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SIMILARITIES AND DIFFERENCES BETWEEN THE ACCOUNTING SYSTEMS OF UKRAINE AND CHINA

This study provides a comparative analysis of the accounting systems of Ukraine and China, focusing on their alignment with the International Financial Reporting Standards (IFRS). The paper examines key aspects of the historical development, regulatory frameworks, and methodological approaches to accounting in both countries. It has been established that Ukraine follows a continental accounting model adapted to European practices, while China employs a mixed system that combines international standards with centralized state regulation. Special attention is given to the level of digitalization and automation of accounting processes, highlighting China's implementation of the Golden Tax System and the use of artificial intelligence technologies. The study identifies key similarities between the two accounting systems, such as integration with tax authorities and financial reporting standardization, while emphasizing differences in regulatory approaches, the degree of centralization, and flexibility in responding to economic changes.

The research explores the challenges and prospects for improving Ukraine's accounting system by incorporating best practices from China, including the development of a unified digital platform for accounting and taxation, the automation of accounting processes, and the adoption of blockchain and Big Data technologies to minimize financial fraud. The paper provides recommendations for enhancing financial transparency, reducing administrative burdens on businesses, and improving the efficiency of government oversight. The findings may be valuable for academics, professional accountants, financial analysts, and regulatory bodies interested in optimizing national accounting systems and aligning them with international standards. Special attention is paid to the role of government regulation in adapting accounting standards to global requirements and the impact of digital technologies on accounting processes.

Keywords: accounting systems, financial reporting, IFRS, CAS, China, Ukraine, harmonization, digitalization, tax control

JEL classification: M41, G38, O33

У статті здійснено порівняльний аналіз облікових систем України та Китаю в контексті їх гармонізації з міжнародними стандартами фінансової звітності (IFRS). Розглянуто ключові аспекти історичного розвитку, законодавчого регулювання та методологічних підходів до ведення бухгалтерського обліку в обох країнах. Встановлено, що Україна дотримується континентальної моделі обліку, зорієнтованої на адаптацію до європейських практик, тоді як Китай застосовує змішану систему, що поєднує міжнародні стандарти з централізованим державним регулюванням. Особливу увагу приділено рівню цифровізації та автоматизації облікових процесів, що в Китаї реалізовано через систему Golden Tax System та використання технологій штучного інтелекту. Визначено основні спільні риси облікових систем, зокрема інтеграцію з податковими органами та стандартизацію фінансової звітності, а також їхні відмінності, що проявляються в регуляторних підходах, ступені централізації контролю та рівні гнучкості у реагуванні на економічні зміни.

Досліджено виклики та перспективи вдосконалення бухгалтерського обліку в Україні шляхом імплементації найкращих практик Китаю, зокрема розвитку єдиної цифрової платформи для бухгалтерського та податкового обліку, автоматизації процесів обліку, впровадження технологій блокчейну та Big Data для мінімізації фінансових зловживань. Запропоновано рекомендації щодо підвищення прозорості фінансової звітності, спрощення адміністративного навантаження на підприємства та покращення ефективності державного контролю. Результати дослідження можуть бути корисними для науковців, практикуючих бухгалтерів, фінансових аналітиків та регуляторних органів, зацікавлених у вдосконаленні національних облікових систем та їх гармонізації з міжнародними стандартами. Окрему увагу приділено ролі державного регулювання в адаптації бухгалтерських стандартів до глобальних вимог та впливу цифрових технологій на облікові процеси.

Ключові слова: бухгалтерський облік, фінансова звітність, IFRS, CAS, Китай, Україна, гармонізація, цифровізація, податковий контроль

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Statement of the problem and its connection with important scientific or practical problems. In the current conditions of globalization and economic integration, the effective functioning of national accounting systems is an important factor in the development of business and international cooperation. Ukraine and China have different economic models, historical prerequisites and legal systems, which affects the formation of their accounting standards. The main direction of the study is to determine the similarities and differences between the accounting systems of Ukraine and China, taking into account the International Financial Reporting Standards (IFRS) and the national characteristics of each country. The study of this issue will allow for:

- the identification of the key similarities and differences between the accounting systems of Ukraine and China;

- the assessment of the level of adaptation of the accounting standards of both countries to international norms;

- the identification of potential areas for the harmonization of accounting systems to facilitate cooperation between business entities of Ukraine and China.

Thus, the relevance of the study lies in the need to understand the specific features of accounting in Ukraine and China in order to ensure effective international partnership, as well as to improve national accounting systems by taking into account the best global practices.

