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PP&E: DIFFERENCE BEETWEEN TAX LEGISLATION AND IFRS

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ABSTRACT

The use of accounting parameters in the current legislation on taxes and fees not only determines the amount of tax payment, but often has an indirect effect on the value of the accounting parameters used. Therefore, it is necessary to determine how the implementation of IFRS without changing the current legislation on taxes and fees will affect the causes that lead to a distortion of financial reporting data. In addition, within the framework of this work, it is necessary to formulate proposals, the implementation of which should exclude the mutual influence of the accounting and tax accounting systems.

Key words. Tax Legıslatıon: IFRS, Accounting

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INTRODUCTION

The growing worldwide trend of increasingly closer interaction between individual economies requires unification of accounting and financial reporting standards. This was the most important factor stimulating the widespread use of IFRS.

Azerbaıjan, which is part of the global economic system, is objectively doomed to use IFRS. For this reason, the issue of the tax implications of the implementation of IFRS, and in particular the problem of maintaining Azerbaıjan's tax sovereignty, is becoming increasingly important.

The question of the tax consequences of the transition to IFRS could not even arise if the accounting parameters were not used in the legislation on taxes and fees. At the same time, Azerbaıjan is not unique, and similar problems are solved in one way or another by countries that transfer financial statements to IFRS, and on this way a certain experience that requires analysis is accumulated.

The tax consequences of the introduction of IFRS are largely determined by the nature of the mutual influence of accounting and tax accounting. The study of the impact of the current Azerbaijan accounting system on taxation should include:

- selection and analysis of the norms of legislation on taxes and fees containing the parameters of accounting;

- assessment of possible tax consequences of changes in accounting parameters;

- determination of the nature of the main changes in legislation on taxes and fees ensuring independence from accounting.

Any national legislation and legislation of Azerbaijan on taxes and fees in particular - a living developing organism, trends of change that occur in accordance with objective processes, defined, in particular, existing in the society balance of interests. These trends certainly have an impact on the relationship of tax and accounting and therefore need to be investigated.

Since IFRS has a number of significant differences from the current Azerbaıjan financial reporting system, the estimated tax implications of translating accounting on IFRS are not of concern, without changing the tax and fee legislation.

The use of accounting parameters in the current legislation on taxes and fees not only determines the size of the tax payment, but often has an indirect effect on the cost of the accounting parameters used.Therefore, it is necessary to determine how the implementation of IFRS without changing the current legislation on taxes and fees will affect the causes that lead to a distortion of financial reporting data

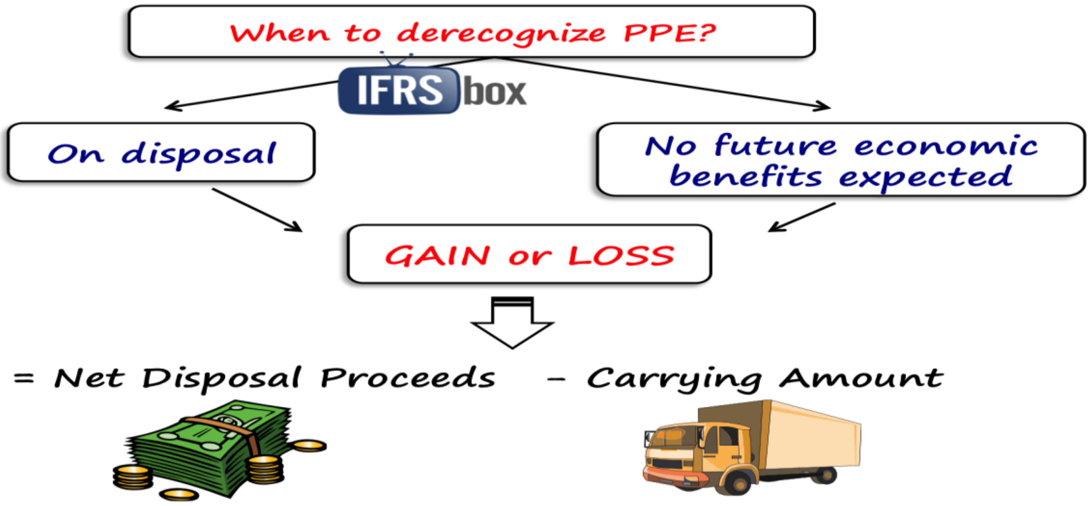
In addition, within the framework of this work, it is necessary to formulate proposals, the implementation of which should exclude the mutual influence of the accounting and tax accounting systems.

1. THEORETICAL BASE FOR RECOGNITION OF PPE

1.1. Recognition principles of PPE due to AR Tax legislation

Recently, one of the most important developments in public service is the increased application of information and communication technology. The rapid advances in this area and the great hopes they have in various areas have not only increased public expectations for citizen-oriented governance, but have also made tremendous pressure on the government to rediscover itself to meet the rising population expectations. For this reason, governments around the world have started programs and projects aiming to significantly improve the delivery of public services through the adoption of ICT in the public sector. Various fields such as e-government, digital government, government and online government have become a pioneering feature of public sector reform in both developed and emerging markets. Efforts to overcome the limits of electronic bureaucracy and to improve public service delivery are rising. Initially, state-run initiatives aim to increase the internal processes and operational efficiency of public institutions, while increasing number of government projects are being employed to provide integrated services to citizens, businesses, and other stakeholders (Sun, 2016: 15).

Fig. 1. Recognition of Property, Plant and Equipment



States need various revenues to carry out public services. Tax is an important tool in providing the resources required for public services. A tax means a government obliging a taxpayer to pay a mandatory financial burden or another payment to finance various public expenditures for the benefit of the public. These various public expenditures include, but are not limited to, the law and public order, economic infrastructure, welfare and public services. Government debts are also collected from taxes collected. Taxes may be levied by different stages of the government or its representatives, and "compulsory" means that smuggling may be punishable by law, taxes may be direct and indirect, and may be paid in cash or in kind.

Incomes of individuals and businesses with corporations are subject to taxation. Taxes are usually deducted from net profits, net earnings, and other revenues from the business world.

Income tax calculations can be determined in accordance with accounting principles and contracts (Norberg, 2017: 15).

The digital age quickly transforms the relationship between tax authorities and taxpayers. In this era, states benefit from the optimal benefit of technology by aligning their services with the electronic environment. Among these services, tax services, which finance public service revenues, have been one of the top priorities. Today, taxation services are among the most advanced e-government services in the world.

It has been shown that the use of tax administration by e-taxation systems has several advantages. These are; (Nobes: 2002: 72)

- Provides support for automation, workflow management and authorization management for tax administration functions.

- Providing information, training and support to the taxpayers, facilitating compliance and administration.

- The compliance performance system implements risk-based procedures to detect and prevent incompatibility.

- A management information system facilitates the collection and dissemination of performance information by personnel and management.

Other important advantages are related to reducing costs associated with taxation, in reducing costs, such as procurement, printing, postage, storage and distribution of printed forms.

The electronic tax system also provides training and information to taxpayers as well as electronic registration, filing and payment. In a broad sense, the e-tax system is a comprehensive internet portal that can be accessed by a taxpayer with a secure self-service option package that can provide a single point for information and actions, 24 hours a day, 7 days a week, and does not require intervention from the tax administration staff. An e-tax system is not necessarily an independent IT-component. For example, the e-tax system should be integrated with the core tax system to provide taxpayer with services such as account information and repayment status. The Evergreen system, unlike other components, is regarded as a separate component of "taxpayer confronting". E-tax systems are generally considered as IT-support for taxpayer services. However, it is clear that taxation systems do more than provide taxpayers with information, training and assistance.

The separatism gained by the Soviet Union in 1991, and then the occupation of the Nagorno-Karabakh region of Armenia, resulted in the failure of Azerbaijan's transition to a market economy (Leuz and Verrecchia, 2000: 91).

In addition, the country rich in underground resources has had difficulty in getting rid of its wealth due to its cost in the early years of independence. In spite of all these adversities, Azerbaijan has made great efforts to fulfill the basic principles required by the state, respectively. These efforts have also affected the state tax system, and many regulatory programs have been uncovered. The chronological order of the Republic of Azerbaijan, which declared its independence on October 18, 1991, was as follows (Hung and Subramanyam, 2007: 623):

- Establishment of the first Finance Ministry in July 1990.

- Establishment of the General State Tax Inspectorate, an independent institution by removing tax proceeds from the Ministry of Finance to establish a more powerful taxation system in October 1991.

- Approval of the "Tax Code of the Republic of Azerbaijan" of July 11, 2000 and its entry into force on January 1, 2001.

The current tax legislation of the Republic of Azerbaijan is the "Tax Code of the Republic of Azerbaijan" which came into force on January 1, 2001. According to this law, taxes in the country are collected in three main headings, as shown in Table 1: "State Taxes", "Mukhtar Republic Taxes" and "Local Taxes (Municipal Taxes)".

In the case of state taxes, taxes payable on the territory of the Republic of Azerbaijan; taxes paid by the Nakhchivan Autonomous Republic in the Nakhichevan Autonomous Republic and paid in Nakhichevan Autonomous Republic; Local taxes (municipal taxes) are foreseen by legislation and applicable laws, municipal taxes and municipal taxes. According to the law, the tax amounts are discussed in the following formats (Azerbaijan Tax Code, 2000: Md., 5) (Nadezhda, 2003: 237):

- Direct source (acquisition of tax, income, or interest);
- By way of declaration (acquisition of taxes, income or benefits);

After the entry into force of the new law on January 1, 2001, the most significant change in taxation in the country was the decree of the Cabinet of Ministers on September 12, 2005, "The State Program on Improving the Tax Regime in the Republic of Azerbaijan (2005-2007)". This Decree has made significant efforts to make the tax administration system compliant with international standards, the voluntary payment system and the protection of the rights of taxpayers, the fight against tax avoidance, the improvement of the compulsory payment system and the prevention of tax debts.

