of specialists when appropriate, and also requires involvement of relevant specialists in the core audit engagement team when certain criteria are met.

KAM includes the implementation of quality control procedures at the engagement level that provides us with reasonable assurance that our engagements comply with the relevant professional, legal, regulatory, and KPMG requirements.

# 3.3 Clear standards and robust audit tools

(continued)

The policies and procedures set out in KAM are specific to audits and supplement the policies and procedures set out in the Global Quality & Risk Management Manual (GQ&RMM) that is applicable to all KPMG member firms, functions and personnel.

## 3.3.2 Independence, integrity, ethics and objectivity

### Overview

Member firms and KPMG professionals are required to comply with independence standards that meet or exceed those set out in the IESBA Code of Ethics together with those of other applicable regulatory bodies (which may include those of a foreign jurisdiction where those requirements apply extraterritorially). These policies are supplemented by other processes to ensure compliance with the standards issued by Chamber of Certified Auditors of the Republic of Serbia and the Securities Commission of the Republic of Serbia.

To help ensure ethical conduct, including integrity and independence, KPMG International requires that each member firm, and its personnel, must be free from prohibited financial interests in, and prohibited relationships with, the network's audit clients, their management, directors, and significant owners.

KPMG d.o.o. Beograd has a designated Ethics and Independence Partner (EIP) supported by a core team of specialists to help ensure that we implement robust and consistent independence policies and procedures.

Ethics and independence policies are set out on our intranet (hosted Quality & Risk Management Manual), which contains all our independence policies, and reinforced through an annual training program.

Amendments to the ethics and independence policies in the course of the year are communicated by e-mail alerts and included in regular quality and risk communications.

These policies and processes cover areas such as personal independence, firm financial independence, business relationships, post-employment relationships, partner rotation, and approval of audit and non-audit services.

### Personal independence

KPMG International policy extends the IESBA Code of Ethics restrictions on ownership of audit client securities to every member firm partner in respect of any audit client of any member firm.

Our professionals are responsible for making appropriate inquiries to ensure that they do not have any personal financial, business or family interests that are restricted for independence purposes. In common with other member firms of KPMG International, we use a Web-based independence tracking

system (KPMG Independence Compliance System – KICS) to assist our professionals in their compliance with personal independence investment policies. This system contains an inventory of publicly available investment products.

Partners and client facing managers are required to use this system prior to entering into an investment to identify whether they are able to do so. They are also required to maintain a record of all of their investments in the system, which automatically notifies them if their investments subsequently become restricted.

We monitor partner and manager compliance with this requirement as part of a program of independence compliance audits of a sample of professionals. In 2015 18 professionals were subject to these audits including three out of nine partners (approximately 33%).

Any professional providing services to an audit client is also required to notify the EIP if he or she intends to enter into employment negotiations with that audit client.



# 3.3 Clear standards and robust audit tools

(continued)

## Firm financial independence

KPMG d.o.o. Beograd maintains a record of its investments (made for example through pension and retirement plans and treasury activities) in the Web-based independence tracking system. This record is monitored through our compliance process.

## Business relationship/suppliers

We have policies and procedures in place that are designed to ensure that business relationships are maintained in accordance with the IESBA Code of Ethics and any additional applicable independence requirements. Compliance with these policies and procedures is reviewed periodically.

Consultations with Ethics & Independence Partner and Quality & Risk Management Department are required in each individual case when it comes to business relationships with the audit client or its management, which is not related to the provision of professional services, to make sure that this relationship is not prohibited, nor it endangers our independence from the client. Compliance with these policies and procedures is checked periodically.

## Independence training and confirmations

We provide all relevant personnel with annual independence training appropriate to their grade and function, and provide all new personnel with relevant training when they join.

All personnel are required to sign an independence confirmation upon joining the firm. Thereafter, professionals are required to provide an annual confirmation that they have remained in compliance with applicable ethics and independence policies throughout the period. This confirmation is used to evidence the individual's compliance with and understanding of our independence policies.

In addition to independence compliance confirmation, all partners and employees of KPMG d.o.o. Beograd are required to sign annual statements on:

- Compliance with the core values and principles of KPMG Global Code of Conduct
- Compliance with the policies and procedures related to confidentiality
- Compliance with Anti-Bribery and Anti-Corruption policies and procedures
- Compliance with Personal Data Privacy

## Audit partner rotation

Key audit partners are subject to periodic rotation of their responsibilities for audit clients under applicable laws, regulations, and independence rules in the Republic of Serbia and KPMG International policies relating independence. These limit the number of years that partners in certain roles may provide audit services to an audit client.

KPMG International rotation policies are consistent with the IESBA Code of Ethics and require our firm to comply with any stricter applicable rotation requirements. We monitor the rotation of audit engagement leaders (and any other key roles where there is a rotation requirement) and have developed transition plans to enable this firm to allocate partners with the necessary competence and capability to deliver a consistent quality of service to clients. The rotation monitoring is subject to compliance testing.

## Non-audit services

We have policies as to the scope of services that can be provided to audit clients which are consistent with IESBA principles and applicable requirements as set out in Law on Auditing of the Republic of Serbia, Law on the Capital Market and by-laws of the Securities Commission of the Republic of Serbia.

In addition, KPMG International policies require the lead audit engagement partner to evaluate the threats arising from the provision of non-audit services, and the safeguards available to address those threats.

# 3.3 Clear standards and robust audit tools

(continued)

KPMG International's proprietary system, Sentinel™, facilitates compliance with these policies. Lead audit engagement partners are required to maintain group structures for their publicly traded and certain other audit clients and their affiliates in the system. Every engagement entered into by a KPMG member firm is required to be included in the system prior to starting work. The system enables lead audit engagement partners for entities for which group structures are maintained to review and approve, or deny, any proposed service for those entities worldwide.

In accordance with applicable auditor independence rules, none of our audit partners are compensated on their success in selling non-audit services to their audit clients.

## Fee dependency

KPMG International's policies recognize that self-interest or intimidation threats may arise when the total fees from an audit client represent a large proportion of the total fees of the operating firm expressing the audit opinion. In particular, KPMG International's policies require that in the event that the total fees from a public interest entity audit client and its related entities were to represent more than 10 percent of the total fees received by a particular member firm for two consecutive years, a senior partner from another operating firm would be appointed as the engagement quality control (EQC) reviewer. Also, this would be disclosed to those charged with governance at the audit client.

No audit client accounted for more than 10 percent of the total fees received by our firm over the last two years

## Independence and Conflicts of Interest Checks

Conflicts of interest may prevent our firm from accepting or continuing an engagement. The Sentinel™ system is also used to identify and manage potential conflicts of interest within and across member firms. Any potential conflict issues identified are resolved in consultation with other parties as applicable, and the outcome is documented. An escalation procedure exists in the case of dispute between member firms. If a potential conflict issue cannot be resolved, the engagement is declined or terminated.