Analysis of recent studies and publications, which laid the foundation for solving the problem under study. The peculiarities of accounting in China are not a common topic of research among scientists in Ukraine, but some scholars conduct such research. In the article by Mokrynska Z.V. [1], the peculiarities of accounting in China are analyzed, and a comparison is made with the Ukrainian accounting system. The author notes that, despite geographical, political, and economic differences, the national accounting systems of China and Ukraine have certain similarities.

The authors Pylypenko A.V., Reshetnikova Yu.O., and Lobodzynska T.P. [2] study the standards of accounting and financial reporting approved in China, the USA, and the European Union. The authors analyze the similarities and differences in relation to the International Financial Reporting Standards (IFRS) and examine the algorithms for adopting changes in the relevant national standards caused by updates to international ones.

A number of manuals and a monograph [3] devoted to accounting in foreign countries outline the foreign experience of organizing and the fundamentals of accounting methodology. They systematically classify international accounting principles, the structure and forms of financial reporting, and the financial accounting system, and also highlight the features of the methodology and organization of accounting in different countries, including China.

The monograph "Accounting in Ukraine: Analysis of the Status and Prospects for Development" [4] examines the current state and directions for further development of accounting in Ukraine in the context of international trends in the harmonization of financial reporting. The author provides proposals for differentiating the requirements for the financial reporting of various business entities and develops a methodology for transforming the financial statements of Ukrainian enterprises into financial reporting under IFRS.

In general, existing works provide valuable information about the features and trends in the development of accounting systems in both countries. Further research in this area can contribute to a deeper understanding of the similarities and differences between these systems, as well as to identifying directions for their harmonization with international standards.

Highlighting previously unresolved parts of the general problem. Despite the existing studies analyzing the features of accounting in Ukraine and China, there are still a number of issues that have not yet received sufficient scientific justification and require further study. Among them, it should be noted **that there is a lack of** an in-depth

comparison of accounting methodologies. Most studies consider general aspects of accounting systems, but there is a lack of a detailed analysis of methods for valuing assets, liabilities, income, and expenses in Ukraine and China.

In addition, **a comprehensive comparative characterization** of accounting principles (historical cost, fair value, etc.) and their impact on financial reporting **has not been sufficiently conducted.**

We should also not forget about the lack of research on the level of harmonization of accounting systems with IFRS. Despite the fact that China and Ukraine have officially adapted their national accounting standards to IFRS, there is still no in-depth analysis of the actual compliance of these standards, existing deviations and their consequences for the international business environment.

The issue of practical problems of applying IFRS in China and Ukraine and ways to overcome them, as well as the impact of the economic and legal environment on accounting, **needs further study.** Most studies pay attention only to the technical aspects of accounting but do not sufficiently reveal the impact of the legal system, tax policy, and economic regulation on accounting practice. The question of how political and economic changes in Ukraine and China affect **the accounting and financial reporting** of enterprises remains important.

Despite the significant interest in the issues of accounting in Ukraine and China, there are still issues that require deeper study. Further research in the field of the harmonization of standards, the impact of the economic environment, digitalization, and tax accounting will contribute to the improvement of the accounting systems of both countries and to increasing the level of their mutual integration into the world economy.

Presentation of the main research material. The accounting systems of Ukraine and China belong to different types of accounting systems due to the specifics of their economies, legal systems, and approaches to accounting regulation.

Thus, Ukraine belongs to the continental (Roman-Germanic) accounting system, which has the following characteristics:

- the main emphasis is placed on regulation by the state: accounting standards are formed in accordance with national legislation, in particular the Law of Ukraine «On Accounting and Financial Reporting» [5]. Accounting standards are based on the International Financial Reporting Standards (IFRS), which ensures adaptation to European practices;

- priority of tax accounting: in Ukraine, accounting is closely integrated with tax accounting, which makes it the main tool for calculating tax liabilities;

- state control: active regulation by regulatory authorities, such as the State Tax Service of Ukraine, the State Audit Service, and others;

- main focus on legality and compliance with rules: significant attention is paid to the documentary base and the mandatory execution of primary documents.

