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OVERVIEW OF THE ACCOUNTING SYSTEM IN THE REPUBLIC OF KAZAKHSTAN

Abstract

In this article, the authors reviewed the current state of the accounting system in the Republic of Kazakhstan. The basic principles of state regulation of accounting and financial reporting at all levels of government, from current laws to the internal policy of enterprises, are disclosed. In tabular form, the adopted legislative acts and internal accounting documents are given and also the scope of their application by enterprises is considered. The authors described in detail the role of various state and public organizations in the regulation of accounting: the Parliament of the Republic of Kazakhstan; Ministry of Finance of the Republic of Kazakhstan; National Bank of Kazakhstan; Chambers of Auditors of the Republic of Kazakhstan; Institute of Professional Accountants of the Republic of Kazakhstan. The article reviewed briefly accounting systems in different countries, provides 4 global models of accounting systems and a comparative analysis with the Republic of Kazakhstan. In addition, an overview was given on the articles of the main law “On Accounting and Financial Reporting in the Republic of Kazakhstan”. The authors describe the upcoming changes to the Standard Chart of Accounts and indicate completely new accounts introduced in 2019.

Key words: accounting, financial reporting, regulation, legislation, models, analysis, systems.

Before getting acquainted with the existing accounting system in the Republic of Kazakhstan, consider the global model of the accounting system. Foreign experts emphasize 4 accounting system models.

1. British-American accounting system: Australia, The United Kingdom, Hong Kong, Israel, Ireland, Iceland, Canada, Cyprus, Mexico, The Netherlands. This model is based on the financial accounting basis, i.e. a strong connection with a share capital and securities. Distinctive features this model: a) the focus of accounting on the needs of investors and creditors; b) the presence of a developed securities market (the opportunity to invest and grow the available funds); c) the presence in the country of a large number of multinational corporations (more complex bookkeeping and complex multilingual financial statements); d) a high level of professional accounting certification (Accountant studies for a long time and is highly paid in the labor market).

2. Continental accounting system: Austria, Belgium, Greece, Egypt, Italy, Norway, Portugal, France, Germany, Switzerland, Sweden. In this model we see a strong dependence of the accounting from the banking system and the state. Distinctive features of this model: a) close links with banks; b) a detailed legal regulation of accounting and financial reporting; c) focus of the accounting and reporting on public administration interests of taxation; d) macroeconomic planning and the impact of the EU.

3. South American accounting system: Argentina, Brazil, Peru, Chile, Ecuador and other countries with unstable economies. Its distinctive features: a) the high level of inflation (accounting system is designed to take into account this factor); b) strict state requirements for the revenue accounting of firms and the population; c) unification of accounting principles (no freedom of choice of the system and the procedure for accounting, i.e. accounting policies rigidly defined). There is also the 4th model of accounting system, called Islamic. It is characterized by: a strong influence of the Muslim religion, a lot of restrictions in the economy, restrictions on the conduct of operations, strict control of a theocratic state.

Accounting system model in the Republic of Kazakhstan is closer to the continental model. Next, we will consider the regulation and organization of the accounting system and financial statement in the Republic of Kazakhstan. Accounting regulation system in the Republic of Kazakhstan consists of 4 levels.

Table 1 – Levels of accounting regulations in the Republic of Kazakhstan

Level of regulation	Regulator	Documents governing the accounting and reporting	Area of Effect
First	The President and Parliament of RK	- Civil Code of the RK, the RK Labour Code, the Tax Code of the RK - the RK Law “On Accounting and Financial Reporting” (from 28.02.2007 with changes and additions from 01.07.2018)	Establishes uniform legal and methodological bases of the organization and record-keeping
Second	Ministry of Finance of the RK	- International Financial Reporting Standards (IFRS). As of 1.01.2017 – IFRS 45 - National Accounting Standards (NAS). As of 1.01.2017–2 NAS - Accounting Rules (approved on 19.07.2015)	Regulates the principles of organization and accounting, financial reporting rules, rules and the accounting treatment of certain accounting items.
Third	Ministry of Finance of the RK	- A template chart of accounts (approved on 23.05.2007 with changes and additions from 02.10.2018) - «On approval of forms of primary accounting documents» (approved on 21.06.2007) - «On approval of forms of accounting registers» (approved on 21.06.2007)	Determine the scheme of registration and grouping accounting items, regulates methods of property valuation, establishment order and maintenance of primary documents and accounting records
Forth	Management of the company	Internal working documents: - Regulation on the accounting policy - Regulation on tax accon.policy	The choice of accounting forms and methods, based on the specifics of the enterprise