It may be necessary to apply specific procedures to manage the potential for a conflict of interest to arise, or be perceived to arise, so that the confidentiality of all clients' affairs is maintained. Such procedures may, for example, include establishing formal dividers between engagement teams serving different clients, and making arrangements to monitor the operation of such dividers.

As part of the engagement acceptance process the Engagement Partner shall determine whether independence is required with respect to the client for every engagement. If independence is required, the Engagement Partner shall satisfy himself or herself and document, as part of the engagement acceptance evaluation and outcome, that any threats to independence have been identified and evaluated. If the

threats are not at an acceptable level, the Engagement Partner shall determine whether safeguards are available to eliminate the threats or reduce them to an acceptable level. If a threat is created that cannot be reduced to an acceptable level by the application of safeguards the non-assurance services shall not be provided.

In addition, for prospective audit clients, the Lead Audit Engagement Partner shall form a conclusion on compliance with independence requirements that apply to the prospective audit engagement. The Independence Clearance Process (ICP) is a common, global framework for KPMG firms to evaluate independence for prospective audit clients that are Public Interest Entities (PIEs). The process assists in identifying and evaluating any threats to independence prior to accepting an audit, in accordance with applicable professional standards. The ICP involves the following process:

- Reviewing and validating the family tree in Sentinel
- Review services provided to the entity
- Perform relationship checks with KPMG member firms
- Perform relationship checks of covered persons and notify them of personal independence requirements
- Document conclusions and submit for review/approval – before pitching

# 3.3 Clear standards and robust audit tools

(continued)

## **Breaches of independence policy**

In the event of failure to comply with the firm's independence policies, whether identified in the compliance review, self-declared or otherwise, professionals are subject to an independence disciplinary policy. Matters arising are factored into promotion and compensation decisions and, in the case of engagement leaders and managers, are reflected in their individual quality and risk metrics. The disciplinary policy is communicated to all professionals and applies to all breaches of independence rules, incorporating incremental sanctions reflecting the seriousness of any violations. Any breaches of auditor independence regulations are reported to those charged with governance at the audit client, on the basis agreed with them.

## **Compliance with laws, regulations, and anti-bribery and corruption**

Compliance with laws, regulation and standards is a key aspect for all KPMG personnel. In particular, KPMG has zero tolerance of bribery and corruption.

We prohibit involvement in any type of bribery — even if such conduct is legal or permitted under applicable law or local practice. We also do not tolerate bribery by third-parties, including by our clients, suppliers or public officials.

Accordingly, training covering compliance with laws (including those relating to anti-bribery and corruption), regulations, professional standards, and the KPMG Code of Conduct is required to be completed by client-facing professionals at a minimum of once every two years, with new hires completing such training within three months of joining the firm. In addition, certain non-client-facing personnel who work in finance, procurement or sales and marketing departments, and who are at the manager level and above, are required to participate in anti-bribery training and adhere to activities that KPMG d.o.o. Beograd takes in the prevention of bribery and corruption.

Further information on KPMG International anti-bribery and corruption can be found on the [anti-bribery and corruption site](#).



# 3.4 Recruitment, development and assignment of appropriately qualified personnel

One of the key drivers of quality is ensuring the assignment of professionals with the skills and experience appropriate to the entity subject to audit. This requires a focus on recruitment, development, promotion and retention of our personnel, and the development of robust capacity and resource management processes. We monitor quality incidents for the purposes of partner assignments and also for the purposes of partner evaluation, promotion and remuneration.

## 3.4.1 Recruitment

All candidates for professional positions submit an application and are employed following a variety of selection processes, which may include application screening, competency-based interviews, psychometric and ability testing, and qualification/reference checks.

Upon joining our firm, new personnel are required to participate in a comprehensive on-boarding program, which includes training in various areas, including ethics and independence. This also includes ensuring that any issues of independence or conflicts of interest are addressed before the individual can commence as a partner or employee with the firm.

## 3.4.2 Personal development

It is important that all professionals have the necessary business and leadership skills to be able to perform quality work in addition to technical skills (see section 3.5.1).

In relation to audit, we provide opportunities for professionals to develop the skills, behaviors, and personal qualities that form the foundations of a successful career in auditing. Courses are available to enhance personal effectiveness and develop technical, leadership, and business skills. We further develop our personnel for high performance through coaching and mentoring on the job, stretch assignments, and country rotational and global mobility opportunities. In addition we focus on continuous feedback providing to all staff.

## 3.4.3 Evaluation, compensation and promotion

All professionals, including partners, undergo annual goal-setting and performance reviews. Each professional is evaluated on his or her attainment of agreed-upon goals, demonstration of the KPMG global behaviors (one of which is 'Delivers Quality'), technical capabilities and market knowledge.

These evaluations are conducted by performance managers and partners who are in a position to assess their performance and propose a performance rating. Performance ratings are awarded following a robust calibration process to effectively address rating inconsistencies and ensure fairness in the rating process. This is achieved through our global performance development process, which is supported by a web-based application.

KPMG is committed to the career development of its people. To support this, the Global People, Performance, and Culture group has designed global behaviors framework which is being adopted in member firms around the world. This framework, combined with development initiatives in areas such as coaching and mentoring, will support our people in enhancing their skills, maximizing their performance, and reaching their full potential.

## Compensation and promotion

KPMG has compensation and promotion policies that are clear, simple, and linked to the performance evaluation process, which for partners includes the achievement of key audit quality and compliance metrics. This helps our partners and employees know what is expected of them, and what they can expect to receive in return.

Our policies do not allow audit partners to be compensated for the sale of non-audit services to their audit clients.

# 3.4 Recruitment, development and assignment of appropriately qualified personnel (continued)

## 3.4.4 Partner admissions

Our process for admission to partnership is rigorous and thorough, involving appropriate members of leadership. Our criteria for admission to the partnership are consistent with our commitment to professionalism and integrity, quality, and being an employer of choice. These are strongly aligned to KPMG's behavioral capabilities and are based on consistent principles. All recommendations for admission to membership of KPMG d.o.o. Beograd need to be approved by the KPMG CEE Board.

## 3.4.5 Assignment

Our firm has procedures in place to assign both the engagement partners and other professionals to a specific engagement on the basis of his or her skill sets, relevant professional and industry experience, and the nature of the assignment or engagement. Function heads are responsible for the partner assignment process. Key considerations include partner experience, accreditation, and capacity, based on an annual partner portfolio review, to perform the engagement in view of the size, the complexity and risk profile of the engagement and the type of support to be provided (i.e., the engagement team composition and specialist involvement). Audit engagement partners are required to be satisfied that their engagement teams have appropriate competencies and capabilities, including time, to perform audit engagements in accordance with KAM, professional standards, and applicable legal and regulatory firms.

requirements. This may include involving specialists from our own firm or other KPMG member

As an additional control in Audit (where the services are of more of a recurring nature than across much of the rest of our business), our Heads of Audit and Quality & Risk Management together perform an annual review of the portfolio of all of our audit engagement partners. The purpose of this portfolio review is to look at the complexity and risk of each audit and then to consider whether or not taken as a whole the specific engagement partner has the appropriate time and the right support to enable them to perform a high quality audit for each client in their portfolio.