China represents a modernized mixed system with centralized control. The Chinese accounting system is unique and can be described as a mixed system that combines elements of the continental and Anglo-American models. Characteristics:

- centralized regulation: accounting in China is strictly regulated by the state through the Ministry of Finance. All accounting standards are created and approved at the national level, ensuring uniformity [6];

- application of Chinese Accounting Standards (CAS): CAS are adapted from IFRS but take into account the specifics of the Chinese economy, in particular state

participation in business and the scale of state-owned enterprises;

- priority of management and financial accounting: the main purpose of accounting is to support the strategic goals of the government, including control over the state economy and the reporting of state-owned enterprises;

- high integration with the tax system: tax reporting is integrated with accounting through electronic systems, which minimizes discrepancies between accounting and taxes;
- innovative approach: China is actively implementing digital technologies, such as blockchain, for accounting and process automation.

A list of the main differences between the Ukrainian and Chinese systems is given in Table 1.

Thus, we conclude that Ukraine belongs to a continental system, which is oriented toward strict adherence to national standards and harmonization with European norms. China uses a mixed system, which reflects a unique combination of international practices and centralized state control, adapted to the scale and needs of its economy. The existence of such differences can be explained, not least, by the different periods of their emergence, as well as the content and essence of accounting in these countries. Some scholars believe, and we support this view, that the historical development of accounting in Ukraine and China has many differences due to geographical, cultural, economic, political, and social factors. For convenience and clarity of comparison, the data of our research are presented in Table 2.

Table 1

Main differences between the accounting systems of Ukraine and China

Criterion	Ukraine (continental system)	China (mixed system)
Regulator	IFRS-oriented legislation	Central regulation through CAS
Priority	Tax accounting	Management and strategic accounting
Control	Decentralized control	Centralized control
Automation	Moderate level	High level, digitalization
Flexibility	Difficulty in adapting to rapid changes	Flexible adaptation through centralization
Integration with international IFRS	High level	Moderate level (CAS adaptation to IFRS)

Main stages of development of accounting in Ukraine and China

Ukraine	China
<p><i>The origin of accounting practice dates back to the times of Kievan Rus (12th–13th centuries).</i> Accounting was conducted in the form of censuses, records of natural exchange, collection of tribute, and trade transactions. Primitive accounting records were kept in the form of scrolls, charters, or on wooden tablets.</p>	<p><i>The Origin of Accounting Practice in Ancient Times (circa 221 BC)</i> During the reign of the Qin and Han dynasties, the foundations of accounting for tax collection and state property management emerged. Classical Chinese accounting consisted of a system of «san-jiang» (三章) - three sections (income, expenses, balances). Accounting documents were recorded on bamboo plates and scrolls.</p>
<p><i>The Cossack period (17th–18th centuries)</i> was characterized by the development of the accounting system in the Hetmanate: detailed accounting documents were introduced for military needs, estate management, and financing. Accounting in the estates reflected income and expenses, and the main documents were registers and books.</p>	<p><i>The Imperial period (10th–19th centuries)</i> was characterized by the development of accounting in trading houses: large trading guilds, such as Sun Zhongshan, had detailed accounting systems for accounting for goods. The beginning of the use of double-entry bookkeeping: in the 13th century, the Chinese began to use a prototype of double-entry bookkeeping independently of Europe.</p>
<p><i>Stay under the Russian Empire (18th–early 20th centuries)</i> Integration into the imperial system: Ukrainian practice borrowed the accounting practices of the Russian Empire, which used simple accounting books. In industrial development, the growth of manufactories and factories led to the emergence of more complex forms of accounting.</p>	<p><i>Colonial period and reforms (19th–20th centuries)</i> During the period between the end of the Qin Dynasty and the beginning of the Republic (1912), China began to borrow Western accounting standards, in particular from Great Britain and the United States. The first standards are created: at the end of the 19th century, official accounting regulations for state-owned enterprises began to be introduced.</p>
<p><i>Soviet period (1917–1991)</i> Centralized accounting: the Soviet accounting system was centrally regulated through plans and directives. During collectivization and industrialization, accounting was oriented towards the needs of state planning and statistics. • Implementation of regulations was carried out through standardization through the development of a single reporting form for all enterprises</p>	<p><i>Socialist Era (1949–1978)</i> During the planned economy, the Central Government controlled all accounting processes. Accounting was subordinated to the needs of the planned allocation of resources. Introduction of the unification policy: all enterprises kept accounts according to uniform standards developed by the government.</p>
<p><i>Independent Ukraine (1991–present)</i> Implementation of accounting reform: the transition to a market economy required the adaptation of national standards to international ones (IFRS). Digitalization policy: introduction of electronic accounting, integration with tax systems. Integration with the EU through increased use of international financial reporting standards (IFRS) to harmonize with European practices</p>	<p><i>Reform and opening-up era (1978–present)</i> Introduction of accounting reform during the Deng Xiaoping period: during the transition to a market economy, the Chinese Accounting Standards (CAS) were introduced. Integration with IFRS: Chinese CAS standards are adapted to international standards, but take into account national characteristics. In technological development, there is widespread use of automated systems, the introduction of blockchain technologies.</p>