Azerbaijan has taken advantage of the opportunities created by web technology and not lost its technological and technological development in the world. In this regard, state executives have developed and invested many programs. The Decree of the President of the Republic of Azerbaijan "On State Program for 2005-2008 on the Development of Communication and Information Technologies in the Republic of Azerbaijan for 2005-2008" ("Electronic Azerbaijan"), issued on October 22, 2005, became a milestone in terms of taxation. The "Automated Tax Information System (AVIS)" was set up in March in line with the purpose of the "State Program on Improving the Taxation of 2005-2007" together with this program implemented in 2006.

Designed on modern technological facilities and new information technologies, AVIS provides active technological support for the rapid implementation of tax policies. Through the AVIS, document circulation has been switched to electronic format, fast exchange of information has been achieved, the adoption of tax returns and the processing process have been simplified, the implementation of economic analysis and the creation of estimates. In order to provide effective information support for the implementation of flexible and effective tax administration, the system has been constantly improved and enriched with numerous functional changes and new infrastructure systems that cover the areas of action of the ministry (Gordon at all, 2008: 15) .

The country using the benefits of AVIS On February 1, 2007, the Ministry of Taxes Internet Tax Administration portal www.etaxes.gov.az, one of the largest state portals, has been launched and electronic submission of declarations has begun.

In 2008, several electronic services were provided to enable the benefits of the AVIS system in Azerbaijan. These are (Gassen and Sellhorn: 2006);

- Facilitating the establishment of a business and establishing an electronic system called "one window" to synchronize all economic transactions of an enterprise, including tax records,
- Transfer of VAT deposit account to electronic media,
- Electronic integration with banks,
- Establishment of "Database" on taxpayers engaged in production activities in areas covered by tax authorities.

A legal decision was made on the promotion of the real sector through the reduction of tax burden in Azerbaijan, and significant changes were made in tax legislation in 2009. With these changes, the current tax rates have been reduced. As a result, in January 2010, the income tax was reduced from 22 to 20 percent, the highest rate of income tax for real persons was reduced from 35 percent to 30 percent, while for individual entrepreneurs this rate was reduced to 20 percent.

1.2. Recognition principles of PPE due to IFRS

In accordance with IAS 18, the IFRS (IAS) refers to a product that is directly related to a product, such as a purchase, a product of a business, and a product of its own production, and for the purpose of real estate, for the purpose of selling , or for use. In my words, the definition of commodities on the ISFR corresponds to the Azerbaıjan Code of Conduct, as compared to the RLSP.

IFRS (IAS) 18, exemption from the sale of goods may be used only in the bookkeeping account only in the case of (Adoption of IFRS, working paper, “University of Pennsylvania and University of Chicago, 2017, 2017): [15]

"(A) the seller has redeemed substantial risks and damages, which relate to the good of the product;

(b) the seller does not sell or dispose of the goods at the ceremony, which is usually associated with the right property or controls the product;

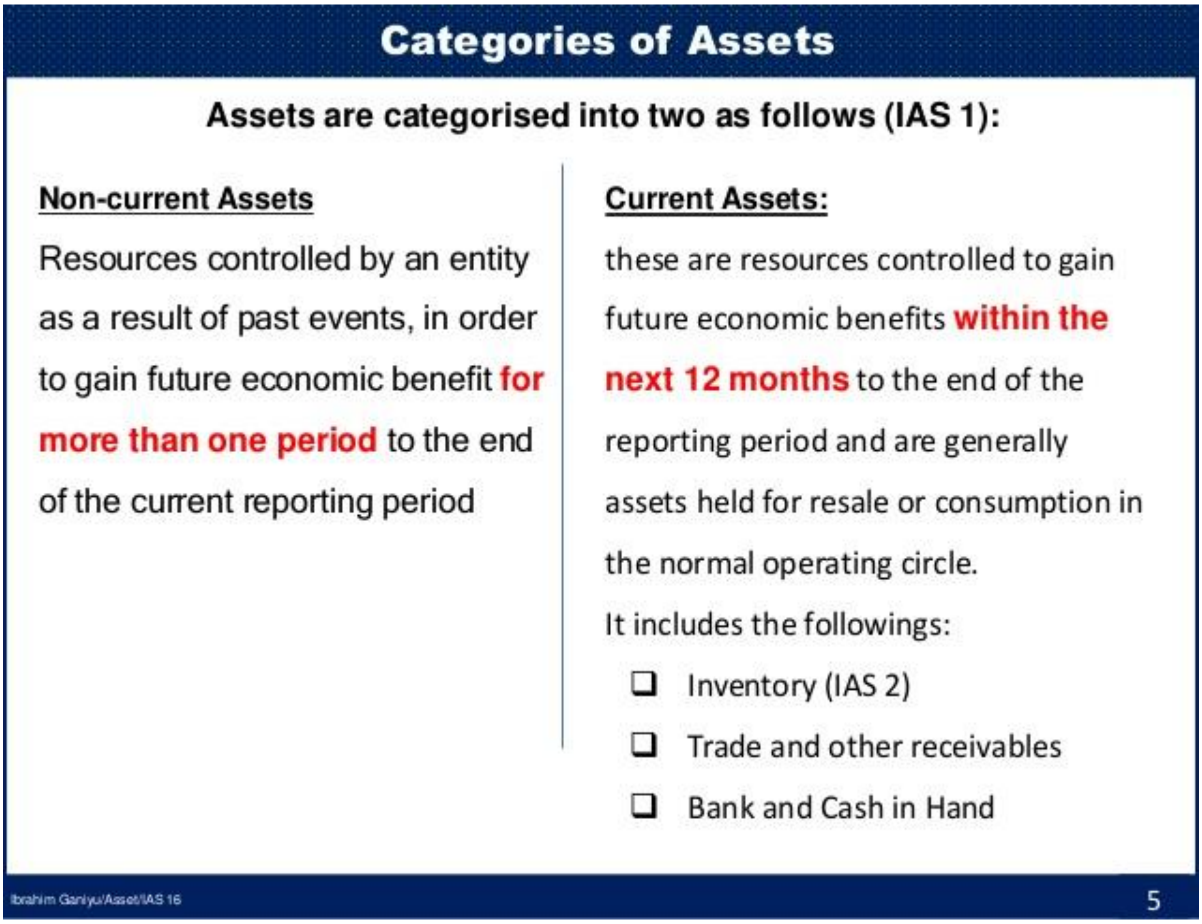
(c) The helmets can be measured in a hopeful manner;

(d) verily, what is economical, connected with the sale of the goods, and sellers;

(e) frozen or flooded tricks associated with the sale of the goods, maybe hopelessly measurable."

The IFRS is set up to allow the fact that a single fact does not allow the fact that the fact of the sale of the goods in the accountant's account, and, accordingly, entails improper payoffs. When purchased by a buyer, the buyer gets the item from the buyer, which is why it is possible to arrange the purchase.

Fig.2. Assets IAS 16 PPE



Source: Daske, H., Hail, L., Leuz, C. and Verdi, R. (2007). "Adoption of the label: heterogeneity in economic consequences"

The standard assumes that in a large number of cases, the risks and rewards of ownership and relationships are linked with the acquisition of legal rights or ownership of the right holder. It 's a nice, it' s all - in - the - box sales of goods. However, it is very important to recall the fact that the ISFO coincides with the fact that the right of ownership of the property does not extend to the benefit of the exhaustion. Similarly, the transferring of a finance lease to a rental arranged by a renter, a debtor of the debtor, and a financial result of the transaction. By the way, if the seller saves you from the unnecessary risk, the affiliate of the right property, the operation is called as a sale and a reward. In the particular case, the seller may set aside the legal right only for the purpose of providing the payment to the payer.

It is possible that in some cases the transfer of risks and exploits, connected with the rightful ownership, actually results in the transfer of jurisdictional property right. At the same time, the Standard does not apply to the fact that the legislation differentiates the definition of criteria, and identifies the risks to the purchaser. The standard is based on the Commonwealth Accounting Standards (GAAP) standard, which sets out the specifications of the standard set of specifications linked to specifications. It is possible that the product will be sold under the scheme "to print and leave", the buyer will be able to purchase the goods in the buyer and the delivery outlet, the value will be received by the seller at the time of the purchase of the right property if the goods are available in the goods and the delivery to the supplier, the buyer verifies the delivery order and whenever the usual terms of the payment are applied (Covrig, at all: 2007: 45).

When purchasing goods on defined terms (installation, assembly, delivery by consignment, sale with expired products), the offer will be awarded at the time of their respective sales.

When purchasing goods for sale, the seller may wish to receive the poster after the goods will be delivered to the buyer. It is true that when a buyer pays off a periodic period of time (or training), the payout will be equivalent to the delivery period (or crock training) per period.

In the event of non-discrimination, as in the case of MSFO qualifying goods, the goods are usually paid, while the legality of the property is transferred to the buyer. Moreover, the revenge can be long ago, if the price of the sale is estimated to be "well-deserved". This can be confirmed by a good first-time buyer with a prolonging payment, which demonstrates the ability to access a real-time identity, as a result of which the risk of a failure is compromised by the buyer.

Sales promotion should also be used to evaluate the analysis of the relationships with related transactions, such as the history of the borrower, the identity, the situation and the location of the non-discriminatory value, the generated assets and the generated impersonal value.

IFRS, which can be economically inexplicable, can lead to unnecessary misapplication of the non-indefiniteness of the fact that it is possible to enforce the outcome. The uncertainty can be attributed to the payment of a postage stamp from a foreign merchant (such as a link with a link with a link to the item), the cost estimate can be added to the list or any other product, linked to the sales, the right to make the goods in the merchandise.

In some cases, the organizational arrangement concludes that the possibility of subsequent purchases is higher than the price of a commodity that is higher than the premium sales. In fact, the price can be deducted from the original price plus a certain percentage. You may not be able to agree or disagree with the purchase and sale of the goods in question. However, this is not the case for a transaction, but rather a "buyer" of the economic benefits of having an economic priority over the corresponding legal form, regarded as a derivative loan. IFRS (IAS) 18 applies 4 seeds to the market, in which the goods are exhausted and the goods are steadily replaced by the seller (Christensen and Nikolaev, 2008: 195):

"(A) The seller reserves the right to impede the merchantability of the merchandise, whether covered by standard warranties;

(b) the purchase of the sale of the goods will result in the resale of the goods back to the end of the product;

(c) the goods being placed on the substation, which constitutes a partial agreement and the seller has not yet made a deal;

(d) the buyer has the right to refund the purchase by agreeing to be bound by a contract, and the seller has no warranty whatsoever. "

When looking at the situates, you can enter the exit that the MCFO defines as the time of the "critical event" method, there is a method of assigning a fact to the risk of collapse and expiration, by deducting the principle of prejudice on the basis of the assets or disconnections, IFRS.