When considering the appropriate competence and capabilities expected of the engagement team as a whole, the engagement partner's considerations may include the following:

- an understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
- an understanding of professional standards and legal and regulatory requirements;
- appropriate technical skills, including those related to relevant information technology and specialized areas of accounting or auditing;
- knowledge of relevant industries in which the client operates;

- ability to apply professional judgment; and
- an understanding of KPMG's quality control policies and procedures.

The annual client portfolio reviews between each audit partner and their Risk Management Partner enables each partner to confirm their appropriate competence, capabilities, time and authority to manage their portfolio.

# 3.5 Commitment to technical excellence and quality service delivery

We provide all professionals with the technical training and support they need. This includes access to networks of specialists and professional practice departments (DPP). These are made up of senior professionals with extensive experience in audit, reporting and risk management, either to provide resources to the engagement team or for consultation.

At the same time we use our audit accreditation and licensing policies to require professionals to have the appropriate knowledge and experience for their assigned engagements. Our structure enables our engagement teams to apply their business understanding and industry knowledge to deliver valued insights and to maintain audit quality.

## 3.5.1 Professional training

In addition to personal development discussed, our policies require all professionals to maintain their technical competence and to comply with applicable regulatory and professional development requirements.

Audit Learning and Development steering groups at the global, regional and, where applicable, local levels identify annual technical training priorities for development and delivery using a blend of classroom, e-learning and virtual classroom methods.

Audit Learning and Development teams work with subject matter experts and leaders from GSC, the International Standards Group (ISG) and DPP, as appropriate, to ensure the training is of the highest quality, is relevant to performance on the job, and is delivered on a timely basis.

## 3.5.2 Accreditation and licensing

All KPMG professionals are required to comply with applicable professional license rules in the jurisdiction where they practice.

KPMG encourages continuous and integrated knowledge and skills through continuous upgrading and development by organizing technical, business and training in leadership skills.

We are obliged to ensure that all auditors who provide services to clients have adequate audit and accounting knowledge and experience in local reporting.

For the purposes of the audit in accordance with International Financial Reporting Standards (IFRS) and US Generally Accepted Accounting Principles (US GAAP), as well as extension of internal KPMG licenses of the partners responsible for quality control application of IFRS/US GAAP, and the standards of the Public Company Accounting Oversight Board (PCAOB) to audit engagements performed outside the US, all auditors at manager, senior manager and partners level are required to attend at least once a year training relating to amendments to these standards. Records of these trainings are conducted separately and with due care.

We require that all professionals in audit department maintain their accreditations in accordance with the demands of the respective Association to meet the prescribed requirements regarding the necessary continuing education.

Statutory auditors that hold Serbian Chamber of Certified Auditors license shall be for the purpose of maintaining and improving the level of professional skills attending professional training courses, seminars and lectures for a minimum of 120 hours over a period of 3 years (license validity cycle). As part of continuing professional development, licensed certified auditors must maintain and improve their knowledge in the following areas:

- International Standards on Auditing and International Standards on Quality Control
- International Standards of Financial Reporting
- International Financial Reporting Standards for small and medium-sized companies
- Code of professional ethics of auditors, and
- The legislation of interest to the auditing profession.

# 3.5 Commitment to technical excellence and quality service delivery (continued)

## 3.5.3 Access to specialist networks

Our engagement teams have access to a network of local KPMG specialists or specialists in other KPMG member firms.

Engagement partners are responsible for ensuring that their engagement teams have the appropriate resources and skills.

The need for specialists (e.g., Information Technology, Tax, Treasury, Pensions, Forensic, Valuation) to be assigned to a specific audit engagement is considered as part of the audit engagement acceptance and continuance process.

In addition, we have established Knowledge Management function within our office that is responsible to ensure that appropriate knowledge applications (global or local) are in place, have appropriate support, and are being used effectively.

The **KPMG Global Services (KGS)** and **KGS Capability Hubs** are delivery centers that provide specialized cross-functional services to KPMG engagement teams and clients. Our office is already working closely with KPMG Global Services. The value of the business information service is its ability to efficiently provide quick turnaround, rapid research and due to its ability to leverage the best of what is available in terms of experience, external data sources and internal knowledge across the global network, can offer consistent access to research service support globally, a pool of high quality researchers, and a rapid response informed by expansive qualitative and quantitative data sources.

## 3.5.4 Consultations

Internal consultation is a fundamental contributor to quality and is mandated in certain circumstances and always encouraged.

To assist audit engagement professionals in addressing difficult or contentious matters, we have established protocols for consultation and documentation of significant accounting and auditing matters, including procedures to facilitate resolution of differences of opinion on engagement issues.

We provide appropriate consultation support to audit engagement professionals through professional practice resources that include a Department for professional practice (“DPP”) or equivalent. Technical support is available to us through the International Standards Group (ISG) as well as the US Capital Markets Group for work on SEC foreign registrants.

The ISG works with Global IFRS and ISA topic teams with geographic representation from around the world to promote consistency of interpretation of IFRS between member firms, identify emerging issues, and develop global guidance on a timely basis.

## 3.5.5 Developing business understanding and industry knowledge

A key part of engagement quality is having a detailed understanding of the client’s business and industry.

For significant industries, global audit sector leads are appointed to support the development of relevant industry information, which is made available to audit professionals within eAudit.

This knowledge comprises examples of industry audit procedures and other information (such as typical risks and accounting processes). In addition, industry overviews are available which provide general and business information in respect of particular industries, as well as a summary of the industry knowledge provided in eAudit.

KPMG Portal is our knowledge sharing platform and the primary internal online channel. Our Portal is easy to use, intuitive and provides clear messaging and communications that directs our staff to the information they need and enables them to do their job as effectively and efficiently as possible.

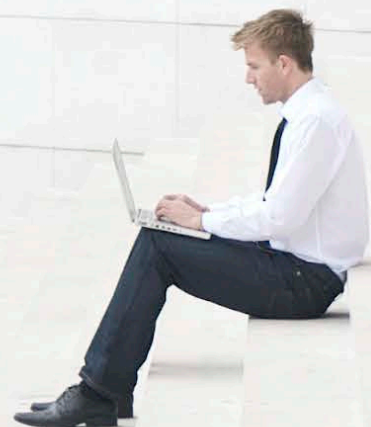


# 3.5 Commitment to technical excellence and quality service delivery (continued)

**Thought Leadership** are free to download publications, research papers and surveys that provide KPMG's insights from around the world to today's pressing business issues. Since our intention is to share knowledge not only among our member firms and global network of professionals but also with our clients and wider public in general, these pieces of thought leadership are available on our website and also distributed to various stakeholders.

We have an established knowledge management function in our office that incorporates a research center, available to all KPMG employees, providing access to licensed research tools and services that help deliver critical insights for our employees, clients and targets.