From the analysis, we see that accounting practices in China began to be implemented much earlier than in Ukraine, and accordingly, double-entry bookkeeping and the borrowing of Western accounting standards also began earlier. Only the Soviet period in Ukraine

and the similar era of socialism in China have similar features: during this period, accounting in both Ukraine and China was subordinated to the needs of planned resource allocation, with the introduction of a single form of reporting for all enterprises [7, 8].

Accordingly, an era of reforms related to the introduction of Chinese Accounting Standards (CAS) and their subsequent integration and adaptation to international standards, taking into account national characteristics, took place earlier in China. Independent Ukraine also introduced accounting reform with increasing use of International Financial Reporting Standards (IFRS) to harmonize with European practices. In technological development, both countries widely use automated systems and are introducing electronic accounting. China is moving more quickly toward the use of blockchain technologies in accounting.

Key developments by country are outlined in Table 3.

Both systems have a unique development path that reflects the social and economic transformations of their countries, as a result of which the accounting systems of Ukraine and China differ significantly due to different historical, economic, and legal contexts.

The main components of the financial statements of Chinese companies are:

- Balance Sheet, which reflects the assets, liabilities, and equity of the company as of a certain date. Assets are divided into current and non-current (long-term). Liabilities are also classified into current and non-current;

- Income Statement, which shows the company's revenue, expenses, and net profit for a certain period. Includes operating income, financial expenses, and taxes;

- Cash Flow Statement, which reflects cash inflows and outflows, divided into

three categories: operating, investing, and financing activities;

- Statement of Changes in Equity, which shows the changes in the company's equity during the period. It includes additional share issues, dividends, and retained earnings;

- Notes to the Financial Statements, which provide details on accounting policies, significant transactions, estimates, risks, and subsidiary calculations, and enhance understanding of the main statements.

China's accounting system is based on a number of principles that ensure its compliance with local economic characteristics and international standards. The following are the main principles of the accounting system in China:

- unity of standards, in the form of the use of Chinese Accounting Standards (CAS), which are adapted to the International Financial Reporting Standards (IFRS). Uniform rules apply to all business entities regardless of ownership;

- reliability and validity, which means that all financial information must be accurate, substantiated, and supported by documents, ensuring transparency of financial reporting for external users;

- prudence, which means reflecting income and expenses based on a conservative approach: income is recognized only after it is actually received, and potential losses are recognized as soon as they become possible;

- going concern: accounting methods should be stable to ensure comparability

Table 3

Comparison of key points in the development of accounting systems

Criterion	Ukraine	China
Old accounting practices	Records in princely charters	The Sanjiang Tax Accounting System
Western influence	Dependence on the Romano-Germanic system	The Influence of the British and American Systems
Role of the state	Dominance in the Soviet period	Always High Level of Centralization
Integration with IFRS	Broad harmonization	Partial Adaptation through CAS
Modern development	Orientation towards the EU and electronicization	Innovation and Large-Scale Digitalization

of reporting between different periods or companies;

- valuation: all business transactions are expressed in terms of value indicators based on the national currency (yuan);

- materiality: only material elements that can influence users' decision-making should be reflected in the reporting [9].

The obligation to submit financial statements in Ukraine applies to:

- business entities, including public sector enterprises (state and municipal enterprises) and private sector enterprises, regardless of the form of ownership (LLC, PJSC, PrJSC, etc.);

- financial institutions: banks, insurance companies, and other financial institutions (credit unions, investment funds, etc.);

- enterprises of public interest:

- 1) public joint-stock companies (PJSC),

- 2) enterprises with securities listed on stock exchanges,

- 3) large enterprises that meet at least two of the three criteria: (the book value of assets exceeds 20 million euros, or the net income from the sale of products (goods, works, services) exceeds 40 million euros, or the average number of employees per year exceeds 250 people);

- microenterprises, small and medium-sized enterprises: simplified reporting forms are provided for them;

- non-profit organizations in the case of conducting economic activities;

- individual entrepreneurs (FOPs) are generally not required to file financial statements but must keep records of income and expenses;

- other legal entities, in particular representative offices of foreign companies in Ukraine [5, 10].

