

LAW ON TAX ADVISING

I BASIC PROVISIONS

Article 1

(1) This Law regulates the field of tax advising, providing expert assistance regarding tax laws of the Republic of Srpska (hereinafter: the Republic), manner and conditions for acquiring the vocation of tax adviser, as well as their organisation.

(2) Providing expert assistance regarding tax issues referred to in paragraph 1 of this Article includes the following:

- a) assistance with record keeping relevant to tax issues,
- b) assistance with tax balance drafting and documents relevant to taxation and
- c) representing in tax issues in front of the competent bodies.

Article 2

(1) Tax advising for the purpose of this Law can be performed by authorised and registered natural persons and legal entities.

(2) Tax advisers and companies for tax advising are authorised to perform tax advising.

Article 3

(1) Tax advisers and companies for tax advising are authorised to provide advising services in issues regarding tax laws of Bosnia and Herzegovina, including tax laws of the Republic, Federation of Bosnia and Herzegovina and Brčko District.

(2) Tax advisers and companies for tax advising are authorised to provide tax advising in situations regarding tax law of foreign countries. Related authorisations of third persons based on other legal regulations remain intact.

(3) Provisions of this Law shall apply to foreign citizens on the principle of reciprocity.

II ORGANISATION OF THE FIELD OF TAX ADVISING

Article 4

(1) Tax advisers are performing the activity of tax advising individually.

(2) Companies for tax advising must be registered, in the competent court, for performing the activity of tax advising, based on the approval issued by the Ministry of Finance (hereinafter: the Ministry).

Article 5

In the framework of their engagement, tax advisers are obliged to provide expert assistance in tax and criminal issues and as well with fulfilment of bookkeeping obligations that are in existence based on the tax laws and especially with drafting of tax balance and its legal-tax assessment.

Article 6

The head office of the tax adviser is a place where the tax adviser is register in the competent court.

III MANNER AND CONDITIONS FOR ACQUIRING THE VOCATION OF TAX ADVISER

Article 7

- (1) Tax adviser is a person who, in accordance with this Law passed the exam for the tax adviser.
- (2) Vocation "tax adviser" can be used only by persons authorised by this Law.
- (3) Along with the vocation referred to in paragraph 2 of this Article, it is not allowed to use other vocations.
- (4) Rulebook and program for examination for tax adviser shall be issued by the Minister for Finance (hereinafter: the Minister).

Article 8

- (1) The exam for tax adviser can be taken by the candidate with a degree from the faculty of economic or faculty of law and at least five years of previous experience in the field of tax system.
- (2) The application for examinations shall be refused if:
 - a) there are proof based on which the permission to take the exam could be denied,
 - b) candidate is performing activities that are incompatible,
 - c) does not secure needed insurance for compensation for the harm that might come out of the activities of the tax adviser or companies for tax advising.
- (3) Decision on refusing the application for examination shall be issued by the Minister on the proposal of the examining board.
- (4) No appeal is allowed on the Decision referred to in paragraph 3 of this Article.

Article 9

- (1) On the exam, the candidate needs to present that he is capable of performing activities of the tax adviser.
- (2) The examination shall consist of two parts, written and oral.

(3) The examination shall be conducted in front of the examining board appointed by the Minister.

Article 10

Along with the application for examination, the candidate is obliged to pay the fee in the amount of average net salary paid in the Republic according to the last publication of the Republic of Srpska Institute for Statistics.

Article 11

- (1) After the examination is passed each candidate shall receive the certificate.
- (2) Based on the certificate, the Minister shall issue a Decision which allows them to perform the activities of tax advising (hereinafter: the licence).

Article 12

Licence of the tax adviser shall cease to be valid in cases of death or revoking.

Article 13

- (1) Licence shall be revoked if the tax adviser:
 - a) conducts an activity which is, in accordance with the relevant regulations incompatible with the vocation of tax adviser.
 - b) does not pay the prescribed and obligatory insurance against the dangers in its professional occupation and
 - c) losses his business capability.
- (2) Licence of the tax adviser is revoked by the Minister with the Decision on which no appeal is possible until the Chamber of Tax Advisers is established.

Article 14

- (1) Tax advisers that had their licence revoked in accordance with the Article 13 of this Law can have their licence returned if the reasons for its revoking have stopped.
- (2) Along with the request for reacquiring the licence, applicant is obliged to pay the fee in accordance with the Law.

Article 15

- (1) Companies for tax advising can be organised as general partnership or limited partnership.
- (2) Approval referred to in Article 4 of this Law, in the form of the decision is issued by the Ministry.

(3) Along with the request for issuing the approval referred to in paragraph 2 of this Article, it is necessary to submit evidences on status, founder's share, authorised person, status of the tax advisers in the company as well as other evidences prescribed by the by-law.

