

The deadline for submitting reports will not be extended

We would like to remind you that, unlike last year, the legislator has decided not to extend the deadline for filing annual reports due to the coronavirus pandemic. It is thus obligatory to file an annual report with the Commercial Register within six months of the end of the financial year. For many entrepreneurs, this deadline will be 30th June.

The process must be completed correctly

The process of preparing the annual report is usually the task of the financial unit of the company (or it may be outsourced to a service provider). However, it is still the obligation of the management to ensure that the Commercial Register receives a correctly prepared annual report, duly signed and approved by the general meeting of shareholders, in a timely manner.

Depending on the type of company, submission of the annual report may also be preceded by a mandatory or optional review by auditors and, if the company has a supervisory board, the opinion of the supervisory board regarding the annual report must be submitted to the general meeting of shareholders.

It is important to take decisions that fully respect the requirements of the law and the statutes of the company. Such decisions prove that members of the management of the company have organised accounting and reporting in a manner that is expected of them – with due diligence.

Fines for those who do not comply

In the opinion of the Ministry of Justice, many companies are not sufficiently diligent in meeting their reporting obligations. According to the media, there are plans to deal with those who fail or have previously failed to submit reports by the required deadlines by imposing fines on such companies. The plan is to issue warnings and impose fines not only on legal persons but also on the members of their management and on liquidators.



Phases for preparing, approving and filing annual reports:

- Preparing the annual report and the proposal for profit distribution or covering losses;
- Auditing the report (if a review by auditors is mandatory for the company or if the company has voluntarily elected to have the report audited);
- The opinion of the supervisory board, if the company has a supervisory board;
- Approval of the annual report and the proposal for profit distribution or covering the loss by shareholders (which includes informing Nasdaq CSD of paying the dividend if the shares have been registered in Nasdaq CSD);
- Filing the annual report with the Commercial Register.