In China, the filing of financial statements is regulated by several basic laws and regulations, including the Accounting Law of the PRC and the Company Law of the PRC. The obligation to file financial statements applies to different categories of enterprises:

- all registered legal entities: state-owned enterprises (SOEs), private companies (including small and medium-

sized enterprises), foreign enterprises and their representative offices, and foreign-funded joint ventures;

- listed enterprises: are required to file financial statements in accordance with the Chinese Accounting Standards (CAS) or international standards;

- financial institutions: banks, insurance companies, investment funds, brokerage companies, and other financial institutions. Reporting is submitted in accordance with the specific requirements of financial regulators, such as the People's Bank of China (PBoC) and the China Securities Regulatory Commission (CSRC);

- state-owned enterprises (SOEs): mandatory submission of detailed financial statements to government agencies and supervisory authorities;

- foreign-invested enterprises: are required to submit financial statements in accordance with Chinese standards or international standards (IFRS);

- small and medium-sized enterprises (MSMEs): depending on their size, apply simplified forms of financial reporting but are also required to submit basic reports;

- non-profit organizations: also are subject to mandatory submission of financial statements in a simplified form [11, 12].

A detailed comparison of the main characteristics of the accounting systems of Ukraine and China is given in Table 4.

The Company Law of the People's Republic of China is the main regulatory act that regulates the establishment, management, operation, and liquidation of companies in China. Its purpose is to provide a legal basis for the activities of companies and to protect the interests of participants in corporate relations, including shareholders, creditors, employees, and the state. Part of the regulation of financial activities provides for the rules of financial control, audit, submission of financial statements, and distribution of profits, and defines the requirements for the liquidation of a company and settlements with creditors.

Thus, Ukraine and China demonstrate different approaches to accounting:

Ukraine is trying to integrate into the global economy, adhering to international standards, while China focuses on national characteristics and the prevalence of state interests. In addition, the Chinese system is characterized by strict state control and a high level of digitalization, which ensures greater management efficiency. In contrast, Ukraine focuses on transparency and harmonization with

international practice. As we can see from the analysis, control over accounting in Ukraine and China is carried out by state bodies with different functions and levels of intervention. Liability for violations of accounting legislation in Ukraine and China has both similarities and differences due to the specifics of the legal systems and regulations, which are presented in Table 5.

Table 4

Comparison of the accounting systems of Ukraine and China by main characteristics

Comparison criteria	Ukraine	China
Accounting standards	Use of national P(S)BO, which are based on IFRS concepts. Audited companies, large enterprises and banks must apply IFRS. The introduction of electronic document management is voluntary, but popular.	All companies must apply CAS, which is harmonized with IFRS, but takes into account the specifics of the Chinese economy. China actively uses digital tools (for example, the Golden Tax System) for accounting and tax administration.
Basic accounting principles and approaches	<i>The main principles enshrined in law:</i> autonomy, periodicity, historical cost, consistency, timely coverage, prudence, accrual, correspondence of income and expenses, continuity of activity, the prevalence of substance over form, a single monetary unit. Accounting is carried out in the national currency (hryvnia). Accounting in foreign currency is allowed for enterprises engaged in foreign economic activities. Orientation to transparency and compliance with international standards. Reporting is aimed at meeting the needs of external users (investors, creditors).	<i>Basic principles:</i> unity of standards, reliability and authenticity, prudence, continuity, accrual principle, transparency, the prevalence of substance over form, comparability, valuation, materiality. Feature: regulates the detail of data necessary for state planning and control. Accounting is kept in yuan, but multinational companies can use other currencies with the consent of the government. Greater attention to state control and the interests of tax authorities. The use of accounting is closely related to business management and strategic goals of the government. Orientation to national business and regulatory characteristics.
Forms of financial reporting	Main forms of reporting: balance sheet, income statement, cash flow statement, equity statement, notes to financial statements. Financial statements are submitted to tax authorities and, if necessary, to auditors or investors.	Mandatory reporting forms are similar to international ones, but adapted to CAS. The minimum set of forms: balance sheet, income statement, cash flow statement, statement of changes in equity (for large companies). The reports are used as a source of analysis of the effectiveness of activities at the state level.
Requirements for financial reporting	Requirement to submit reports to tax authorities quarterly or annually, depending on the type of enterprise.	Reporting is mandatory for tax, statistical and state authorities. Reporting is submitted monthly, quarterly and annually depending on regional rules.
Tax system and accounting	Tax reporting is partially separated from accounting. Taxes are calculated according to the rules of the Tax Code of Ukraine. Considerable attention is paid to the automation of reporting through electronic services	<i>Accounting and tax reporting are closely integrated.</i> <i>Taxes are administered at national and regional levels through a single information system. Use of digital technologies (e.g. electronic fiscal invoices).</i>