Recognition of the rituals associated with an outcry

The benefits are justified, and one-to-one promotions, which help to define the concept of correspondence. Applying a valid balance in the reporting period, as in the accounting book of a debtor accountant, is a demonstration of the highest esteem for earnings. Suitable items are displayed in the active trade of products, but may also include any business or commercial allocation or other liability reports in the Products and Exchanges. Disclosure of contingent assets is determined by the balance sheet or balance sheet, reflected in the liability categories, for example, for collateral deduction claims. The standard assumes that "what can not be worth the price, when it is possible or not, to be sure of weight. In the same situations, already sold for the sake of the sale of the goods, is acknowledged as a liability. " At the same time, IFRS (IAS) 18, the replacement of an obligation by a buyer of a receivable or a waiver of the right to receive a redemption value, as well as a correction of the debtor's debt to the valuation book.

If, in the case of financial instruments, the fair value of the consideration is lowered, the nominal amount of the financial instrument is deducted from the undrawn payment. A client, for example, provides the buyer with a commercial loan, while at the time the transaction is financially accurate, the fair value of consideration is determined by discounting the future cash outflows at a rate that will be deducted from the net, reflecting the exposure.

In accordance with IFRS 9 and IFRS 9, fair value (discounted value) and nominal amount of impairment as a financial (interest) receivable. However, the effective rate is that the market price is lowered to the lower of the market interest rate (the "prevailing rate for similar financial instruments with similar credit risk") in discounted bid rates.

International Financial Reporting Standards (hereinafter - IFRS) represent the following types of conformity documents (Bushman and at all, 2016: 122):

• Conceptual basics of financial reporting;

• the standard (IAS, IFRS);

• Interpretation of standards (SIC, IFRIC).

The Conceptual Framework for Financial Reporting sets out the principles that embrace the basics of preparation and presentation of financial statements for external users.

Conceptual bases will look at the following (Bradshaw, at all, 2004: 795):

a) Financial Reporting;

(b) Qualified characteristic of good financial information;

c) identification, the principle of appraisal and benchmarking of elements of the item, from which the financial statements are compiled;

(d) The concept of capital and support for capital gains.

International Financial Reporting Standards are a set of documents that regulate the financial reporting of non-current users, and apply for economic solutions in relation to enterprises. They do not regulate the plans, such as accounting records, forms of primary documents and registration registries.

The Interpretation of International Accounting Standards discloses standards, containing non-specific or non-judgmental solutions.

For the purposes of this paragraph, the financial statements are first published in accordance with IAS 1 Presentation of Financial Statements.The standard is embedded in the ISFO system. The standard has been redefined in 1997, 2003 and 2007, reflecting the fundamental principles of the other standards introduced at the end of the year.

Baseline IFRS (IAS) 1, "Conceptual Framework for Financial Reporting" defines minimum requirements for the financial reporting compiled by the ISFO.

Financial Reporting is a structured representation of financial information and financial results in the organization.

The financial statements of the Group are financed by the financial statements of the investor, and the potential investors, potential beneficiaries and other creditors who have the right to make the necessary resources for the organization. Whether or not they are buying, buying or selling long and long instruments, as well as borrowing or loan borrowing. The Financial Reporting also draws on the results of the managing of the managers with the resources.

Objects that are presented in the financial statements are those that are classified as non-current or non-current assets, which are classified as available-for-sale when the entity's structure is largely independent of the statement of financial position. In situations where the asset is used, all assets and liabilities must be settled in the order of their disposal (or impairment).

The asset is classified as an aggressive, if any, from any of the following criteria (Bradley at all, 2008: 35):

(I) It is assumed that the asset will be converted into cash assets (or used for domestic use or for internal use) in the ordinary operating cycle;

(Ii) the asset is intended for the purpose of trading, for the purpose of trading;

(Iii) It is assumed that an asset will be converted into cash in 12 months after the reporting period;

(Iv) The asset represents an asset, even if it has not been settled or has been set aside for a period of twelve months after the reporting period.

All other assets are classified as non-current (long-term).

2. ACCOUNTING AND REPORTING: DIFFERENCES BETWEEN IFRS AND AR TAX LEGISLATION

Accounting and reporting PPE due to IFRS

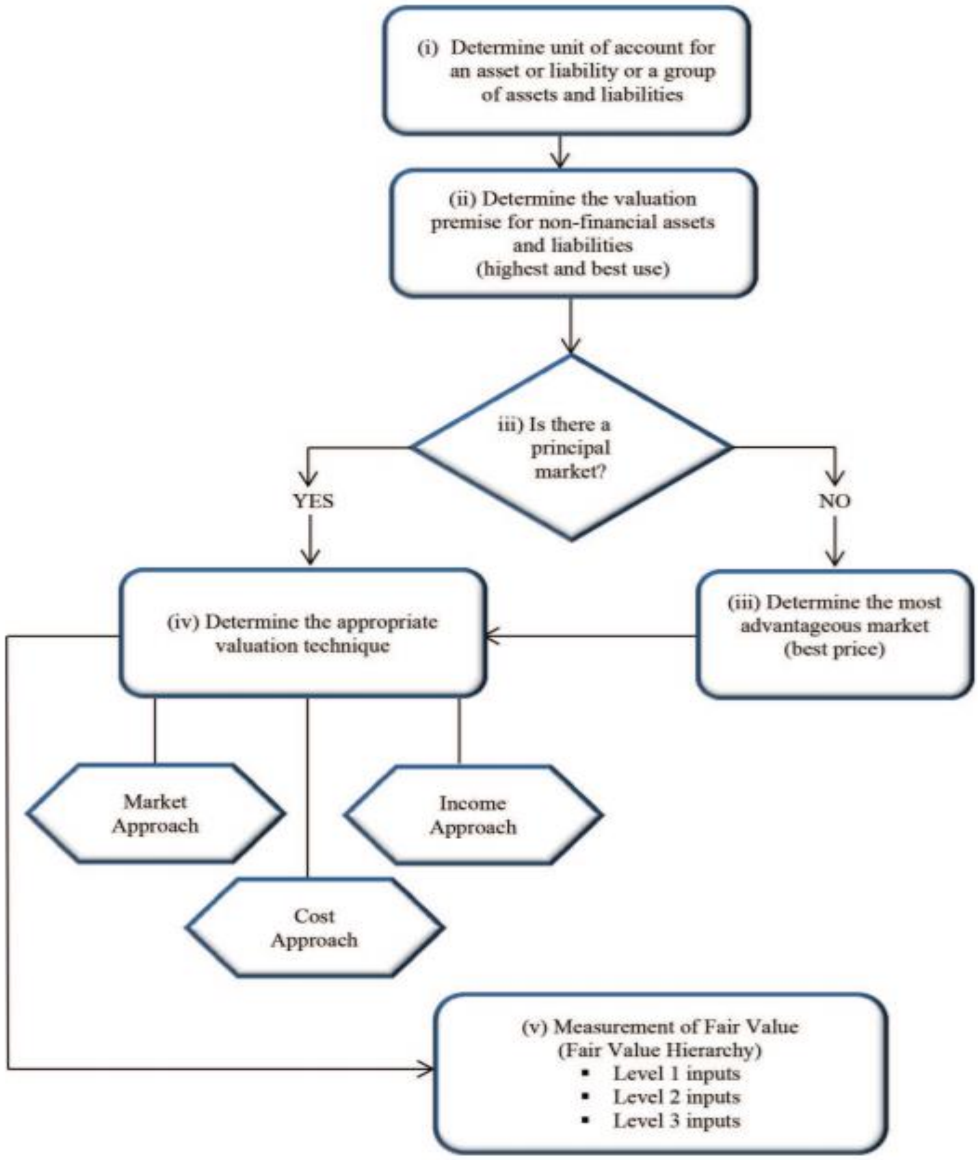
The International Standards Center for International Financial Reporting (IFC) is a leading international corporation in the field of financial reporting. It has been linked to the development of global economic relationships for the sake of universal universality. In addition, in London in 1973, the Committee on International Financial Reporting (IFRS). Since 1983, the IMFO Committee has been a member of the International Federation of Accountants for Professional Organizations. The IFAC Committee is an unifying principle of accounting, used by all financial institutions in all financial institutions (Hung and Subramanyam, 2007: 623).

The IFRS is based on a purely private organization, which deals with the accounting principles of the same accounting principles, the use of commercial entities and other financial organizations as part of the financial reporting.

The IFRS is working with the International Accounting Standards Board (IOSCO), which acts as a regulatory regulator for the value chains of the International Monetary Fund. In 1995 г. the IAEA and IOSCO Committees have agreed that the IOSCO will review the standards after completion of the work program.

The United States Agency for International Development (IMF) announced the convergence of the United States Accounting Guidelines (US GAAP) with the Common Stakeholders Fund. Significance of the matter was confirmed by the series of interatlantic meetings, consultations and memorandums, which were signed in the formal agreement between the Committee on IFRS and the Council of the Financial Standards of the United States. The strategy convergence is either based on the current set of standards, and is a full-fledged standard of study, new standards, and the emerging standards of practice, with practical identification of each reporting entity. In the latter part, it will select the same standard as analogues in the IMFO and the US GAAP, and one-on-one update. IFRS 3 IASB 27 Consolidated and Separate Financial Reporting was translated into January 2008, practically consistent with those of the Standard, Newly Contained in Business, Conceptual Framework, US GAAP.

