

Abstract of the Article
"Improvement of the Accounting Legislation of Ukraine"
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It has been ten years since the law of Ukraine of accounting and financial reporting in Ukraine came to force. We gained experience in its utilization and see its advantages and disadvantages.

In Verkhovna Rada there is a registered bill of making changes into the law of Ukraine of accounting and financial reporting in Ukraine, which was designed according to the real economic situation. At the same time this bill isn't being debated enough by the community of accountants.

The aim of the article is a critical analysis of some points of the law and suggesting its improvement.

On the level of basic terms of the bill there are contradictions to the actual use of it.

The law does not define what accounting is but implies that the result of accounting is financial reporting. Moreover such subjects are included to the standard bachelor degree training program as Financial Accounting I and Financial Accounting II. It is necessary to go back to the original law where it was stated.

It is suggested to specify the term "accounting" and add that it is a separate system, which is a sum total of methods of accounting, techniques and standard principles.

Section 2 of the law introduces a new term "administrative data". Its treatment makes an impression that it is financial, tax, budget and statistics reporting data.

Such new terms were introduced as "state accountant", "professional accountant". Though only the latter can provide accountant services and is controlled by public organizations and Methodological Council of Accounting. This approach creates more questions than provides answers.

Section 4 lists ten main principles of accounting but the international standards of financial reporting there are far more than ten. Disputable is the statement about the obligatory separate accounting to all subjects of business. This issue should be considered differentially.

There is no such term as "form of accounting" in the bill but there is a new one "techniques of processing and summarizing the accounting data". The terms are similar in meaning but are not the same.

Accounting techniques (accounting techniques, techniques of the accounting process) is the use of accounting equipment as a total of computer facilities, devices for registration combined with methods, which help to make accounting process, to transform the information about business transactions, gained from the original documents, into reporting indices.

Paragraph 5 section 8 provides for the self-dependent confirmation of additional accounts by the enterprise. The card of accounts in Ukraine is a normative document that has to be approved in a centralized way. Those seem to be control accounts.

Additionally there are adjustments to section 10 concerning taking the inventory and section 11 concerning financial reporting.