Continued from Table 4

Comparison criteria	Ukraine	China
Legal regulation	Accounting is regulated by the Law of Ukraine «On Accounting and Financial Reporting in Ukraine»: <ul style="list-style-type: none"> - establishes accounting principles and requirements for financial reporting; - is based on the Accounting Regulations (Standards) developed on the basis of International Financial Reporting Standards (IFRS). - provides flexibility: enterprises conducting international activities can use IFRS in full. Accounting standards are based on National Accounting Regulations (Standards) (NR(AS) and are gradually adapted to International Financial Reporting Standards (IFRS). The state actively monitors the correctness of accounting, especially in the field of taxes. The Tax Code of Ukraine: determines the features of tax accounting, separated from accounting, to ensure compliance with tax policy. 	The accounting system is regulated by the State Administration of Finance of the People's Republic of China. It is based on the Chinese Accounting Standards (CAS), which are partially harmonized with IFRS. The system is tightly integrated with tax requirements, which ensures effective control over tax payment. <p>The Accounting Law of the People's Republic of China (updated in 2017):</p> <ul style="list-style-type: none"> - regulates accounting for all business entities, including state-owned enterprises and private companies. - imposes strict requirements for documenting transactions and financial reporting. <p>The Chinese Accounting Standards (CAS) are developed on the basis of IFRS, but adapted to local conditions. CAS is used by all companies, with the exception of some international corporations that may report under IFRS.</p>
Peculiarities of working with business	Greater emphasis on reporting to investors and creditors, which promotes transparency. <p>Use of electronic services (E-cabinet, register of tax invoices) to simplify control. Businesses have the opportunity to independently choose software for accounting automation.</p>	Unified control system through mandatory integration with the Golden Tax System. <p>Special emphasis on control of state-owned enterprises and companies of strategic importance.</p> <p>Use of the latest technologies (blockchain, AI) to increase the efficiency of inspections</p>
Social responsibility	A more loyal approach to business, especially small and medium-sized ones. Lack of mandatory integration of accounting with tax authorities (although this simplifies reporting, creates room for manipulation). Frequent appeals of sanctions in court.	The stiff fines are intended to create discipline among businesses. Control is more focused on large companies and strategic enterprises. <p>Failure to comply with the regulations puts the company at risk of closure</p>
Regulatory bodies	<i>Ministry of Finance of Ukraine:</i> develops and approves the P(S)BU; monitors compliance with accounting rules at the state level. <p><i>State Tax Service:</i> carries out audits of reporting and tax accounting.</p>	<i>The Ministry of Finance of the PRC</i> develops CAS and ensures their implementation. <p><i>Tax authorities</i> are integrated with the accounting system to simplify tax administration.</p>
Mechanisms for monitoring compliance with the law	<i>Electronic control systems:</i> <p>Use of the register of tax invoices. The taxpayer's electronic account simplifies reporting and reduces the risk of errors.</p> <p><i>Manual audit:</i> <p>Tax audits are carried out according to a plan or upon request based on suspicion of a violation.</p> <p><i>Judicial system:</i> <p>Enterprises can appeal the decisions of regulatory authorities in the courts.</p> </p> </p>	<i>Automated systems:</i> <p>Golden Tax System integrates all tax and accounting data of companies, allowing them to be monitored in real time. Using Big Data and AI to analyze reporting and identify anomalies.</p> <p><i>Rapid application of sanctions:</i> the system detects and instantly imposes sanctions for technical violations.</p> <p><i>Interdepartmental cooperation:</i> Integration of financial, tax and judicial authorities ensures efficiency and effectiveness of measures.</p>