In addition, industry overviews are available which provide general and business information in respect of particular industries, as well as a summary of the industry knowledge provided in eAudIT. There are a number of News Bulletins and Newsletters that are regularly created to share knowledge and value among our employees across the world.



# 3.6 Performance of high-quality audits

How an audit is conducted is as important as the final result. Our drivers of audit quality enhance the quality of the engagement team's performance during the conduct of every audit.

We expect our people to demonstrate certain key behaviors in the performance of effective and efficient audits. These behaviors are discussed below.

## 3.6.1 KPMG Audit process

As set out above, our audit workflow is enabled in eAudit.

The key behaviors that our auditors apply throughout the audit process to deliver effective and efficient audits are:

- timely partner and manager involvement
- critical assessment of audit evidence
- exercise of professional judgment and professional skepticism
- ongoing mentoring and on-the-job coaching, supervision and review
- appropriately supported and documented conclusions
- if relevant, appropriate involvement of the EQC reviewer
- reporting
- insightful, open, and honest two-way communication with those charged with governance
- client confidentiality, information security, and data privacy.

### Timely partner and manager involvement

To help identify and respond to the significant audit risks applicable to each audit, the engagement team requires an understanding of the client's business, its financial position, and the environment in which it operates.

The engagement partner is responsible for the overall quality of the audit engagement and therefore for the direction, supervision and performance of the engagement.

Involvement and leadership from the engagement partner during the planning process and early in the audit process helps set the appropriate scope and tone for the audit, and helps the engagement team obtain maximum benefit from the partner's experience and skill. Timely involvement of the engagement partner at other stages of the engagement allows the engagement partner to identify and appropriately address matters significant to the engagement, including critical areas of judgment, and significant risks.

The engagement partner is responsible for the final audit opinion and reviews key audit documentation – in particular, documentation relating to significant matters arising during the audit and conclusions reached. The engagement manager assists the partner in meeting these responsibilities and in the day-to-day liaison with the client and team.

### Critical assessment of audit evidence with emphasis on professional skepticism

We consider all audit evidence obtained during the course of the audit, including consideration of contradictory or inconsistent audit evidence. The nature and extent of the audit evidence we gather is responsive to the assessed risks. We critically assess audit evidence obtained from all sources.

The analysis of the audit evidence requires each of our team members to exercise professional judgment and maintain professional skepticism to obtain sufficient appropriate audit evidence.

Professional skepticism involves a questioning mind and alertness to contradictions or inconsistencies in audit evidence. Professional skepticism features prominently throughout auditing standards and receives significant focus from regulators. Our Audit Quality Framework emphasizes the importance of maintaining an attitude of professional skepticism throughout the audit.

We have developed a professional judgment process that provides audit professionals with a structured approach to making judgments. Our professional judgment process has professional skepticism at its heart. It recognizes the need to be alert to biases which may pose threats to good judgment, consider alternatives, critically assess audit evidence by challenging management's assumptions and following up contradictory or inconsistent information, and document rationale for conclusions reached on a timely basis as a means of testing their completeness and appropriateness.

## 3.6 Performance of high-quality audits (continued)

### Ongoing mentoring and on-the-job coaching, supervision and review

We understand that skills build over time and through exposure to different experiences. To invest in the building of skills and capabilities of our professionals, without compromising on quality, we use a continuous learning environment. We support a coaching culture throughout KPMG as part of enabling personnel to achieve their full potential.

Ongoing mentoring and on-the-job coaching and supervision during an audit involves:

- engagement partner participation in planning discussions;
- tracking the progress of the audit engagement;
- considering the competence and capabilities of the individual members of the engagement team, including whether they have sufficient time to carry out their work, whether they understand their instructions, and whether the work is being carried out in accordance with the planned approach to the engagement;
- helping engagement team members address any significant matters that arise during the audit and modifying the planned approach appropriately; and
- identifying matters for consultation with more experienced team members during the engagement.

A key part of effective mentoring, coaching and supervision is timely review of the work performed so that significant matters are promptly identified, discussed and addressed.

### Appropriately supported and documented conclusions

Audit documentation records the audit procedures performed, evidence obtained and conclusions reached on significant matters on each audit engagement. Our policies require review of documentation by more experienced engagement team members.

Our methodology recognizes that documentation prepared on a timely basis helps to enhance the quality of the audit and facilitates the effective review and evaluation of the audit evidence obtained and conclusions reached before our report is finalized. Teams are required to assemble a complete and final set of audit documentation for retention within an appropriate time period, which is ordinarily not more than 60 calendar days from the date of the audit report but may be more restrictive under certain applicable regulations.

The key principle that engagement team members are required to consider is whether an experienced auditor, having no previous connection with the engagement, will understand:

- the nature, timing, and extent of audit procedures performed to comply with the ISAs;
- applicable legal and regulatory requirements;
- the results of the procedures performed, and the audit evidence obtained;

- significant findings and issues arising during the audit, and actions taken to address them (including additional audit evidence obtained); and
- the basis for the conclusions reached, and significant professional judgments made in reaching those conclusions.

We have a formal document retention policy in accordance with applicable laws and regulations that govern the period we retain audit documentation and other client-specific records.

### Appropriate involvement of the EQC reviewer

Engagement Quality Control (EQC) reviewers have appropriate experience and knowledge to perform an objective review of the decisions and judgments made by the engagement team. They are experienced audit professionals who are independent of the engagement team. They provide an objective review of the more critical and judgmental elements of the audit.

# 3.6 Performance of high-quality audits (continued)

An EQC reviewer is required to be appointed for the audits, including any related review(s) of interim financial information, of all listed entities, non-listed entities with a high public profile, engagements that require an EQC review under applicable laws or regulations, and other engagements as designated by the risk management partner or country head of audit. Before the date of the auditor's report, these individuals review:

- selected audit documentation and client communications,
- appropriateness of the financial statements and related disclosures, and
- significant judgments the engagement team made and the conclusions it reached with respect to the audit.

The audit is completed only when the EQC reviewer is satisfied that all significant questions raised have been resolved.

We are continually seeking to strengthen and improve the role that the EQC review plays in audits, as this is a fundamental part of the system of audit quality control. In recent years we have taken a number of actions to reinforce this, including:

- issuing leading practices guidance focusing on reviewer competencies and capabilities and on ongoing support provided to EQC reviewers,
- incorporating specific procedures in eAudit to facilitate effective reviews, and
- implementing policies relating to recognition, nomination and development of EQC reviewers, as well as monitoring and assessing the nature, timing and extent of their involvement.

## Reporting

Auditing standards, Law on Auditing of the Republic of Serbia and by-laws of the National Bank of Serbia and the Securities Commission of the Republic of Serbia largely dictate the format and content of the audit report that includes an opinion on the fair presentation of the client's financial statements in all material respects. Experienced engagement partners arrive at all audit opinions based on the audit performed.