The accounting system in the Republic of Kazakhstan is regulated by the following authorities:

- ♦ the Senate and the Majilis (The Parliament) of the RK – adopt laws, governing the accounting and reporting system in general;
- ♦ the Ministry of Finance of the RK – carries out organizational and methodological work on the development of accounting and financial statements; approves a template chart of accounts, unified forms of documents and accounting registers; determines the scope and deadline for submission of financial statements; works on rationalization of the financial and tax accounting [2];
- ♦ the National Bank of RK – issue regulations on accounting and reporting in banks and other financial institutions, establishes the requirements for professional securities market participants;
- ♦ the Chamber of Auditors of the RK – is involved in the development of legislation on accounting and audit;
- ♦ the Institute of Professional Accountants of RK – conducts accountants certification on obtaining a qualification certificate of a professional accountant;
- ♦ the “Eurasia” Regional Federation of Accountants and Auditors – organizes cooperation of the CIS accountants and auditors.

The RK Law “On Accounting and Financial Reporting” dated 28.02.2007 (with changes and additions from 01.07.2018) was developed on the basis of international experience. The law [1] includes 5 chapters and 26 articles. Chapter 1, “General Issues” (Article 1–3) – represents the basic concepts, the scope of the law is defined. Chapter 2, “The accounting system and reporting (Article 4–12) reflects: the purpose of accounting, principles and main characteristics of accounting and reporting, accounting system, accounting records, accounting management, accounting service management and the right to sign on documents, storage and confidentiality of accounting information. Chapter 3, “Financial Statement” (Article 13–19) regulates: evaluation and accounting of financial reporting elements, the composition of the IFRS financial reporting and the order of its presentation [4]. Chapter 4, “Regulation of accounting and financial statement system” (Article 20–24) regulates: the state and non-state regulation of accounting and financial statements, public and internal controls in the accounting and financial statements area. Chapter 5, “Final Provisions” (Article 25–26) establishes

liability for violation of the legislation of Kazakhstan in the field of accounting and reporting. IFRS is a fundamental regulatory document. International Federation of Accountants (IFAC) is developing and adopting IFRS. IFRS establish the principles of accounting and reporting, rules and methods of maintaining bookkeeping, as well as the procedure for the preparation and presentation of financial statements. The following normative document – accounting rules (approved on 19.07.2015), which are designed on the basis of the Law, IFRS and NAS. The Regulation describes the organization of work of the accounting department, reveals the requirements for preparing and presenting financial statements, order of documenting transaction, procedure for stocktake, the procedure for storing documents. Template Chart of Accounts (app. 23.05.2007, with changes and additions from 02.10.2018) was developed in accordance with the Law on accounting and reporting, and is designed to reflect the current elements of the financial statements. The chart of accounts [3] is close to international standards, the accounts arranged in order of decreasing liquidity. Chart of Accounts contains 8 sections and account numbers consist of 4 digits (1010–8410).

The standard chart of accounts for accounting, which will be applied from January 1, 2019, has been extended to 2 accounts: 1600 “Biological assets” and subsection 5500 “Reserve” and 42 synthetic accounts have been added. For the accounting of short-term and long-term assets, an additional 39 accounts were introduced, and for accounting of short-term and long-term liabilities, 7 new accounts were introduced. There were such accounts as 1060 “Cash in restricted use”, 1070 “Accounting for electronic cash”, 1140 “Derivative financial instruments”, several accounts of estimated reserves. Primary documents – documents that confirm the fact of the business transaction. On 21.06.2007 the ministry of finance of the RK approved standard form of primary documents for entities of all forms of ownership and industries. The forms of primary documents approved by: accounting of wages and labor, property plant and equipment, intangible assets, inventory, cash and payment transactions, biological assets and stock take results. Primary documents are summarized in the accounting registers forms of accounting registers [5] approved by the Ministry of Finance of the RK on 21.06.2007. Accounting policy – the principles, bases, conditions, rules and practices of accounting and financial reporting, which are accepted by enterprise for the reporting year.

