

2. IAS 37 Provisions, Contingent Liabilities and Contingent Assets; <http://www.iasplus.com/en/standards/ias/ias37>.
3. ASC 450, Contingencies; <http://www.iasplus.com/en-us/standards/fasb/liabilities/asc450>.
4. ASC 410, Asset Retirement and Environmental Obligations; <http://www.iasplus.com/en-us/standards/fasb/liabilities/asc410>.
5. ASC 420, Exit or Disposal Cost Obligations; <http://www.iasplus.com/en-us/standards/fasb/liabilities/asc420>.
6. CON 5, Recognition and Measurement in Financial Statements of Business Enterprises; www.fasb.org/pdf/con5.pdf.
7. CON 6, Elements of Financial Statements; www.fasb.org/pdf/con6.pdf.

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COMPARISON OF FINANCIAL STATEMENT PRESENTATION UNDER IFRS, US GAAP AND BELARUS GAAP

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Key words: accounting, financial reporting, IFRS, US GAAP, Belarus GAAP.

Abstract. We will analyze where the standards (IFRS, US GAAP and Belarus GAAP) are similar and where differences exist. There are many similarities in IFRS, US GAAP and Belarus GAAP approaches to financial statement presentation. Most Belarus GAAP are based in large part on IFRS and in some part on US GAAP. Some IFRS, however, have no comparable Belarus standard, and some of Belarus standards that are based on IFRS have not been updated for recent changes to the comparable IFRS. Therefore, the existing accounting system in Belarus continues to differ from IFRS as well as from US GAAP.

There are many similarities in IFRS, US GAAP and Belarus GAAP approaches to financial statement presentation. Under mentioned sets of standards, the components of a complete set of financial statements include: a statement of financial position (in Belarus – balance sheet), a statement of profit and loss (i.e., income statement) and a statement of comprehensive income (either a single continuous statement or two consecutive statements; under Belarus GAAP - a single continuous statement of profit and losses), a statement of cash flows and accompanying notes to the financial statements. All three standards also require the changes in shareholders' equity to be presented. However, US GAAP allows the changes in shareholders' equity to be presented in the notes to the financial statements while IFRS and Belarus GAAP require the changes in shareholders' equity to be presented as a separate statement. Concepts of materiality and consistency employed in IFRS, US GAAP and Belarus GAAP are very close. Further, all three accounting systems require the financial

statements be prepared on the accrual basis of accounting (with the exception of the cash flow statement) with except for rare circumstances. IFRS, US GAAP and Belarus GAAP require in the absence of standards that specifically apply to a particular matter in formulating its accounting policies, the entity should work out an appropriate method on the basis of standards dealing with similar and related issues. Most Belarus GAAP is based in large part on IFRS and in some part on US GAAP. Some IFRS, however, have no comparable Belarus standard, and some of Belarus standards that are based on IFRS have not been updated for recent changes to the comparable IFRS. Therefore, the existing accounting system in Belarus continues to differ from IFRS as well as from US GAAP.

Table 1 – Differences between the three accounting systems

	Belarus GAAP	US GAAP	IFRS
Reporting period	Use calendar year as a reporting period	Do not use calendar year as a reporting period	Do not use calendar year as a reporting period
Financial periods required	Comparative information must be disclosed in respect of the two previous periods for the balance sheet, one previous period for the statements of financial results, changes in equity, cash flows and appendices to the financial statements.	Generally, comparative financial statements are presented; however, a single year may be presented in certain circumstances. Public companies must follow SEC rules, which typically require balance sheets for the two most recent years, while all other statements must cover the three-year period ended on the balance sheet date.	Comparative information must be disclosed with respect to the previous period for all amounts reported in the current period's financial statements.
Layout of balance sheet and income statement	Regulation No.111, <i>The Accounting Reports of an Organization</i> The <i>Accounting Reports of an Organization</i> prescribes a specific layout for the balance sheet and other statements.	No general requirement within US GAAP to prepare the balance sheet and income statement in accordance with a specific layout; however, public companies must follow the detailed requirements in some Regulation S-X.	IFRS does not prescribe a standard layout, but includes a list of minimum line items. These minimum line items are less prescriptive than the requirements in Regulation S-X.