(4) Each change of the type of the company or authorised person must be reported to the Ministry.

Article 16

(1) Prerequisite for licencing the company for tax advising is that the founders (owners) or the director of the company must be tax advisers.

(2) Licence must not be granted until the company has professional indemnity insurance against the damage to the third person.

Article 17

Along with the application for the licence, company for tax advising is obliged to pay the fee in the amount of six average net salaries in the Republic for the previous year which was published by the Republic of Srpska Institute for Statistics.

Article 18

Decision on granting the licence is issued by the Ministry.

Article 19

Company is obliged to have the title "Company for tax advising" along with the company's name.

Article 20

The licence shall no longer be valid if the company stops its activities and if the licence is ceased.

Article 21

The Ministry is obliged to seize the licence if after the issuing of the licence it is proven that it should have been denied.

Article 22

- (1) Tax advisers are obliged to conduct the activity of tax advising in an independent, conscious and professional manner and with the professional secrecy obligation.
- (2) Tax advisers must not perform activities that are incompatible with the current one.
- (3) Tax adviser associates have a professional secrecy obligation.

Article 23

- (1) Rulebook on the fees for tax advising is issued by the Chamber of Tax Advisers with the previous approval of the Minister.
- (2) Until the Chamber of Tax Advisers is established, activities of the Chamber of Tax Advisers are conducted by the Ministry.

Article 24

- (1) Tax advisers must be adequately insured against the dangers in their professional activities.
- (2) Terms for insurance are determined by the Chamber of Tax Advisers and insurance companies combined.

IV ORGANISATION OF TAX ADVISERS

Article 25

- (1) Tax advisers in the Republic can form a professional chamber.
- (2) Professional chamber shall have the title: "Chamber of Tax Advisers of the Republic of Srpska" (hereinafter: the Chamber).
- (3) The Chamber shall have the head office in Banja Luka.

Article 26

Tax advisers, companies for tax advising, directors of the companies for tax advising and members of the management board of the companies for tax advising of the Republic can be members of the Chamber.

Article 27

- (1) The Chamber is responsible for the issues regarding the professional interest for the overall membership of the Chamber and to supervise fulfilment of the professional obligations and to represent its members with the public authorities and organisations.
- (2) For its members, the Chamber performs the following activities:
 - a) advising and training regarding professional obligations,
 - b) mediate in conflicts between the members of the Chamber,

- c) mediate in conflicts between the members of the Chamber and their principals,
- d) supervision of the obligations of the members,
- e) recommends candidates for Court of Honour,
- f) recommends experts asked for by a court of any other public authority,
- g) recommends tax advisers for the examination board in the exams for tax advisers,
- h) manages the register i.e. list of members,
- i) conducts the education and professional training for the future tax advisers,
- j) sets forth professional code on issues regarding activities of tax advising and rate and the price list of the services of tax advisers, and
- k) monitoring of the events in the field of tax system and giving initiatives for amending the Law and by-laws in the interest of the tax payers and the state.

Article 28

Assembly of the Chamber and the president are Chamber bodies.

Article 29

Assembly of the Chamber shall issue a Statute and a Rulebook on elections in the professional chamber, as well as other general acts that shall regulate the code of conduct of the members and their obligations, as well as the procedure before the Court of Honour.

Article 30

- (1) Members of the Chamber are obliged to pay the membership fee.
- (2) The Chamber can charge the fee for providing special services.
- (3) Amount of the membership fee and the fee is decided by the Assembly of the Chamber.

Article 31

Supervision of the activities of the Chamber and the implementation of the provision of this Law is conducted by the Ministry.

Article 32

Responsibility for serious violations of professional obligations, as well as the measures imposed by the Court of Honour shall be prescribed by the special act issued by the Assembly of the Chamber.

V PENAL, TRANSITIONAL AND CONCLUDING PROVISIONS

Article 33

(1) If the Ministry finds that a natural person or a legal entity, contrary to the Article 3 of this Law, conducted advising on tax matters, procedure in front of the competent body shall be started.

(2) For the offence referred to in paragraph 1 of this Article, fined shall be:

- a) natural person with the fine amounting from BAM 1,000 up to BAM 1,500,
- b) legal entity with the fine amounting from BAM 10,000 up to BAM 15,000.

Article 34

By-laws referred to in Article 7, paragraph 4 and Article 15, paragraph 3 shall be issued by the Minister within 90 days from the day of entering into force of this Law.

Article 35

The Chamber can be established after 20 tax advisers have acquired the operating permit.

Article 36

This Law shall enter into force on the eighth day following that of its publication in the Official Gazette of the Republic of Srpska.

Number: 01-182/08
Date: 30 January 2008

President of the
National Assembly
Igor Radojičić, MSc.