LIST OF LITERATURE

- 1 Republic of Kazakhstan Law “On Accounting and Financial Reporting” dated 28.02.2007 (with changes and additions from 01.07.2018).
- 2 Republic of Kazakhstan Law “Tax Code” dated 01.01.2018.
- 3 Typical chart of accounts for accounting dated 23.05.2007 (with changes and additions from 02.10.2018).
- 4 IFRS. – М.: Pskeri, 2012. – 716 p.
- 5 Rules for maintaining accounting records of the Republic of Kazakhstan dated 14.10.2011.

Аңдатпа

Мақалада авторлар Қазақстан Республикасының бухгалтерлік есеп жүйесінің ағымдағы жағдайын қарастырды. Қолданылып жүрген заңдардан бастап кәсіпорындардың ішкі саясатына дейін мемлекеттік басқарудың барлық деңгейлерінде бухгалтерлік есеп пен қаржылық есептілік жүйесін мемлекеттік реттеудің негізгі принциптері ашылды. Қабылданған заңнамалық актілер және ішкі бухгалтерлік құжаттар кесте түрінде келтірілді, сондай-ақ кәсіпорындардың оларды қолдану аясы қарастырылды. Авторлар түрлі мемлекеттік және қоғамдық ұйымдардың бухгалтерлік есебін реттеудегі рөлін егжей-тегжейлі сипаттады: Қазақстан Республикасының Парламенті, ҚР Қаржы министрлігі, ҚР Ұлттық Банкі, ҚР Аудиторлар палаталары, ҚР Кәсіби бухгалтерлер институты. Мақалада әртүрлі елдердегі бухгалтерлік есеп жүйесіне қысқаша шолу жасалды, бухгалтерлік жүйелердің 4 әлемдік үлгісі және Қазақстан Республикасымен салыстырмалы талдауы келтірілген. Бұдан басқа, «ҚР бухгалтерлік есеп және қаржылық есептілік туралы» заңнамасының баптарына шолу жасалды. Авторлар Бухгалтерлік есеп шоттарының үлгілік жоспарына алдағы өзгерістерге сипаттама беріп, 2019 ж. енгізілген су жаңа бухгалтерлік есептер көрсетілді.

Тірек сөздер: бухгалтерлік есеп, қаржылық есептілік, реттеу, заңнама, үлгілер, талдау, жүйелер.

Аннотация

В статье авторами рассмотрено текущее состояние системы бухгалтерского учета в Республике Казахстан. Раскрыты основные принципы государственного регулирования бухгалтерского учета и финансовой отчетности на всех уровнях управления – от действующих законов до внутренней политики предприятий. В табличной форме приведены принятые законодательные акты и внутренние документы по бухгалтерскому учету, а также рассмотрена область их применения предприятиями. Авторы подробно описали роль различных государственных и общественных организаций в регулировании бухгалтерского учета: Парламента Республики Казахстан, Министерства финансов РК, Национального банка РК, Палаты аудиторов РК, Института профессиональных бухгалтеров РК. В статье проведен краткий обзор систем бухгалтерского учета разных стран, приведены 4 мировые модели систем бухгалтерского учета и сравнительный анализ с Республикой Казахстан. Кроме того, дан обзор по статьям Закона «О бухгалтерском учете и финансовой отчетности в РК». Авторами описаны предстоящие изменения в Типовом плане счетов бухгалтерского учета и указаны совершенно новые бухгалтерские счета, вводимые в 2019 г.

Ключевые слова: бухгалтерский учет, финансовая отчетность, регулирование, законодательство, модели, анализ, системы.