Table 1 – Differences between the three accounting systems: Continues

<p>Balance sheet – presentation of debt as current versus non-current</p>	<p>Debt for which there has been a covenant violation may be presented as non-current if a lender agreement to waive the right to demand repayment for more than one year exists before the financial statements are issued or available to be issued.</p>	<p>Debt associated with a covenant violation must be presented as current unless the lender agreement was reached prior to the balance sheet date.</p>	<p>A long-term loan that is payable on demand following a covenant violation continues to be classified as noncurrent. The appendices to the financial statements should contain the disclosure of the terms of the loan agreement that has the covenant violation.</p>
<p>Balance sheet – classification of deferred tax assets and liabilities</p>	<p>All amounts are classified as current and non-current in the balance sheet.</p>	<p>Current or non-current classification, generally based on the nature of the related asset or liability, is required.</p>	<p>All amounts classified as non-current in the balance sheet.</p>
<p>Income statement – classification of expenses</p>	<p>Expenses should be classified with regard to function (cost of sales or production, commercial expenses, management expenses, other expenses) in the statement of financial results.</p>	<p>No general requirement within US GAAP to classify income statement items by function or nature. However, SEC registrants are generally required to present expenses based on function (e.g., cost of sales, administrative).</p>	<p>Entities may present expenses based on either function or nature (e.g., salaries, depreciation). However, if function is selected, certain disclosures about the nature of expenses must be included in the notes.</p>
<p>Income statement – extraordinary items criteria</p>	<p>Extraordinary items should be presented as part of other income or other expenses in the statement of financial results and may be disclosed if they are material in the appendices to the financial statements.</p>	<p>Restricted to items that are both unusual and infrequent.</p>	<p>Prohibited.</p>

Table 1 – Differences between the three accounting systems: Continues

<p>Income statement – discontinued operations criteria</p>	<p>Regulation No. 111, <i>The Accounting Reports of an Organization</i> does not require separate classification on the balance sheet. It is recommended to disclose discontinued operations separately in the statement of financial results and cash flow statement. Information related to discontinued operations should be at least disclosed in the appendices to the financial statements.</p>	<p>Discontinued operations classification is for components held for sale or disposed of, provided that there will not be significant continuing cash flows or involvement with the disposed component.</p>	<p>Discontinued operations classification is for components held for sale or disposed of that are either a separate major line of business or geographical area or a subsidiary acquired exclusively with an intention to resell.</p>
<p>Disclosure of performance measures</p>	<p>According to Regulation No. 111, <i>The Accounting Reports of an Organization</i> following subtotals should be presented on the face of the statement of financial results: gross profit, profit from sales and net profit before and after tax. Performance measures other than those required by this order should not be discussed at all.</p>	<p>No general requirements within US GAAP that address the presentation of specific performance measures. SEC regulations define certain key measures and require the presentation of certain headings and subtotals. Additionally, public companies are prohibited from disclosing non-GAAP measures in the financial statements and accompanying notes</p>	<p>Certain traditional concepts such as “operating profit” are not defined; therefore, diversity in practice exists regarding line items, headings and subtotals presented on the income statement. IFRS permits the presentation of additional line items, headings and subtotals in the statement of comprehensive income when such presentation is relevant to an understanding of the entity’s financial performance.</p>

Table 1 – Differences between the three accounting systems: Continues

Third balance sheet	Not required.	A third balance sheet is required as of the beginning of the earliest comparative period when there is a retrospective application of a new accounting policy, or a retrospective restatement or reclassifications that have a material effect on the balances of the third balance sheet. Related notes to the third balance sheet are not required.	Not required.
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Source: author's research.

References

1. Regulation No.111, The Accounting Reports of an Organization, approved by the Ministry of Finance of the Republic of Belarus of 31.10.2011 № 111. <http://www.minfin.gov.by/ru/accounting/methodology/acts/df90ff240c4dcadf.html?ve>.

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COMPARISON OF FOREIGN CURRENCY MATTERS ACCOUNTING AND REPORTING UNDER IFRS, US GAAP AND BELARUS GAAP

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Abstract. In this paper we will discuss where the accounting standards (IFRS, US GAAP and Belarus GAAP comparison) are similar and where differences exist in connection with foreign currency exchange rate accounting and its presentation in financial reporting. We want to underline the fact that the three sets of standards are generally more alike than different for commonly encountered transactions in foreign currency. This is connected with such fact that IFRS being largely, but not entirely, grounded in the same basic principles as US GAAP, and Belarus GAAP began to be largely grounded in the same basic principles as IFRS.