In preparing audit reports, engagement partners have access to extensive reporting guidance and technical support to audit partners through consultations with Department for professional practice ("DPP"), especially where there are significant matters to be reported to users of the audit report, either as a qualification to the audit report or through the inclusion of an emphasis of matter paragraph.

## **Insightful, open, and honest two-way communication with those charged with governance**

Two-way communication with those charged with governance is key to audit quality. Often the audit committee will be the group identified as those charged with governance. We stress the importance of keeping those charged with governance informed of issues arising throughout the audit and of understanding their views.

We achieve this through a combination of reports and presentations, attendance at audit committee or board meetings, and ongoing discussions with members of the audit committee.

We deliver insights such as our assessment of the appropriateness of significant accounting practices, including accounting policies, accounting estimates, financial statement disclosures, significant deficiencies in the design and operation of financial reporting systems, controls when such deficiencies come to our attention during the course of the audit and any uncorrected misstatements. We share our industry experience to encourage discussion and debate with those charged with governance.

In recognition of the demanding and important role that Audit Committees play for the capital markets and also of the challenges that they face in meeting their responsibilities, our Audit Committee Institute ("ACI") aims to help Audit Committee members enhance their awareness, commitment and ability to implement effective Audit Committee processes.

The ACI operates in 35 countries across the globe and provides Audit Committee members with authoritative guidance on matters of interest to Audit Committees as well as the opportunity to network with their peers during an extensive programme of technical updates and awareness seminars.

Globally the ACI has thousands of members across both the private and public sectors.



# 3.6 Performance of high-quality audits (continued)

## Focus on effectiveness of group audits

Our audit methodology covers the conduct of group audits in detail.

We stress the importance of effective two-way communication between the group engagement team and the component auditors, which is a key to audit quality. The group audit engagement partner is required to evaluate the competence of component auditors, whether or not they are KPMG member firms or not as part of the engagement acceptance process. Our audit methodology incorporates the heightened attention currently being given to key risk areas for group audits, e.g., emerging markets and business environments that may be subject to heightened fraud risks.

Consistent approaches, methodology and tools are used across the KPMG network. We provide lead audit engagement partners with information on component auditors within the KPMG network to help them evaluate their competence and capabilities including, where appropriate, the results of relevant inspection results.

Lead audit engagement partners may review component auditor engagement documentation in person or obtain electronic access.

## 3.6.2 Client confidentiality, information security, and data privacy

The importance of maintaining client confidentiality is emphasized through a variety of mechanisms including the Code of Conduct, training, and the annual affidavit/confirmation process, that all of our professionals are required to complete.

We have a formal document retention policy concerning the retention period for audit documentation and other records relevant to an engagement in accordance with the relevant IESBA requirements as well as other applicable laws, standards and regulations.

We have clear policies on information security that cover a wide range of areas. Data Privacy policies are in place governing the handling of personal information, and associated training is required for all KPMG personnel. KPMG d.o.o. Beograd adheres to the requirements under the local legislation, in particular to the Law on Personal Data Protection.

# 3.7 Commitment to continuous improvement

We focus on ensuring our work continues to meet the needs of participants in the capital markets. To achieve this goal, we employ a broad range of mechanisms to monitor our performance, respond to feedback, and understand our opportunities for continuous improvement.

Additionally, we have processes in place to proactively identify emerging risks and to identify opportunities to improve quality and provide insights.

## 3.7.1 Monitoring

### Internal monitoring

KPMG International has an integrated monitoring program that covers all member firms to assess the relevance, adequacy, and effective operation of key quality control policies and procedures. This monitoring addresses both engagement delivery and KPMG International policies and procedures. The results and lessons from the programs are communicated within each member firm, and the overall results and lessons from the programs are considered and appropriate action taken at regional and global levels. Our internal monitoring program also contributes to the assessment of whether our system of quality control has been appropriately designed, effectively implemented, and operates effectively.

Our monitoring procedures involve ongoing consideration of:

- compliance with KPMG International policies and procedures
- the effectiveness of training and other professional development activities
- compliance with applicable laws and regulation and member firms' standards, policies, and procedures.

Two KPMG International developed and administered inspection programs are conducted annually across the Audit, Tax, and Advisory functions:

- Quality Performance Review (QPR) Program, and
- Risk Compliance Program (RCP).

Additionally all member firms are covered by cross-functional Global Compliance Reviews (GCRs). These programs are designed by KPMG International and participation in them is a condition of ongoing membership of the KPMG network.

### Quality Performance Reviews (QPRs)

The international QPR Program is the cornerstone of our efforts to monitor engagement quality, and one of our primary means of ensuring that member firms are collectively and consistently meeting KPMG International's requirements and applicable professional standards. The QPR Program assesses engagement level performance in the Audit, Tax, and Advisory functions and identifies opportunities to improve engagement quality.

All engagement partners are generally subject to selection for review at least once in a three-year cycle. The reviews are tailored to the relevant function, performed at a member firm level, generally overseen by a senior experienced lead reviewer independent from the member firm, and are monitored regionally and globally.

We perform a root cause analysis for pervasive issues. Remedial action plans for all significant deficiencies noted are required at an engagement and member firm level. We disseminate our findings from the QPR Program to our professionals through written communications, internal training tools, and periodic partner, manager and staff meetings. These areas are also emphasized in subsequent inspection programs to gauge the extent of continuous improvement.

Lead audit engagement partners are notified of less than satisfactory engagement ratings on their respective cross-border engagements. Additionally, lead audit engagement partners of parent companies/head offices are notified where a subsidiary/affiliate of their client group is audited by a member firm where significant quality issues have been identified during the Audit QPR. The last QP review in KPMG d.o.o. Beograd was in June 2015.

# 3.7 Commitment to continuous improvement

(continued)

## Risk Compliance Program (RCP)

The RCP is a member firm's annual self-assessment program. The objectives of the RCP are to monitor, assess, and document member firm-wide compliance with the system of quality control established through KPMG International's quality and risk management policies and applicable legal and regulatory requirements as they relate to the delivery of professional services. The program is overseen and monitored regionally as well as globally. The last RCP control in KPMG d.o.o. Beograd was performed during May – August 2015.

## Global Compliance Review (GCR) program

GCRs are performed by reviewers independent of the member firm, who report to Global Quality & Risk Management (GQ&RM) and are led by the Global Compliance Group. GCRs are carried out on member firms once in a three-year cycle. These reviews focus on significant governance, risk management, independence, and finance processes (including an assessment of the robustness of the firm's RCP). In the event that a GCR identifies issues that require immediate or near-term attention, a follow-up review will be performed as appropriate. The last GCR in KPMG d.o.o. Beograd was in October 2015.

All three programs require action plans to address identified issues, with time lines, to be developed by the member firm, and these actions to improve performance are followed up at the regional and global level to ensure that the actions address the identified issues with the objective of continuous improvement.