Fig 3. M2M-Fair Value Accounting



The IMFO and US GAAP Conventional Advisory Framework convened for the purpose of informing the US Department of Commerce on the purchase of foreign exchange registrars, and the subsequent American companies will submit their own IFRS for their accountability, and by the end of 2014, to compile the ISFO Obligatory for the organization of the annual report on the United States (Form 10-K). Clearly, this is the ultimate decision-making commission by the United States of America, setting up an immediate framework for convergent convergence with the US GAAP, which will enable the IMF to safeguard the uniform global system of financial reporting.

The Bidding Procedure provides for the application of the expertise of the IFRS in the Azerbaıjan Federation, as well as the mechanism of interconnection with the Ministry of Finance of the Azerbaıjan Federation, the FFSA and the CBR and the expert authority on the implementation of the decision. Minfin can either "take off" the standard or its hotel rooms, if they do not "have the right to apply their application to the Azerbaıjan Federation". As a matter of fact, the standard can be put in place by "limitation" - with more details, with Azerbaıjan specialties(Gordon at all, 2008: 15).

In 2011, in Minus, the Pricaz Mine was registered in Russia on 25.11.2011. No. 160n "Financial Reporting in the International Financial Reporting Standards and Disclosure Standards for the Azerbaıjan Federation". Together with the Azerbaıjan Federation, the ISFO and IFC 26 disclose the international standards. The following are some of the topics covered: "Financial Reporting", "Report on money laundering", "Tax relief", "Fundamental tools", "Arena", "Vuschka" and others.

In the Federal Law "On Accounting", the new rules of attestation of accounting managers are going to go through the International Financial Reporting Standards. In the subsequent IFC, it is planned to invest in professional educational institutions.

International Financial Reporting Standards (IFRS), which is based on the conceptual framework of the conceptual framework, appraisal, representation and disclosure of financial statements in public companies.

On the basis of the IMFO globalization economics is a lens-facing process that connects with national economies, which is closely linked with the integration of the world economy, integration, internationalization of accounting and reporting(Bart at all, Landsman, 2007).

From 1973 to London, professional organizations of 10 countries (Australia, Canada, France, Germany, the United States, Japan, Mexico, the Netherlands, United States, Great Britain and Ireland) - the non-governmental private professional organization - the International Standard on Compliance (IASC) the International Federation of Accountants. From 1973 to 1989 years. IASC has been implementing a comprehensive set of business plans to provide financial information, to represent and disclose information in financial reporting, and to provide an overview of the "International Accounting Standards for Accountants".

Period from 1989 to Getting Started In 1989 The International Committee for Standardization (IASC) is developing the Conceptual Frameworks and Presentation of Financial Reporting. The emerging countries (Singapore, Malaysia, Cyprus and others) adopt international standards in the national accounting system of accounting records. Some european companies start using the IMFO for consolidated reporting. It turned out that the IMFO will continue to support international investment.

In 1995-2000 years. are developed by the standard set, harmonized with the authoritative international organizations. As such, the International Commission on the International Accounting Standards recommends that IFRS be included in the list of accounts for the stock exchange in the world. In the European countries (Germany, France, Italy, Austria, Finland) exploit the IMFO for the consolidated financial reporting. These are the national standards that are based on the financial reporting of the Group. As in the United States, capital markets are relatively livelier and attractive until the current time is used by the

GAAP GA. Theoretics and Practices of Accountant Accounting in North American Countries do not represent the ISFO, believing that the American system is best suited for market economies. Gratitude to the major American stock market, GAAP, with a wealth of reputable companies, setting up a wealth of securities in the market capital. Reporting or European companies, based on IMFO principles, the USA and Canada are only acknowledged after the adjusted adjustments applied to the American Standard (Ball, at all, 2013: 213).

In the 2000s, the new stage of the IMFO 's development was the stage of convergence of international and national standards (in the first, the American standards), which, in the final account, will bring global financial reporting standards. At the same time, the International Committee on Reforming the International Standard (IASC) is looking for a new challenge. The Eco Functionality of the IASB (IASB), which is based on its new structure, is based on the IMFO Fund Committee (IASCF).

The readers (all of whom are 22 people) represent different regions and international organizations, users and members of the financial management and management directors of the IFRS Committee. They are supervised by the Soviets of Effectiveness, who are looking for funding, favors the budget, and fails to constitutional changes, as they describe the key structural structures.

The International Standard on Interstate Measurement (IASB) is based on the Fundamental Principles of the International Monetary Fund (IASCF) and does not provide for full accountability. The Soviets are working on the development and publication of IFRS, draft standards, discussion documents, conceptual basics, indirect interpretation of interpretations, etc. There are 14 members in this group, 12 of them work on a regular basis.

The important difference is that Azerbaıjan accounting does not use regular analysis of assets for their impairment, while IAS 36 "Impairment of assets" applies to a large number of assets recognized in the balance sheet (intangible assets, fixed assets, investments). The main objective of this standard is to provide a real assessment of assets in the financial statements by recognizing the impairment loss (impairment of value, value) when the net book value exceeds the recoverable amount. An impairment loss is recognized in the income statement for the period, and if the asset was previously revalued, it is included in the revaluation reserve reduction. IAS 36 provides for a number of possible signs of impairment, which the company must verify at each reporting date using a range of external and internal sources of information. If at least one of them is identified, it is necessary to estimate the recoverable amount of the asset to determine the impairment loss. The Azerbaıjan rules do not provide for recognition of such a loss. In PBU 6/01 there is a markdown of fixed assets based on the results of revaluation, with the mark-up amount being charged to the account of retained earnings (uncovered loss) or to the reduction of the additional capital of the organization formed from the revaluation amounts of this facility conducted in previous reporting periods. However, Azerbaıjan standards do not aim at a regular analysis of assets for their impairment and recognition of losses in the reporting year (Ball, at all, 2000: 2000).

The definitions of intangible assets in accordance with IAS 38 "Intangible Assets" and PBU 14/2000 "Accounting for intangible assets" generally correspond to each other, although there are some differences. The first is that under the PBU intangible assets (NMA) should be used for a long time, i.e. have a useful life of more than 12 months. IFRS does not provide for temporary criteria for the recognition of intangible assets, i.e. It involves a more flexible approach. The second difference is that according to paragraph 3 of the PBU for the recognition of the NMA, it is necessary to have properly issued documents confirming the existence of the asset itself and the exclusive right of the organization to the results of intellectual activity (patents, certificates, other security documents, the contract of assignment (acquisition) of the patent, sign, etc.). In IAS 38 there is no requirement to have legal rights, because The main criterion is the ability to monitor future economic benefits from the use of NMA, tk. The company can control these benefits in a different way (IAS 38.13) (Covrig, at all: 2007: 45).

As a result of the discrepancy between the definitions, there are a number of differences in the recognition of certain NMA objects in the accounting. For example, PBU 14/2000 assigns organizational expenses to the NMA. In accordance with IAS 38, organizational expenses are not recognized by the NMA; they are not directly related to the receipt of economic benefits from them. Despite the fact that the costs of establishing an organization are made in order to obtain future economic benefits, there is no real probability of receiving them at the time of the company's creation - the company may be, for example, unprofitable.

In the Azerbaıjan accounting system, assets created by the enterprise itself, such as the value of its own created software, know-how, and exclusive right to a trademark may be reflected as intangible. Under IFRS, assets created by the enterprise itself must meet the following criteria: the asset should be potentially economically viable, and the asset value must be reliably determined. Internally created trademarks should not be recognized as part of the NMA at all, as the costs for them can not be distinguished from the development costs of the company as a whole.

RAS 14/2000 refers to the NMA business reputation of the organization. IAS 38 distinguishes between internally generated goodwill and business reputation arising from a business combination. Internal business reputation is not recognized by the NMA and is not recorded as an asset at all, as it is not an identifiable resource and can not be measured reliably. Business reputation as an asset arises and is reflected in accounting only when buying another company as a whole as a property complex. In this case, the organization joins all assets and liabilities of the acquired company, paying a certain fee for it. The difference between the amount paid and the value of the acquired assets and liabilities is business reputation. Although IAS 38 clearly requires a positive goodwill to be recorded as an amortized asset, goodwill is shown as a separate line in the section of non-current assets. Unlike IFRS 38 PBU 14/2000 does not distinguish between internally created and acquired business reputation.

Another important issue is the cost accounting for research and development. Research work - original and planned research, conducted in order to obtain new scientific or specialized knowledge. Experimental design work is the application of the results of scientific research or other knowledge in developing a plan or project for the production of new or substantially improved materials, devices, products, technologies, systems or services, prior to the commencement of industrial production or use. In accordance with IFRS, research and development expenses should be recorded as expenses of the period during which they were incurred, unless the following conditions are met (in such cases, they must be accounted for as an NMA): (Ball and Ashok: 2000: 101)

the technical feasibility of the product or process can be demonstrated;

the company intends to manufacture, sell or use the product or process;

can be demonstrated the availability of a market for a product or process, or if it is intended for internal use rather than for sale, then its utility to the company;

there are sufficient resources, or their availability can be demonstrated, to complete the project, to sell or use the product or process;

The costs attributable to the product or process can be reliably estimated.

2.2. Accounting and reporting PPE due to AR Tax legislation

In Azerbaijan, state taxes, taxes of the autonomous republic, local taxes (municipal taxes) are determined and paid. Speaking of state taxes, it means all taxes that must be paid in the territory of the Republic of Azerbaijan; speaking taxes of the autonomous republic - taxes in the Nakhichevan Autonomous Republic, determined by the laws of the Nakhichevan Autonomous Republic and paid for in the territory of the Nakhichevan Autonomous Republic; speaking local taxes (municipal taxes) means taxes determined by the code and the appropriate law, applied by the decision of municipalities and paid for in the territory of municipalities. Other mandatory payments applied by municipalities are determined by the relevant law.

Tax amounts are retained as follows (Ball, 2001: 128):

Directly from the source (withholding tax prior to the acquisition of income or profits);

on the declaration (tax withholding after the acquisition of profit or income);

on notification (payment by the taxpayer of the tax on the provided payment notice to the amount calculated by the municipality or tax authority on the basis of the value of the taxable object and area).