Continued from Table 4

Comparison criteria	Ukraine	China
Types of violations	<p><i>Technical violations:</i> Errors in financial reporting, failure to meet reporting deadlines, incorrect accounting of transactions or non-compliance with accounting policies.</p> <p><i>Material violations:</i> Tax evasion, failure to report to regulatory authorities, falsification of accounting data</p>	<p><i>Minor violations:</i> non-compliance of accounting documentation with CAS (China Accounting Standards), incorrect registration of expenses and income.</p> <p><i>Critical violations:</i> Tax fraud, use of forged documents or fictitious invoices, failure to provide data for verification through the Golden Tax System.</p>
Purpose of control	<p>Ensuring transparency of financial reporting for investors, creditors and the state. Increasing trust in the financial system through compliance with international standards. Monitoring the correctness of tax calculations and reducing the shadow economy. Control over budget funds in the public sector.</p>	<p>Support economic stability and centralized control over business activities. Ensure full tax collection through the integration of accounting and tax accounting. Control over the financial discipline of large state-owned enterprises, which are the basis of the economy. Encourage compliance with global standards to attract investment.</p>
Severity and scale of sanctions	<p>Sanctions are mainly moderate in nature and aimed at adjusting the activities of enterprises. Preference is given to correcting errors and additional tax assessment with the application of penalties. Criminal cases are initiated only in cases of major violations or significant losses to the state.</p>	<p>The system is built on the principle of zero tolerance for violations. Fines can exceed the amount of revenue received, which creates significant financial risk for businesses. Focus on preventive control through integrated digital systems, which reduces the likelihood of errors.</p>
Liability for violations	<p><i>Administrative liability:</i> - fines for late submission of financial or tax reports: for example, fines for individual entrepreneurs depending on the violation; - fines for errors in tax declarations - from 5% to 25% of the amount of underpayment; - liability for violation of accounting rules in the public sector.</p> <p><i>Financial sanctions:</i> - penalty for late payment of taxes (depending on the number of days of delay); - confiscation of assets in case of significant violations.</p> <p><i>Criminal liability:</i> - for tax evasion in particularly large amounts (over 8 million UAH) fines, arrest or imprisonment for up to 5 years are provided; - falsification of documents may be punishable by imprisonment for up to 3 years.</p>	<p><i>Administrative liability:</i> - fines for incorrect accounting or untimely reporting - from ¥500 to ¥50,000 depending on the scale of the violation. - sanctions for refusal to integrate with the Golden Tax System - suspension of activities.</p> <p><i>Financial sanctions:</i> - double fines for falsification of financial documents; - confiscation of illegally obtained income.</p> <p><i>Criminal liability:</i> - for large-scale tax evasion, imprisonment from 3 to 7 years is provided. - the use of fake invoices is punishable by fines of up to ¥500,000 and imprisonment for up to 10 years.</p> <p><i>Collective liability:</i> In case of serious violations, both the company and officials (general directors, chief accountants) are held liable.</p>
Digitalization of accounting	<p>Emphasis on simplifying processes through electronic document flow. Electronic services for reporting are being developed (Unified Register of Tax Invoices, VAT Electronic Administration System). Local accounting programs, such as ERP, are popular.</p>	<p>Integration of accounting automation with state control platforms Golden Tax System: an automated system for accounting and tax control. Extensive use of Big Data technology, artificial intelligence and blockchain technologies for verification of accounting data.</p>

End of Table 4

Comparison criteria	Ukraine	China
Powers and methods of control	<p><i>Tax audits:</i> The State Tax Service conducts both desk (based on submitted reports) and on-site audits. The detection of errors or violations can lead to fines and penalties.</p> <p><i>Audit audits:</i> The State Audit Service checks the use of public funds and the compliance of reporting. Scheduled audits are carried out according to the schedule, unscheduled audits are carried out upon request.</p> <p><i>Judicial control:</i> In the case of serious violations, the financial statements or actions of the enterprise can be reviewed in court.</p>	<p><i>Integrated digital control:</i> STA uses the Golden Tax System to automatically monitor tax and accounting data. Regular analysis of large volumes of data through artificial intelligence and Big Data to detect violations.</p> <p><i>Unscheduled inspections:</i> Tax authorities have the right to conduct unscheduled inspections, in particular due to suspicions of tax evasion.</p> <p><i>Severe sanctions:</i> Significant fines, prohibition of activity or criminal liability in case of manipulation of financial statements.</p>
Key challenges and prospects	<p><i>Challenge:</i> transition to full IFRS compliance and overcoming bureaucracy.</p> <p><i>Prospect:</i> digitalization and integration into the global economic system.</p>	<p><i>Challenge:</i> balance between national standards and globalization. <i>Prospect:</i> further automation of accounting and increased transparency</p>
Main regulatory authorities	<p><i>Ministry of Finance of Ukraine (MFU):</i> Main regulatory body for accounting and financial reporting. Responsible for the development and implementation of national accounting standards NR(AS). Controls compliance with financial reporting requirements by large and public companies. Ensures harmonization of NR(AS) with international standards (IFRS).</p> <p><i>State Tax Service (STS):</i> Controls the correctness of accounting for the purpose of calculating taxes. Responsible for the administration of tax invoices, verification of reporting and imposition of fines in case of violations. Uses electronic services to monitor accounting data.</p> <p><i>State Audit Service of Ukraine:</i> Exercises financial control over the activities of state institutions and enterprises. Conducts scheduled and unscheduled accounting audits</p>	<p><i>Ministry of Finance (MOF):</i> Responsible for the establishment of China Accounting Standards (CAS); supervises the implementation of accounting standards in enterprises; audits the financial statements of state-owned enterprises and strategic companies.</p> <p><i>The State Tax Administration (STA)</i> is the central tax administration body, integrates accounting and tax accounting through the digital Golden Tax System; regularly monitors tax reports and conducts audits for suspected violations.</p> <p><i>China Securities Regulatory Commission (CSRC):</i> supervises the financial statements of listed companies, ensures that public companies comply with accounting standards.</p> <p><i>National Audit Office (NAO):</i> conducts inspections of state-owned institutions and strategic enterprises, analyzes the efficiency of the use of public funds and compliance with financial discipline.</p>