## External monitoring

The Law on Auditing enacted in Serbia in 2013, inter alia, includes the establishment of an efficient quality assurance system and public oversight processes over the auditing profession in Serbia. Quality assurance of the work of auditing firms, independent auditors and certified auditors are conducted by the Chamber of Certified Auditors (hereinafter Chamber). According to the requirements of the Law on Auditing public oversight has been entrusted to the Audit Public Oversight Committee which is an individual and independent body conducting oversight of the Chamber's work, of the work of auditing firms, of independent auditors and certified auditors.

KPMG d.o.o. Beograd was the subject to quality control inspection of the Chamber in October 2014.

The external inspection did not identify any issues that have a material impact on the conduct of our statutory audit business.

## 3.7.2 Client feedback

In addition to internal and external monitoring of quality, we operate a formal program where we actively solicit feedback from management and those charged with governance on the quality of specific services that we have provided to them. The feedback that we receive from this program is formally considered centrally and by the individual client service teams to ensure that we continually learn and improve the levels of client service that we deliver. Any urgent actions arising from client feedback are followed up by the engagement partner to ensure that concerns on quality are dealt with on a timely basis.

## 3.7.3 Monitoring of complaints

We have procedures in place for monitoring and addressing complaints received relating to the quality of our work. These procedures are detailed in our General Terms of Business that are component part of each and every contract when we are engaged to provide professional audit, tax and advisory services.

# 3.7 Commitment to continuous improvement

## (continued)

### 3.7.4 Interaction with regulators

At an international level, KPMG International has regular two-way communication with the International Forum of Independent Audit Regulators (IFIAR) to discuss audit quality findings and actions taken to address such issues at a network level.

KPMG d.o.o. Beograd cooperates with the Chamber of Certified Auditors of the Republic of Serbia on all relevant matters relating to the provision of audit services and compliance with the requirements in accordance with the applicable international and local regulations, and participates actively in the work of certain bodies of the Chamber.

KPMG d.o.o. Beograd has regular communication with the National Bank of Serbia on matters relating to the audit of the financial statements of the financial institutions. Through its cooperation with all relevant regulatory authorities of the Republic of Serbia, KPMG d.o.o. Beograd demonstrates its readiness and commitment to help improving the quality of audit in the Republic of Serbia and the implementation of all regulatory requirements.

KPMG d.o.o. Beograd is obliged to report on an annual basis to Securities Commission of the Republic of Serbia in the matters of transparency and provision of audit and non-audit services to public interest entities and their related parties.



## 4. Financial Information

Overview of the total revenues of the Company for consulting and auditing KPMG d.o.o. Beograd in fiscal year 2015:

Revenues	RSD
<b>Total revenues</b>	<b>1,491,896,390.05</b>
<b>Audit revenues</b>	<b>585,450,069.04</b>
- Statutory Audit	303,673,054.47
- Other audit services	281,777,014.57
<b>Consulting revenues</b>	<b>906,446,321.01</b>
- Tax	356,967,575.97
- Advisory	549,478,745.04

For the fiscal year 2015 the Company for consulting and auditing KPMG d.o.o. Beograd has achieved operating revenues from services in the amount of RSD 1,491,896,390.05.

Revenues from the financial statement audits are stated in the amount of RSD 585,450,069.04, which is 39% of the total operating revenues generated by the Company from the sale of services, while service revenues from tax consulting and other non-audit services are presented in the amount of RSD 906,446,321.01 representing 61% of the total operating revenues from services in the respective year.

# 5. Audit Partners Remuneration

At the beginning of each financial year the key audit partners receive allocations of income and the level of internal competences they have to take care of, which is also formalized through internal MyPD document.

Based on these objectives, the expected profitability of the entire audit firm as well as the years of experience as a partner and/or director in the audit firm, the key audit partner is given the "target level of annual income."

The key audit partners receive the major part of this "target level of annual income" in the form of regular fixed monthly salary, while a variable element is determined at the end of the financial year, taking into account the actual level of income, the quality of the performed work, as evidenced by KPMG wide quality review programs, and the overall profitability of the entire firm.

Earnings of the partners in Audit function do not take into account the level of their specific success in selling non-audit services to their audit clients.



# 6. KPMG network arrangements

## 6.1 Legal Structure

The independent member firms of the KPMG network are affiliated with KPMG International, a Swiss cooperative which is a legal entity formed under Swiss law.

KPMG International carries on business activities for the overall benefit of the KPMG network of member firms but does not provide professional services to clients. Professional services to clients are exclusively provided by member firms.

The structure is designed to support consistency of service quality and adherence to agreed values wherever in the world the member firms operate. One of the main purposes of KPMG International is to facilitate the provision by member firms of high quality Audit, Tax, and Advisory services to their clients. For example, KPMG International establishes and facilitates the implementation and maintenance of uniform policies and standards of work and conduct by member firms, and protects and enhances the use of the KPMG name and brand.

KPMG International is an entity that is legally separate from each member firm. KPMG International and the member firms are not a global partnership, joint venture, or in a principal or agent relationship or partnership with each other. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firms.

More information about the KPMG network can be found in the [2015 International Annual Review Report](#).

## 6.2 Responsibilities and obligations of member firms

Under agreements with KPMG International, member firms are required to comply with KPMG International's policies and regulations including quality standards governing how they operate and how they provide services to clients to compete effectively. This includes having a firm structure that ensures continuity and stability and being able to adopt global and regional strategies, share resources (incoming and outgoing), service multinational clients, manage risk, and deploy global methodologies and tools. Each member firm takes responsibility for its management and the quality of its work.

### Member firms commit to a common set of KPMG values

KPMG International's activities are funded by amounts paid by member firms. The basis for calculating such amounts is approved by the Global Board and consistently applied to the member firms. A firm's status as a KPMG member firm and its participation in the KPMG network may be terminated if, among other things, it has not complied with the policies and regulations set by KPMG International or any of its other obligations owed to KPMG International.

## 6.3 Professional Indemnity Insurance

A substantial level of insurance cover is maintained in respect of professional negligence claims. The cover provides a territorial coverage on a worldwide basis and is principally written through a captive insurer that is available to all KPMG member firms.

## 6.4 Governance Structure

The key governance and management bodies of KPMG International are the Global Council, the Global Board, and the Global Management Team.

### Global Council

The Global Council focuses on high-level governance tasks and provides a forum for open discussion and communication among member firms. It performs functions equivalent to a shareholders' meeting (albeit that KPMG International has no share capital and, therefore, only has members, not shareholders). Among other things, the Global Council elects the chairman for a term of up to four years (renewable once) and also approves the appointment of Global Board members. It includes representation from 58 member firms that are "members" of KPMG International as a matter of Swiss law. Sub-licensees are generally indirectly represented by a member.

# 6. KPMG network arrangements (continued)

## Global Board

The Global Board is the principal governance and oversight body of KPMG International. The key responsibilities of the Board include approving strategy, protecting and enhancing the KPMG brand, overseeing management of KPMG International, and approving policies and regulations. It also admits member firms and ratifies the global chairman's appointment of the global deputy chairman and members of the Global Management Team.