State taxes include the following (Ashbaugh and Pincus, 2001: 418):

1) personal income tax;

2) profit tax from legal entities (except for enterprises and organizations owned by municipalities);

3) Value added tax;

4) excise duties;

5) property tax from legal entities;

6) land tax from legal entities;

7) road tax;

8) field tax;

9) simplified tax.

The tax system of the Republic of Azerbaijan after the proclamation of independence began to take shape at the end of 1991, at the beginning of 1992.

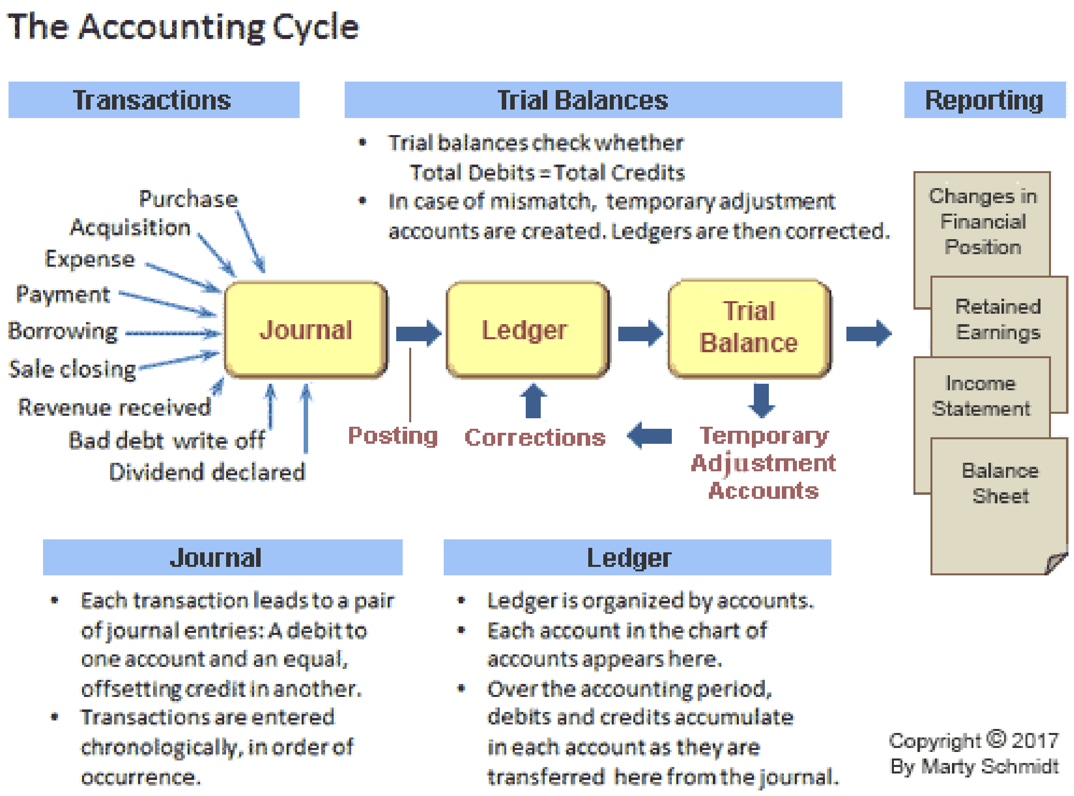
This process of formation can be divided into 3 stages:

At the first stage, covering the years 1991-1992-ies, basically the laws on taxes levied on income and expenses were adopted. In December 1991, laws were passed on "Value Added Tax" and "Excise", in June 1992 on "Taxes on profits and certain types of income of legal entities" and on "Income tax from individuals". Starting from mid-1992, an independent body of the tax service of the republic began to form.

At the second stage, covering 1993-1996-ies in accordance with the requirements of the market economy, a number of new laws on types of taxes were adopted, and their legal and regulatory framework was created. So, in February 1993, the law on "Land Tax" was passed, in

March 1995 - the laws on "Property Tax" and "Commercial Tax", in December 1996 - the law on "Taxes in the state road fund ", regulations and instructions related to the application of tax legislation were developed and prepared.

Fig.4. Accounting System Building Block



At the third stage, covering the period from the end of 1996 to the year 2000, depending on the qualitative changes taking place in society and the economy, work was carried out to improve the laws adopted at the previous stage, the relevant laws made changes and amendments. In January 1999, the President of the Republic signed a decree "On the removal of artificial barriers in the field of business development and improvement of the state control system", which directly concerns tax authorities. The result of this stage can be indicated the adoption in July 2000 of the "Tax Code".

At present, the tax system of the Republic of Azerbaijan provides for the operation of the economic mechanism, provides an opportunity to finance the urgent needs of the state, prevents the growth of the budget deficit, generally meets all the requirements of the transition to a market economy (Ashbaugh, at all, 2007: 15).

The State Tax Service of the Republic of Azerbaijan is a single centralized system consisting of the Ministry of Taxes and directly subordinate to it territorial tax authorities. The structure of the Ministry of Taxes of the Republic of Azerbaijan includes the Ministry of Taxes of the Nakhichevan Autonomous Republic, the Training Center of the Ministry of Taxes, the Department for Working with Large Taxpayers and Enterprises of Special Tax Regime, the Department for Preliminary Investigation of Tax Crimes, the Baku City Tax Administration, Regional Tax Offices, Tax Authorities and Departments in cities and districts of the Republic.

The Ministry of Taxes is part of the system of state administration bodies and is subordinate to the President and Government of the Republic of Azerbaijan. The formation of the tax service as a centralized system makes it possible to conduct a uniform tax policy throughout the country.

The Ministry of Taxes is a centralized system built on the principle of subordination of lower bodies to higher bodies.

The Ministry and all tax authorities subordinate to it are legal entities, each of which has an independent cost estimate, a current bank account, a treasury account with the notifying body, a seal with the State Emblem of the Republic of Azerbaijan, relevant seals and stamps, TIN.

The Ministry of Taxes is headed by a minister who is personally responsible for fulfilling the requirements and duties imposed on the tax authorities. The President of the Republic of Azerbaijan appoints him to this post. The bodies of the state tax service function based on the principle of vertical subordination. Vertical subordination speeds up the exchange of information and causes the distribution of legislative materials of an instructive nature to the tax authorities.

In the Republic of Azerbaijan, state taxes, taxes of the autonomous republic, local (municipal) taxes are established and paid.

State taxes are taxes that are mandatory for payment throughout the territory of the Republic of Azerbaijan.

Taxes of the Autonomous Republic include taxes established by the laws of the Nakhichevan Autonomous Republic and paid in the Nakhichevan Autonomous Republic (Ball, at all, 2000: 200).

Local (municipal) taxes are taxes and payments that are established and come into effect by decisions municipalities and paid for in the territories of municipalities. Other compulsory payments applied by municipalities are established by the relevant law.

Municipalities in their territories regulate the following elements of taxation: tax incentives, as well as tax rates within the limits established by the tax legislation.

Tax amounts are levied in the following forms (Daske, 2007: 12):

- directly at the source (collection of the tax until profit or income is received);

- upon declaration (collection of tax after receipt of profit or income).

State taxes include:

1) personal income tax;

2) corporate income tax;

3) Value added tax;

4) excises;

5) tax on property of legal entities;

6) land tax of legal entities;

7) road tax;

8) field tax;

9) tax on a simplified system.

The marginal rates of all state taxes are established by tax legislation. State tax rates, established for each individual year, can not exceed the rates set annually, when adopting the law on the state budget of Azerbaijan, these rates may be revised.

Taxes of the Autonomous Republic include the state taxes levied in the Nakhchivan Autonomous Republic, listed above.

Local (municipal) taxes include (Nadezhda, 2003: 238):

1) the land tax of individuals;

2) tax on property of individuals;

3) field tax on the extraction of construction materials of local importance;

4) tax on profits of enterprises and organizations that are in municipal ownership.

Participants in relations regulated by tax legislation are:

- legal entities and individuals recognized in accordance with tax legislation by taxpayers;

- legal entities and individuals recognized as tax agents in accordance with tax legislation;

- State tax authorities of the Republic of Azerbaijan;

- customs bodies of Azerbaijan;

- financial authorities of Azerbaijan - when resolving issues provided for by tax legislation;

- bodies of state power, local self-government bodies, other authorized bodies and officials.

tax is a mandatory, individual, free of charge payment levied from taxpayers to the state budget, to local budgets, as well as to targeted state funds in the form of alienation of their own funds on the property right, for the financial support of the activities of the state and municipalities.

The tax is considered established only in the event that taxpayers and the following elements of taxation are established (Hung and Subramanyam, 2007: 625):

1) the object of taxation;

2) the taxable base;

3) the tax period;

4) the tax rate;

5) the procedure for calculating the tax;

6) the procedure and terms of payment of tax.

When establishing a tax, tax relief may be provided on the grounds provided for by tax legislation.

The objects of taxation are income, profit, property, land, minerals, added value of the goods (works, services) presented and other objects of taxation.

The taxable base is the quantitative expression of the taxable part of the taxable object.

The duty of the employer to ensure safe working conditions for employees is established in Articles 55 and 226 of the Labor Code of the Republic of Belarus (hereinafter - the LC of the RB).

In turn, the Typical industry standards for the free provision of personal protection equipment to workers engaged in construction and repair and construction work are approved by the Decree of the Ministry of Labor and Social Protection of the Republic of Belarus dated 29.03.2002 No. 57 (hereinafter - Sectoral Norms No. 57).

In addition, the Resolution of the Ministry of Labor and Social Protection of the Republic of Belarus No. 110 dated September 22, 2006 approved the Model Norms for the free issue of personal protective equipment to workers in general professions and positions for all sectors of the economy (hereinafter - Model Regulations No. 110).

The list of personal protective equipment directly providing occupational safety is approved by the Decree of the Ministry of Labor of the Republic of Belarus of 19.04.2000 No. 65.

The named Sectoral norms and Standard norms are obligatory for tenants of all patterns of ownership.

The procedure for providing employees with special clothes and footwear is established by the Rules for Providing Employees with Personal Protective Equipment approved by the Decree of the Ministry of Labor of the Republic of Belarus No. 67 of May 28, 1999 (hereinafter - Regulation No. 67).

