

development of the experimental base, corresponding to world standards; develop a better mechanism of material incentives of all scientists who have successfully carried out the implementation of scientific research into practice and create more favorable conditions for the development of international cooperation in science, technology and innovation. In addition, the solution of material and domestic problems, in particular, the increase of the level of social protection and the remuneration of labor of scientists as well as addressing their housing problems would create equal opportunities for men and women to realize their scientific careers.

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HARMONIZATION OF BELARUS ACCOUNTING GAAP WITH IFRS AND US GAAP

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

Abstract. The paper presents findings of the study conducted in Belarus. As early as 2008, some Belarus companies started to prepare consolidated financial reports in accordance with International Accounting Standards. This study presents the integration of internationally accepted accounting standards into Generally Accepted Accounting Standards in Belarus, capacity-building and technical implementation issues.

The main objectives of this study are to draw lessons learned from the experience of Belarus in implementing IFRS and to discuss the findings with a view to facilitating sharing of experience among countries that are either implementing IFRS or that intend to do so in the coming years.

The need for internationally accepted standards. Belarus government had and has till present time an increased demand for money (capital). But financial

statements prepared according to Belarus GAAP were not accepted by foreign creditors. The first problem of acceptance arose mainly due to the fact that Belarus GAAP was not known outside of Belarus at all. Other reasons drove Belarus government to prepare financial reporting in IFRS format were to improve some governmental companies' image and Belarus presentation to investors as whole. It became obvious how much the international accounting systems differed from Belarus GAAP when financial statements were prepared in accordance with national GAAP and the figures were compared with those prepared under IFRS.

It were revealed substantial discrepancies in the given information and specific accounting positions.

There are the following features of Belarus GAAP in comparison with IFRS and US GAAP:

- Too tax-oriented and thus too much emphasis on the prudence principle;
- Tax accounting affects profit accounting and distorts the objectives of the commercial income statement and financial position statement;
- Distortion of results of operations (I mean some provisions for certain expenses permitted, including reserve for repairs etcetera).

The way towards IFRS. Belarus opened up its accounting system to internationally accepted accounting standards in 1992. Since 1992 several resolutions were adopted by the Council of Ministers of the Republic of Belarus: of 30.03.1992 No. 174 *"On the transition of the Republic of Belarus on internationally accepted accounting and statistics system"*, of 27.08.1992 No. 523 *"On the Republican program of transition of the Republic of Belarus accounting and statistics on internationally accepted system"*, of 09.06.1992 No. 347 *"About the organization of accounting in the national economy of the Republic of Belarus on the basis of principles of international practice."* The latter resolution stated that the accounting and financial reporting in Belarus based on internationally accepted accounting standards starting from January 1, 1993. However, these programs have not been implemented. As a consequence, in 1998 it was adopted by the Council of Ministers a resolution of 04.05.1998 No. 694 *"On the State program of transition to international accounting standards in the Republic of Belarus"*. The program is determined to bring the national accounting system in line with international financial reporting standards (IFRS) as the main goal of the Belarus accounting system reforming. The result of implementation of the program was to be the transition of organizations and individual entrepreneurs to IFRS on January 1, 2008. However, and this program has not been implemented. Therefore, the Law *"On Accounting and Reporting"* (revised 2013) has been narrowed range of businesses, which are required to apply IFRS. According to Article 17 of the Law so called socially important organizations and banks are required to prepare the annual consolidated financial statements in accordance with IFRS for 2016 and subsequent years. Public companies with subsidiaries, as well as banks and non-bank financial institutions, insurance companies are regarded as socially important organizations (Article 1 of the Law).

Problems of further expansion of IFRS. IFRS are only required for a small number of about 500 companies. Compare to the larger number of roughly 500 000 organizations and individual entrepreneurs, most of which prepare first of all tax reporting, and only small amount of them prepare both separate (consolidated) financial and tax statements. So, Belarus GAAP will be the predominant regulations at present and in the nearest future. Due to the number of functions a separate financial accounting with its separate financial statements has to fulfill (revenue recognition and profit distribution, serving as a base for tax accounting) IFRS are not applicable for these financial and tax statements at the moment.

The explicit objective of the legislator is to further develop Belarus GAAP towards an information oriented accounting system, harmonizing the requirements in accordance with IFRS. Besides, most companies do not yet see the benefits of converging Belarus GAAP to IFRS, because IFRS is perceived as a voluminous and much more complex set of accounting standards. Usually permit to attract foreign investments gives the government or the President of Belarus . So there are no major concerns – both for corporations and small and medium-sized enterprises (SMEs) – as to the applicability of these standards, which are intended to serve the purposes of capital market investors.

So far, both corporations and SMEs are not very supportive of a possible use of IFRS instead of or parallel to Belarus GAAP due to the additional benefits that separate financial statements prepared in accordance with national GAAP provide in a substantially larger net income , and hence the dividend payable.

The impact on the presented company profit represents not a one-time only effect. The value of net assets or the financial position of a company will constantly be lower compared to Belarus GAAP. Any impact of the accounting transition signifies only temporary changes.

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**COMPARISON OF PROVISIONS
AND CONTINGENCIES ACCOUNTING
AND REPORTING UNDER IFRS, US GAAP
AND BELARUS GAAP**

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Key words: accounting, reporting, provisions, contingencies, IFRS, US GAAP, Belarus GAAP.

Abstract. In this paper we will discuss where the accounting of provisions and contingencies under IFRS, US GAAP and Belarus GAAP are similar and where differences exist. We want to underline the fact that the three sets of standards are generally more alike than different for commonly encountered provisions and contingencies transactions. 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.

Regulation on accounting *Provisions, Contingent Liabilities and Contingent Assets*, approved by the Ministry of Finance of the Republic of Belarus of 28.12.2005 No.168 is the regulation for recognition and measurement criteria of provisions and contingencies that are rather similar to those in IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. The definition of probability in Regulation on accounting *Provisions, Contingent Liabilities and Contingent Assets* as well as the requirement of recognition of a loss based on the probability of occurrence are similar to those in IFRS.

Regulation on accounting *Provisions, Contingent Liabilities and Contingent Assets* prohibits the recognition of provisions for costs connected with operating activities in future and requires disclosures about a contingent liability the occurrence of which is more than remote. But it does not answer the recognition criteria that are close to those in US GAAP and IFRS. No significant development activities are planned in this area for the near term.

Under US GAAP and IFRS the general recognition criteria for provisions are very close. IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, provides the overall approach for recognition and measurement criteria of provisions and contingencies. Under US GAAP, ASC 450, *Contingencies*, and a number of other standards deal with specific types of provisions and contingencies (e.g., ASC 410, *Asset Retirement and Environmental Obligations*; ASC 420, *Exit or Disposal Cost Obligations*). Besides, the approach in two Concept Statements in US GAAP (CON