The Global Board includes the global chairman, the global deputy chairman, the chairman of each of the three regions (the Americas; Asia Pacific (ASPAC); and Europe, the Middle East, and Africa (EMA)) and a number of senior partners of member firms. It is led by the global chairman who is supported by the Executive Committee, consisting of the global chairman, the global deputy chairman, the chairman of each of the regions and currently three other senior partners of member firms.

One of the other Global Board members is elected as the lead director by these Global Board members who are not also members of the Executive Committee of the Global Board ("nonexecutive" members). A key role of the lead director is to act as liaison between the global chairman and the "nonexecutive" Global Board members. The list of Global Board members, as at 1 October 2015 is available in the [International Annual Review](#).

The Global Board is supported in its oversight and governance responsibilities by several other committees, including a Governance Committee, an Operations Committee, and Investments Committee, a Quality and Risk Management Committee, and a Professional Indemnity Insurance Committee. The lead director nominates the chairs and members of certain Global Board committees for approval by the Global Board.

## Global Management Team

The Global Board has delegated certain responsibilities to the Global Management Team. These responsibilities include developing global strategy by working together with the Executive Committee. The Global Management Team also supports the member firms in their execution of the global strategy and is responsible for holding them accountable for commitments. It is led by the global deputy chairman, and includes the global chairman, the global deputy chairman, the global chief operations officer, global function and infrastructure heads and the general counsel. The list of Global Management Team members, as at 1 October 2015, is available in the [International Annual Review](#).

The Global Steering Groups are responsible for supporting and driving the execution of the strategy and business plan in their respective areas and act under oversight of the Global Management Team. The role of the Global Quality & Risk Management Steering Group is outlined in more detail in the KPMG International Transparency Report.

Each member firm is part of one of three regions (the Americas, ASPAC, and EMA). Each region has a Regional Board comprising a regional chairman, regional chief operating or executive officer, representation from any sub-regions, and other members as appropriate. Each Regional Board focuses specifically on the needs of member firms within their region and assists in the implementation of KPMG International's policies and processes within the region.

Further details about KPMG International including the governance arrangements, can be found in its [2015 Transparency Report](#).

## 6.5 Area Quality & Risk Management Leaders

KPMG International has a network of Area Quality & Risk Management Leaders (ARLs), reporting to the Global Vice Chair – Quality, Risk and Regulatory. The ARLs are members of the Global Quality & Risk Management Steering Group and each ARL performs a monitoring function over a group of member firms. Their role is to enhance the KPMG network's ability to proactively monitor quality and risk management across member firms.



# 7. Statement by the Leadership of KPMG d.o.o.

## Beograd on the effectiveness of quality controls and independence

The measures and procedures that serve as the basis for the system of quality control for KPMG d.o.o. Beograd outlined in this report aim to provide a reasonable degree of assurance that the statutory audits carried out by our firm comply with the applicable laws and regulations. Because of its inherent limitations, the system of quality controls is not intended to provide absolute assurance that non-compliance with relevant laws and regulations would be prevented or detected.

The leadership of KPMG d.o.o. Beograd has considered:

- the design and operation of the quality control systems as described in this report;
- the findings from the various compliance programs operated by our firm (including the KPMG International Review Programs as described in section 3.7.1 and our local compliance monitoring programs); and
- findings from regulatory inspections and subsequent follow up and/or remedial actions.

Taking all of this evidence together, the leadership of KPMG d.o.o. Beograd confirms with a reasonable level of assurance that the systems of quality control within our firm have operated effectively in the year to 31 December 2015.

Further, the leadership of KPMG d.o.o. Beograd confirms that an internal review of independence compliance within our firm has been conducted in the year to 31 December 2015.

Belgrade, 4 March 2016



James Thornley  
Senior Partner



# Appendices

# A.1 Key legal entities and areas of operation

Name of Entity	Legal Structure	Regulatory Status	Nature of Business	Area of Operation
KPMG d.o.o. Beograd	Limited Liability Company	Active business entity	Audit, Tax and Advisory	Republic of Serbia
KPMG AAS d.o.o. Beograd	Limited Liability Company	Active business entity	Bookkeeping and payroll services	Republic of Serbia
KPMG d.o.o. Podgorica	Limited Liability Company	Active business entity	Audit, Tax and Advisory	Montenegro

# A.2 KPMG d.o.o. Beograd Leadership

## Audit Partners



**JAMES THORNLEY**

**Senior Partner i Head of Audit**

James Thornley is the Senior Partner and Head of Audit. He has 25 years of professional experience including the past 18 years in KPMG of which 12 years are with KPMG Serbia and Montenegro. James holds international and domestic professional qualifications (member of ICAEW and KOR Serbia).



**IVANA MANIGODIĆ**

Ivana Manigodic is the Audit Partner, Head of Commercial Audit.. She has 18 years of professional experience in KPMG Serbia and Montenegro. Ivana holds international and domestic professional qualifications (member of ACCA and KOR Serbia).



**BRANKO VOJNOVIĆ**

Branko Vojnovic is the Audit Partner, Head of Montenegro and Public Sector. He has 16 years of professional experience in KPMG including last 5 years with KPMG Serbia and Montenegro. Branko holds international and domestic professional qualifications (member of ICAO, KOR Serbia and IAA Montenegro).



**DUŠAN TOMIĆ**

Dusan Tomic is a Partner, Head of Financial Services (Audit and Advisory). He has 12 years of professional experience in KPMG Serbia and Montenegro. Dusan holds international and domestic professional qualifications (member of ACCA and KOR Serbia).



**ĐORĐE DIMIĆ**

Djordje Dimic is a Partner in Audit Commercial Sector. He has 13 years of professional experience in KPMG Serbia and Montenegro. Djordje holds international and domestic professional qualifications (member of ACCA and KOR Serbia).



## A.2 KPMG d.o.o. Beograd Leadership (continued)

### Advisory Partners



**BORIS MILOŠEVIĆ**

Boris Milosevic is the Finance Partner and Head of Advisory. He has 17 years of professional experience including the last 14 years in KPMG Serbia and Montenegro. Boris holds international and domestic professional qualifications (member of ACCA, KOR Serbia and IAA Montenegro).



**UROŠ AČANSKI**

Uros Acanski is a Partner in Advisory Sector. He has 11 years of professional experience in KPMG Serbia and Montenegro. Uros holds international professional qualification (member of ACCA).

### Tax Advisory Partners



**IGOR LONČAREVIĆ**

Igor Loncarevic is the Partner and Head of Tax. He has 12 years of professional experience in KPMG Serbia and Montenegro. Igor is member of International Fiscal Association and Serbian Fiscal Society.



**BILJANA BUJIĆ**

Biljana Bujic is the Tax Partner. She has 17 years of professional experience including the last 11 years in KPMG Serbia and Montenegro. Biljana is a member of International Fiscal Association and founding member of the Serbian Fiscal Society (branch of IFA).