Accounting PPE

In accordance with the Standard Chart of Accounts and the Instruction for the Application of the Standard Chart of Accounts, approved by the Resolution of the Ministry of Finance of the Republic of Belarus of 30.05.2003 No. 89, personal protective equipment (hereinafter - PPE) is accounted for in Account 10 "Materials". To the account 10 "Materials" subaccounts can be opened:

sub-account 10-10 "Personal protective equipment in the warehouse" to account for the receipt, availability and movement of special clothing, shoes, etc., located in the organization's warehouses or other places of storage;

sub-account 10-11 "Means of individual protection in operation" to account for the presence and movement of special clothing, footwear, etc. in operation.

According to sub-clause 2.3 of clause 2 of Article 3 of the Law of the Republic of Belarus No. 1330-XII of 22.12.1991 "On Income and Income Taxes" (hereinafter - Law No. 1330-XII) to the material costs of production and sale of products, services) that are accounted for in taxation include the organization's expenses for the purchase of tools, fixtures, equipment, instruments, laboratory equipment, overalls and other property that is not depreciable property.

We remind you that from January 1, 2008 the costs of the organization, which are not taken into account when determining the taxable profit, are not recognized as an object of VAT. At the same time, VAT incurred when purchasing work clothes issued in excess of the established norms is accepted for deduction in accordance with the procedure established by Article 16 of the Law of the Republic of Belarus of 19.12.1991 No. 1319-XII "On Value Added Tax".

According to articles 1 and 2 of the Law of the Republic of Belarus No. 138-XIII of 29.02.1996 "On compulsory insurance contributions to the Social Protection Fund of the Ministry of Labor and Social Protection of the Republic of Belarus", the object for calculating compulsory insurance contributions to the Social Protection Fund (FSZN) for employers are all types of payments in cash and (or) in kind, accrued in favor of employees on all grounds, regardless of the sources of financing (hereinafter referred to as payments), including remuneration for civil contracts, the subject of which I is the provision of services, the performance of works, the creation of objects of intellectual property. The exception is payments provided by the list of types of payments for which compulsory insurance contributions to the Federal Tax Service are not accrued, approved by the Council of Ministers of the Republic of Belarus.

Currently, there is a list of types of payments for which no contributions are paid for state social insurance to the Social Protection Fund of the Ministry of Labor and Social Protection and on compulsory insurance against accidents at work and occupational diseases in the

Belarusian Republican Unitary Insurance Company "Belgosstrakh", approved the Resolution of the Council of Ministers of the Republic of Belarus of 25.01.1999 No. 115 (hereinafter - List No. 115).

According to item 8 of List No. 115, contributions are not charged on the cost of special clothes, special footwear, other personal protective equipment, soap, washing and degreasing agents, milk or other equivalent food products issued in accordance with the norms established by the legislation of the Republic of Belarus, as well as treatment or prophylactic nutrition or in the cases corresponding to the legislation the amount of money spent on their acquisition.

Proceeding from the foregoing, the cost of PPE within the limits of the norms is not subject to assessment of contributions to the Federal Tax Service, and the cost of PPE issued in excess of the established norms, the assessment of contributions to the Federal Tax Service should be made.

In the organization, the employee is dismissed. Employees of the organization, as a rule, refuse to receive PPE, which were in service. Writing off such clothing is economically unjustified. Is it permissible for the organization to leave for the employee the overalls given to him, the period of which the socks have not expired, and to recover from him the residual value of the overalls?

The right to withhold from the employees the residual value of PPE, whose socks have not expired before the dismissal of employees, and transfer them to the property of employees who are terminated. Regulation No. 67 does not provide the employer.

At the same time, Regulation No. 67 provides for various ways of using PPEs taken from retired employees. Thus, item 2.24 of this document specifies that PPE, returned by employees and suitable for use, are repaired and used for their intended purpose. Unsuitable PPEs are written off and sent for repair of other PPEs in use, as well as for other production needs. PPE can also be recycled as secondary raw materials. In cases where individual PPE types can not be used as secondary raw materials, they are destroyed in the prescribed manner.

3. PERSPECTIVES OF ACCOUNTING AND REPORTING FOR PPE

3.2. Theoretical base for “Dual Ledger system “for PPE

Accounting double-entry bookkeeping. in accounting, is an accounting system, so called, because each entry into the account requires an appropriate and opposite entrance to a different account. For example, a $ 100 income record would require the creation of two records: a $ 100 debit entry into an account called "Cash" and a credit entry into an account called "Income".

The earliest known written description of double accounting accounting comes from the Franciscan monk Luke Pacioli. In the decision from which you need to debit the account and which account should be credited, the golden rules of accounting are used. This is also achieved using the balance equation: Share = Assets - Liabilities. The balance equation serves as an error detection tool. If at any time the amount of debits for all accounts does not equal the corresponding amount of credits to all accounts, an error occurred. It follows that the amount of debits and the amount of loans should be equal to the costso achieved using the balance equation: Share = Assets - Liabilities. The balance equation serves as an error detection tool. If at any point the amount of debits for all accounts does not equal the corresponding amount of loans to all accounts, the error occurred. It follows that the amount of debits and the amount of loans should be equal to the cost (Armstrong, at all, 2007: 17).

Note holding on both sides is not a guarantee that no wrongdoing has been done - for example, a possibly calculated or credited bug note account or entries are often reversed.

In the double-entry bookkeeping system, two accounting entries are required to record each financial transaction. These records can occur in the asset, liability, income, expense or company accounts. The entry of a debit amount into one or several accounts and an equal loan amount for one or several accounts leads to aggregate debits that are equal to the total loans to all accounts in big accounts. If the accounting notes are written incorrectly, the whole point of all calculations having positive balances will equal the aggregate balance of all accounts that have negative balances. Accounting records that debit and credit related accounts usually include the same date and the determining code in both accounts, so that in the event of an error, each debit and credit can be traced back to the log and the operational source, thus retaining the audit trail . The rules for the formulation of accounting records are known as the "Golden Rules of Accounting". Accounting records are registered in the "Book of Accounts". Regardless of which accounts and how much the transaction affects, the fundamental balance equation = L +, OE will hold, i.e. assets are equal to liabilities plus owner's share.

The earliest existing accounting records that follow the modern form of double-entry bookkeeping come from Amatino Manucci. Florentine merchant in the late 13th century. Manucci was hired by Farolfi and an account book firm of 1299-1300 proofs full accounting of double-entry bookkeeping. Giovanino Farolfi & Company, a firm of Florentine merchants located in Nîmes. acted as usurers Archbishop Arles. their most important client. Some sources suggest that Giovanni di Bicci de 'Medici introduced this method to the Medici bank in the 14th century (Gassen and Sellhorn: 2006).

However, the oldest found report of the complete double-entry bookkeeping system is Messari (Italian, Treasurer) accounts of the Republic of Genoa in 1340. The accounts of Messari contain debits and credits recorded in a magazine in the form and include a carryover balance from the previous year, as a system of double-entry bookkeeping. By the end of the 15th century, bankers and sellers of Florence. Genoa. Venice and Lubeck used this system extensively.

Luca Pacioli. The Franciscan monk and the guy Leonardo da Vinci. first encrypted the system in his textbook on mathematics Summa de arithmetica, geometric, proportional and proportional. published in Venice in 1494. Pacioli is often called the "father of accounting" because he was the first to publish a detailed description of a double entry accounting system that allows others to study and use it. Nevertheless, some researchers argue that Benedetto Cutruli wrote the first guide to the double entry accounting system in his treatise of 1458, "The Perfection of Flicker of Excellence."

In pre-modern Europe, double-entry accounting had theological and cosmological connotations, recalling "both the scale of justice and the symmetry of the world of God."

There are two different ways of remembering the effects of debits and credits on accounts in a double accounting system. This is the traditional approach and the equilibrium balance approach. Regardless of the approach used, the effect on the account books remains unchanged in two aspects (debit and credit) in each of the transactions.Following the traditional theory (also called the British theory), calculations are divided into classes as real, private and nominal accounts. Real estate accounts are accounts linked to assets and liabilities, including the account of their owners. Personal accounts are accounts relating to people or organizations with which the business has transactions and will mainly consist of accounts of debtors and creditors. Nominal accounts - income, expenses, profits and losses. Transactions are entered in the books of accounts, applying the following golden accounting rules (Daske, 2007: 18):

Real account: Debit, which includes credit, that comes out

Personal account: Debit the receiver and trust the giver

Nominal account: Debt all costs & losses and credit all the proceeds & receive.

This approach is also called the American approach. In this transaction approach registered based on the balance equation, i.e. Assets = Liabilities + capital. The equilibrium equation is an indication of the co-existence between debts and credits. Laws on debts and loans depend on the nature of the account. For the theory of equilibrium equilibrium, all accounts are divided into the following five classes: assets, liabilities, income / income, expenses or capital gains / losses. If there is an increase or decrease on one account, an equal reduction or increase in another account will occur. Both accounts can have the same increase, depending on what accounts they are. Both accounts can also have the same reduction. Accordingly, the following debit and credit rules can be obtained for different categories of accounts. The rules can be summarized as follows: (Covrig, at all: 2007: 48):

Asset accounts: debit the increase in assets and reduce the loan in assets

Enterprise account: credit increases in equity and debit decreases in equity

Accounts of obligations: credit increases in liabilities and debits in liabilities

Income or Income Accounts: Credit increases in income and profit and debit decreases in income and profit

Expenses or Loss Accounts: debit increases in costs and losses and credit decreases in costs and losses

These five rules help getting to know about accounting records and also are comparable to traditional (British) accounting rules.

Each financial transaction is registered in at least two different nominal accounts of the ledger within the financial accounting system, so that the aggregate debits are equal to the total loans in the General ledger, i. balance of accounts. This is a partial check that each transaction was correctly registered. The transaction is registered as a "debit entry" (Doctor) in one account and "credit record" (Cr) in the second account. The entry will be saved on the receiving side (left side) of the General Accounting account and the credit entry will be saved on the credit side (right side) of the General Accounting account. If the total number of entries on a debt side of an account is greater than the total amount on the credit side of the same nominal account, it is said that this account is the debt position.

Two-sided entry is used only in nominal books This is not used in journals (magazines), which are usually not part of the nominal system of the ledger. The information from the journals will be used in the nominal ledger, and these are nominal ledgers that guarantee the integrity of the resulting financial information created from the journals (provided that the information recorded in the journals is correct).

The reason for this is to limit the number of entries in the nominal account: the entries in the books can be collected before entering the nominal book. If only a relatively small number of operations are involved, it may be simpler to treat the magazines as an integral part of a nominal book and therefore as a double entry note-taking system. However, as can be seen from the examples of the magazines shown below, it is still necessary to check, within each magazine, that journal entries are balanced.

The double system uses the nominal accounts of the ledger. From these, a nominal ledger is considered, a trial balance can be created. The trial balance lists the entire nominal balance of the accounts of the ledger. The list is divided into two columns with debit balances placed in the left column and credit balances placed in the right column. The other column will contain the name of the nominal ledger account describing what each cost is for. The total amount of the debit column should be equal to the total amount of the credit column.

The bookkeeping of the double bookkeeping is governed by the balance equation. If income is equal to expenditure, the following (basic) equation must be true (Armstrong, at all, 2007: 18):

assets = liabilities + share

For accounts to stay in balance, a change in one account must be matched to a change in another account. Changes made are made by debts and creditors to accounts. Please note that the use of these conditions in accounting is not identical to their daily use. Whether each debit or credit is used to increase or decrease the account depends on the normal balance of the account. Assets, expense accounts and drawings (on the left side of the equation) have a normal debit balance. The liability, income and accounts of the enterprise (on the right side of the equation) have a normal credit balance. in general account, the receivables are indicated on the left side and the loans on the right side for each account are recorded. Since the bills are always balanced, a payment will be made for each transaction in one or several accounts and one or several accounts. the sum of all the debts that have been misled in the transactions of the days must equal the sum of all the loans in these transactions. After a series of transactions, the sum of all accounts with debt balance will be equal to the sum of all accounts with credit balance. Debits and credits are the numbers registered as follows:

The debits are registered on the left side of the T account in the register. Debits increase balances on accounts of assets and representation expenses and reduction balances in liability accounts, income accounts and enterprise accounts.

The loans are registered on the right side of the T account in the ledger. Loans increase balances in liability accounts, income accounts, and enterprise accounts and balances of reduction in asset accounts and hospitality expenses.

Debit accounts are asset accounts and representation expenses, which usually have a debit balance, i.e. aggregate debits usually exceed aggregate loans in each debit account.

Credit accounts are income (income, profit) of an account and liability accounts, which usually have credit balances.

3.2. Applying “Dual Ledger system “for PPE

In this example, the following will be used:

Books of the main entrance (General ledgers), also known as magazines

Sales Accounts Journal (records consumer accounts).

Bank Receipts Journal (records customer & non-consumer receipts).

Cash book / Sales orders

Return inside the day book

Return outside day book

Purchase Invoice Log (records vendor invoices).

The Bank's Payment Journal (records the supplier & no provider payments),

The books of the main entrance are where the deals are first recorded. They are not part of a double-entry bookkeeping system, but can be extended by a computer as a debit to one account and a loan to another account. For example, a cash flow deal can cause a debit (increase) to cash account and credit (decrease) to a receivable account.

- Book cards
- Ledger Client Cards
- Ledger supplier cards
- Main ledger (nominal ledger)
- Bank account book
- Exchange the book of creditors
- Exchange the book of debtors

Each individual line is sent as follows:

The value of the amount is declared as a credit to the account of the book of the individual supplier

The analytical amount is sent as a debit to the corresponding account of the general ledger

From the example above:

Line 1 - the cost of Amount 1000 is sent as a credit to the ELE01-electric power company-accountant account book of the Supplier

Line 2 - the cost of Amount 1600 is sent as a credit to the account of the vendor's account book WID01-Widget Company

The total quantities of each column are sent as follows:

The total value of the amount of 2,600 sent as a loan to commercial creditors is managed by the account

The total cost of electricity is 1,000 sent as a debit to the account of the General ledger of Electricity

The total cost of the widget 1600, posted as a debit to the account of the General Accounting Book of Widgets

Double bookkeeping was observed because the Doctor = 2600 and Cr = 2600.

The payment book is not part of the double-entry bookkeeping system.

Keys: PI = purchase account, BP = bank payment

Each individual line is sent as follows:

The value of the amount is declared as a debit to the account of the individual vendor's ledger.

The analytical amount is sent as a credit to the corresponding account of the main ledger.

From the example above:

Line 1 - the cost of Amount 1000 is sent as a debit to the ELE01-electricity-company-account of the Supplier's ledger account.

Line 2 - the value of Amount 900 is posted as a debit to the account of the vendor's account book WID01-Widget Company.

The total quantities of each column are sent as follows:

The total value of the amount of 2,300 sent as a loan to the Bank account.

Exchange the total value of Creditors 1900, sent as the debit to the Trade creditors manages the account.

Another total cost of 400 sent as a debit to Wages is managing the account.

Double bookkeeping was observed because the Doctor = 2300 and Cr = 2300.

Journals are key documents (books) to a dual system. From these magazines we create accounts of the ledger. Each transaction will be registered in at least two accounts of the ledger.

Each individual line is sent as follows:

The value of the amount is declared as a debit to the account of the individual customer's ledger.

The analytical amount is sent as a credit to the corresponding account of the main ledger.

From the example above:

Line 1 - the cost of Amount 2500 is sent as a debit to the account of the Client's account book. Production JJM01-JJ.

Line 2 - the cost of Amount 3200 is sent as a debit to the account of the Client's account book. Production JJM01-JJ.

The total quantities of each column are sent as follows:

The total value of the amount of 5,700 sent as a debit to the trade debtors manages the account.

The total cost of sales parts is 2,500 sent as a credit to the account of parts of the Sales.

Total cost of sales servicing 3 200 sent as a credit to the service account of the Sales.

Double bookkeeping was observed because the Doctor = 5700 and Cr = 5700.

Consumer ledger cards

Ledger client cards are not part of the Double Accounting system. They are for the purposes of the memorandum only.

They let you know the total amount that an individual customer must provide to you.

General (nominal) accounting book

SDB1; sales invoice page 1 magazine

PDB1; purchase invoices page 1 of the magazine

BPDB1; bank journal payment page 1

BRDB1; the bank confirms receipt of page 1 of the journal in writing

Consumer ledger cards show a breakdown of how a debtors' trading account is compiled. Trading account of debtors control - the total number of outstanding debtors, and consumer ledger cards shows the amount receivable for each individual customer. The total number of each individual client account added together must equal the total amount in the debtor's trading account.

The vendor's ledger charts show a breakdown of how the merchant account of the creditors control is compiled. The creditor control trade account is the total number of outstanding creditors, and the vendor ledger card shows the amount receivable for each individual vendor. The total number of each individual vendor account added together must equal the total amount in the merchant account of creditor control.

Each bank account shows all the total amount of money in and through the bank. If you have more than one bank account for your company, you will need to maintain a separate bank account.

Individual client accounts should not be listed in the trial balance, because the Merchants Control Account is a summary of each individual consumer account.

Individual vendor invoices should not be listed in the trial balance, as the Merchant Control Account is a summary of each individual vendor account.

This indicator is used to show two-sided input. There are methods to create a trial debt that significantly reduces the time required to record the records in the main accounting and trial balance..

Statement of profit and loss and balance sheet

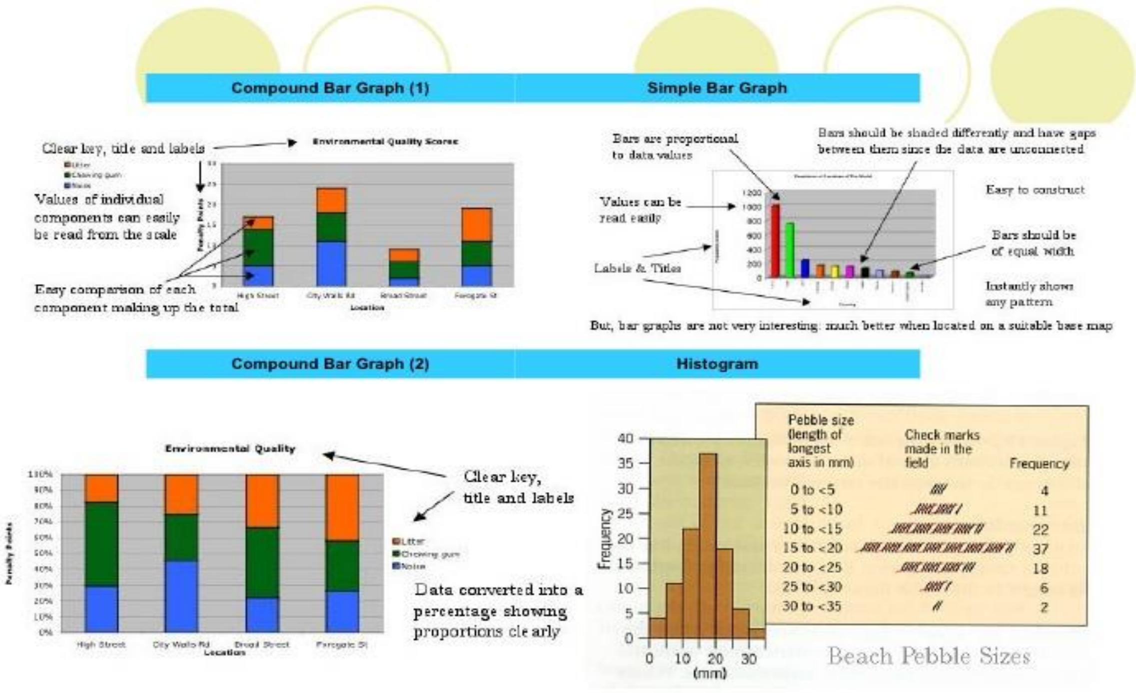
Nostro and vostro believe

Single entry accounting system

Pulse accounting and triple entry accounting.