## A.3 Public Interest Entities

During the previous fiscal year 2015 KPMG d.o.o. Beograd performed the statutory audit of financial statements for the year 2014 of the following public interest entities:

### Publicly Listed Entities

Alas Holding a.d. Beograd  
Albus a.d. Novi Sad  
Auto kuća Kompresor a.d. Beograd  
Autoprevoz a.d. Čačak  
Beogradska pekarska industrija a.d. Beograd  
Čačanska banka a.d. Čačak  
Dunav banka a.d. Beograd (sada mts banka)  
Dunav Re a.d.o. Beograd  
Fabrika šećera Crvenka a.d. Crvenka  
Fabrika šećera Šajkaška a.d. Žabalj  
Fabrika šećera TE-TO a.d. Senta  
Industrija skroba Jabuka a.d. Pančevo  
Industrijske nekretnine a.d. Beograd  
Interservis a.d. Futog  
Kačarevo a.d. Kačarevo  
Kavim Raška a.d. Raška  
Kozara a.d. Banatsko Veliko Selo  
Krušik-Precizni Liv a.d. Mionica  
Leskovački sajam a.d. Leskovac  
Linde Gas Srbija a.d. Bečej  
Livnica Kikinda a.d. Kikinda  
Luka Beograd a.d. Beograd  
Luka Dunav a.d. Pančevo  
Lukoil Srbija a.d. Beograd  
Messer Tehnogas a.d. Beograd  
Milan Blagojević a.d. Smederevo  
Nacional a.d. Beograd  
Napredak a.d. Stara Pazova  
NIS - Naftna industrija Srbije a.d. Novi Sad  
Novosadska fabrika kabela a.d. Novi Sad  
PKB Korporacija a.d. Beograd  
Podunavlje a.d. Čelarevo  
Ravnište a.d. Kruševac  
Rubin a.d. Kruševac  
Rudnap Group a.d. Beograd  
Sojaprotein a.d. Bečej  
SP Laboratorija a.d. Bečej  
Srpska fabrika stakla a.d. Paraćin  
Sunce a.d. Sombor  
Valjaonica bakra Sevojno a.d. Sevojno  
Veterinarska stanica Veterinarski centar a.d. Kraljevo  
Veterinarski zavod Subotica a.d. Subotica  
Vino Župa a.d. Aleksandrovac  
Vital a.d. Vrbas

# A.3 Public Interest Entities (continued)

## Other Public Interest Entities (Large Entities)

A&P d.o.o. Beograd  
Adidas Serbia d.o.o. Beograd  
Air Serbia a.d. Beograd  
Almex d.o.o. Pančevo  
Alpha Bank Srbija a.d. Beograd  
AS neživotno osiguranje a.d.o. Beograd  
ATB Sever d.o.o. Subotica  
Banca Intesa a.d. Beograd  
Carlsberg Srbija d.o.o. Čelarevo  
CDE S d.o.o. Beograd  
CT Computers d.o.o. Beograd (sada Comtrade Distribution)  
Danubius d.o.o. Novi Sad  
Delta Agrar d.o.o. Beograd  
Delta DMD d.o.o. Beograd  
Delta Sport d.o.o. Beograd  
Don Don d.o.o. Beograd  
Dunav društvo za upravljanje dobrovoljnim penzijskim fondom a.d. Beograd  
Dunav dobrovoljni penzijski fond  
Dunav Stockbroker a.d. Beograd  
Elektromreža Srbije JP Beograd  
Elektroprivreda Srbije JP Beograd  
    Termoelektrane Nikola Tesla d.o.o. Obrenovac  
    Termoelektrana i kopovi Kostolac d.o.o. Kostolac  
    Panonske termoelektrane - toplane d.o.o. Novi Sad  
    Hidroelektrane Đerdap d.o.o. Kladovo  
    Drinsko-Limske Hidroelektrane d.o.o. Bajina Bašta  
    Elektrovojvodina Novi Sad d.o.o. Novi Sad  
    Elektrodistribucija Beograd d.o.o. Beograd  
    Centar d.o.o. Kragujevac  
    Jugoistok d.o.o. Niš  
    Elektrosrbija d.o.o. Kraljevo  
    EPS snabdevanje d.o.o. Beograd  
    Rudarski basen Kolubara d.o.o. Lazarevac  
Elixir Group d.o.o. Šabac  
Elixir Zorka - Mineralna đubriva d.o.o. Šabac  
Erma d.o.o. Beograd  
FAM Sečanj Automobilska industrija d.o.o. Sečanj  
Fresenius Medical Care Srbija d.o.o. Vršac  
Futura plus d.o.o. Beograd  
Grawe osiguranje a.d.o. Beograd  
Henkel Srbija d.o.o. Beograd

# A.3 Public Interest Entities (continued)

## Other Public Interest Entities (Large Entities)

Hypo Alpe-Adria-Bank a.d. Beograd  
Intesa Leasing d.o.o. Beograd  
Invej a.d. Beograd  
Knjaz Miloš a.d. Aranđelovac  
Lilly Drogerie d.o.o. Beograd  
Livnica Kikinda Automobilska industrija d.o.o. Kikinda  
Livnica Mašinogradnja d.o.o. Kikinda  
Marbo Product d.o.o. Beograd  
Mercedes-Benz Srbija i Crna Gora d.o.o. Beograd  
Merkur osiguranje a.d.o. Beograd, Akcionarsko društvo za životno osiguranje  
Metro Cash & Carry d.o.o. Beograd  
Mondelez d.o.o. Beograd  
Nestle Adriatic S d.o.o. Beograd  
Opportunity banka a.d. Novi Sad  
Peštan d.o.o. Bukovik  
ProCredit Bank a.d. Beograd  
ProCredit Leasing d.o.o. Beograd  
Raiffeisen banka a.d. Beograd  
Raiffeisen Future a.d. Beograd Društvo za upravljanje dobrovoljnim penzijskim fondom  
Raiffeisen Future Dobrovoljni penzijski fond  
Raiffeisen Invest a.d. Beograd Društvo za upravljanje investicionim fondovima  
Raiffeisen World Otvoreni investicioni fond  
Raiffeisen Cash Otvoreni investicioni fond  
Raiffeisen Euro Cash Otvoreni investicioni fond  
Raiffeisen Leasing d.o.o. Beograd  
Roaming electronics d.o.o. Beograd  
SBB d.o.o. Beograd  
Strauss Adriatic d.o.o. Šimanovci  
Štampa sistem d.o.o. Beograd  
Tarkett d.o.o. Bačka Palanka  
Tehnomanija d.o.o. Beograd  
Telekom Srbija a.d. Beograd  
Veletabak d.o.o. Novi Sad  
Victoria Logistic d.o.o. Novi Sad  
Victoriaoil a.d. Šid  
Wiener RE akcionarsko društvo za reosiguranje Beograd  
Wiener Stadtische osiguranje a.d.o. Beograd  
Yuhor-Export a.d. Jagodina  
Železara Smederevo d.o.o. Smederevo





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