Accounting for a simple system of accountants is not a curiosity - they have long been keeping it on off-balance accounts. This is stated in the Instruction for the Application of the Chart of Accounts (approved by Order No. 94n of the Ministry of Finance of the Russian Federation of October 31, 2000). However, the receipt and disposal of off-balance sheet assets does not have a direct impact on the financial result of the company. Without the use of a double entry, tax accounting is also conducted: in the case of income tax, in analytical tax records (Article 314 of the Tax Code), in the case of a simplified taxation system, in the Book of Accounting for Income and Expenses (Article 346.24 of the Tax Code of the Russian Federation). Meanwhile, a new simple system should ensure the compilation of generally established reporting forms - the balance sheet and the financial results report. We must admit that the double entry was precisely aimed at solving this problem. We emphasize: a simple system does not imply a refusal to use traditional accounts as such. That is, the accounting areas are still regulated, accounting objects are defined in Article 5 of Law No. 402-FZ, and the rules for recognizing, estimating and writing off objects from accounts are set in the PBU. The condition of conformity of incomes and expenses (paragraph 2 of clause 19 of RAS 10/99 "Expenses of the organization") also remains in force. Innovation is only in that accounting on each account is kept apart. Meanwhile, this is not always possible. There are a number of calculation indicators that can not be independently determined. This relates to the cost of work in progress or finished products, as well as the financial result for the reporting period. In the absence of a double entry, the terms "debit" and "credit" become meaningless. And accounts in the form of tables can act as registers of accounting (clause 1, article 10 of Law No. 402-FZ). For example, the register of the company's calculations with one of the buyers is approximately the same (see table).

Table 1. Accounting for assignment assignment transactions



In fact, we have to remember that the record of the buyer's debt on shipment is accompanied by: a) recognition of revenue (revenue) and b) writing-off of the transferred inventory items (a reflection of the expense). Is not this a double-veiled account? For every resource has its source. This manifests universal conservation laws, which can not be ignored. The gaps in a simple system reveal themselves against even the simplest operations. Thus, the costs of the trading company have two components - the cost of goods sold (from the account 41 "Goods") and the cost of circulation (from account 44 "Sales costs"). At the same time, the transfer of these amounts (for grouping purposes) to the sub-account 90-2 "Cost of sales" should already be considered as correspondence of accounts ... Without the use of a double entry, the financial result is defined as the increment of equity for the reporting period (in the absence of transactions directly with capital, in particular, the calculation of income tax or dividends). In turn, the company's own capital is defined as the difference in its assets and liabilities. However, this method is effective only if the assets are properly classified and valued.

The double system arose on the basis of a simple record in the Middle Ages. Moreover, a simple system is typical for accounting, which is based on the recalculation of property in kind and its historical value. Modern accounting operates with other categories and methods of valuation - such as intangible assets, revaluation, reservation, discounting, depreciation. Actually, in a simple system, the task was not to form a report on the financial position of an economic entity. In this regard, we recall that a simple accounting system was applied until January 1, 2003 - on the basis of the Federal Law of December 29, 1995, No. 222-FZ "On a simplified system of taxation, accounting and reporting for small businesses" (paragraph 4 item 1). Accounts were not maintained in it, and the only accounting and reporting form (on the principle of "two in one") was the Book of Accounting for Income and Expenses. But the non-application of the chart of accounts and the failure to comply with the PBU in that old system were specifically stipulated by the legislator. In addition, a special procedure for recognizing expenditures was established (clause 2 of Article 3 of Law No. 222-FZ). And most importantly - did not raise the issue of balancing. Finally, variants of a simple system offer Methodological recommendations on accounting in peasant (farm) farms, approved by Order No. 6 of the Ministry of Agriculture of Russia on January 20, 2005. In them, a simple system is called a uniographic (from Latin "unus" - one), and a system based on a double entry - digraphic (from the Greek "di" - twice). Meanwhile, the Ministry of Agriculture is not an authority authorized to regulate accounting even in the agro-industrial complex (clause 1 of the Regulation on the Ministry of Agriculture of the Russian Federation, approved by RF Government Decree No. 450 of

June 12, 2008). So the above method of recommendation can not have a regulatory status. The Ministry of Agriculture explains that the angiographic system is only accounts for individual objects of accounting or certain transactions without reflecting them on interconnected accounts. Nevertheless, a simple system allows you to judge the state and movement of material assets and payments both with individuals within the organization (including employees) and with external counterparties. However, information on the final results of the organization's work is practically not formed, since generalized accounts for reflecting the amount of own funds (capital) and financial results (profit, loss) are not maintained. This approach is reflected in our example (see above). In the Methodological Recommendations, a simple system is detailed in three variants - abbreviated, complete and expanded, with each of them proposed register forms. However, all these options are aimed at a farmer who has the status of an individual entrepreneur (paragraph 2 of Article 23 of the Civil Code of the Russian Federation). For this category of economic entities, property used in entrepreneurial activities is not detached from property in the household (Article 24 of the Civil Code of the Russian Federation). However, the same "sin" and microenterprises, in which the head and owner is the same individual.

CONCLUSION

International Standard IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" establishes definitions of the terms "reserves" ("valuation obligations" *), "contingent liabilities" and "contingent assets" and establishes the procedure for their recognition, accounting and presentation in the financial reporting organizations.

* In the latest version of the translation of IAS 37 into Russian and in the name of the standard, and everywhere in the text, the concept of "reserve" is replaced by the term "estimated liabilities", although there are no such changes in the original version of the standard posted on the IFRS website.

For example, IAS 37 defines reserves as liabilities with an indefinite due date or an obligation of uncertain value, with the obligation in the sense of IAS 37 (for recognition in financial reporting) - an existing undertaking of the entity arising from past events, settlement which is expected to result in the disposal of resources from the enterprise containing economic benefits.

Unlike a reserve or an estimated obligation, a contingent liability is:

1) a possible obligation that arises from past events and whose presence will be confirmed only by the onset or non-occurrence of one or more future events, the occurrence of which is uncertain and which are not completely under the control of the organization;

or

2) an existing obligation that arises from past events, but is not recognized, because:

a) it is not probable that the disposal of resources containing economic benefits will be required to settle the obligation; or

b) the amount of the obligation can not be estimated with sufficient reliability.

Finally, a conditional asset is a possible asset that arises from past events and whose presence will be confirmed only by the onset or non-occurrence of one or more future events. Their occurrence is uncertain, and they are not completely under the control of the organization.

At the same time in IAS 13, paragraph 13, there are clear distinctions between:

(a) reserves that are recognized as an obligation (assuming the possibility of obtaining a reliable estimate) because they represent existing obligations and it seems likely that the disposal of resources containing economic benefits will be required to settle the obligations;

(b) contingent liabilities that are not recognized as an obligation, because they are:

possible liabilities, since the existence of an existing obligation in the organization that could lead to the disposal of resources containing economic benefits requires additional confirmation;

or existing obligations that do not meet the recognition criteria established by this standard (because either it does not appear likely that disposal of resources containing economic benefits will be required to settle the obligation or it is impossible to provide a reliable reliable estimate of the amount of the obligation).

In accordance with the general procedure (see paragraph 14 of IAS 37 [1]), the provision should be recognized in cases where the following necessary conditions are met:

a) the organization has an existing obligation (legal or factual) arising as a result of some past event;

(b) It seems likely that an outflow of resources containing economic benefits will be required to settle the obligation;

c) a reliable estimate of the amount of the obligation can be given.

If at least one of the above conditions is not met, the reserve should not be recognized.

For the purposes of existing obligations and the recognition of past events in international financial reporting standards (see in particular) , the following rules apply.

In cases where the existence of the current obligation is unclear, it is considered that the past event creates an existing obligation, if, taking into account all available evidence, the likelihood of the obligation at the end of the reporting period exceeds the probability of its absence.

As a rule, there is no doubt as to whether the past event led to the emergence of an existing duty. In rare cases, in particular during the trial, there may be disagreement as to whether certain events have occurred and / or whether such events have led to the emergence of an existing duty. In such a case, the organization determines whether there is an existing obligation at the end of the reporting period by examining all available evidence, including, for example, expert opinions and other additional evidence that emerged from events that occurred after the reporting period. On the basis of such evidence, the organization recognizes the reserve (subject to recognition criteria) if the probability of having an existing obligation at the end of the reporting period exceeds the probability of its absence; or if the probability of the absence of an existing obligation at the end of the reporting period exceeds the probability of its availability, the entity discloses a contingent liability unless the disposal of resources containing economic benefits is unlikely (see IAS 37 , paragraph 86).

The past event leading to the emergence of an existing duty is called a binding event. The necessary condition for the event to be considered binding is that the organization does not have a real alternative to the settlement of the obligation created by this event. This situation is possible in the following cases:

I. if calculations can be made in a compulsory manner in accordance with the law;

II. in the case of an obligation due to practice, when such an event (which may be the action of the organization itself) creates reasonable expectations for other parties that the organization will fulfill this obligation.

In most practical cases, the identification of events that can be recognized as grounds for recognizing reserves does not cause serious difficulties, but in practice there are various situations in which the very fact of recognizing the reserve requires additional justification, or there are certain difficulties in the formation of reserve calculation rules in the case its unconditional recognition.

The first group of events is related to a specific date for the discovery of binding events that serve as a basis for recognizing reserves. Typical examples of the events of this group are different situations in which there are revealing tax risks associated with the implementation of various facts of economic life, in particular, with the implementation of certain facts of economic life, as a result of which there are expenses recognized in the financial statements of the organization, The shares of probability may not be recognized as expenses that reduce the taxable profit of the organization. In particular, it concerns such facts of economic life (examples of which will be considered below), for example:

realization of hospitality expenses,

accrual of depreciation after the modernization of fixed assets, accounting for expenses in the form of interest on controlled debt, in particular, on loans of subsidiaries received from foreign parent companies.

In the listed situations, the tax risks arise from the existence of different points of view of certain state control bodies on the recognition of the listed types of expenses as reducing the taxable base for income tax, as well as various judicial practices.

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