The liability system in China is much stricter and integrated in real time, which allows for more effective detection and prevention of violations. In Ukraine, control is more flexible, with a focus on helping businesses correct errors, but this creates risks of abuse due to insufficient automation.

In conclusion, it should be noted that Chinese is the only officially recognized language for financial reporting and

accounting. Accounting software in China must meet local market standards; all accounting documents must be official and include extended invoices (“fapiao” in Chinese), and corporate income tax and turnover declarations must be submitted within a month. Reporting in the PRC is submitted monthly, and annual reports must be approved within the established deadlines by relevant authorities, such as the State

Table 5

Comparison of liability for violations in Ukraine and China

Criterion	Ukraine	China
Size of fines	Moderate, depends on the scale of the violation	High, especially for critical violations
Automation of control	Partial	Full due to Golden Tax System
Criminal liability	Rarely used, mostly for large losses	Harsh, including prison terms for fraud
Preventive control	Mainly through audit	Continuous real-time monitoring
Appealing decisions	Common, access through court	Lower due to centralized control

Administration of Taxation and the China Securities Regulatory Commission.

Thus, each of the studied models has its advantages and, accordingly, its disadvantages. There is no ideal accounting model, but for the conditions of Ukraine, a combination of models should be chosen, possibly avoiding the shortcomings of the systems and emphasizing their advantages, which is the subject of the next section.

Conclusions. So, having examined a number of characteristics of the accounting systems of Ukraine and China, the authors believe that the similarities between the systems under consideration are as follows:

First, this concerns the degree of harmonization with international standards, since both countries are partially guided by the International Financial Reporting Standards (IFRS). In addition, Ukraine uses NP(S)BO, which are adapted to IFRS, and China has its own CAS (Chinese Accounting Standards), which are also harmonized with IFRS, but take into account national specifics.

Secondly, this concerns the integration of accounting with the tax system. In both countries, accounting is the basis for calculating tax liabilities, although in China the integration is deeper due to automated systems.

Thirdly, this concerns the ongoing emphasis on digitalization and automation. In Ukraine and China, active digitalization of accounting processes is taking place, and electronic reporting systems are being introduced. However, China is significantly ahead of Ukraine in the use of Big Data, AI, and blockchain technologies for accounting.

Finally, this concerns the role of the state in regulating accounting. In both

countries, accounting is regulated by the state, in particular by the Ministry of Finance. Supervisory authorities audit and monitor the reporting of enterprises.

The differences between the accounting systems of Ukraine and China primarily concern the regulatory approach. The continental system with decentralized control in Ukraine is subordinate to legislation and is oriented toward Western standards. At the same time, China has a mixed system with strict centralized control through the Ministry of Finance of the PRC and other state authorities. The two countries also have different accounting priorities: in Ukraine, the main emphasis is on tax accounting, which affects the financial reporting of enterprises; in China, priority is given to management and strategic accounting, which ensures state control over the economy.

Automation and digital technologies also differ. There is a moderate level of automation and voluntary implementation of electronic document management in Ukraine. China has a high level of digitalization, including the Golden Tax System and automatic monitoring of tax and accounting operations.

The countries' systems have different degrees of flexibility in adapting to changes. Flexible adaptation due to centralized regulation in China contrasts with the difficulties in quickly adapting to changes through legislative procedures in Ukraine.

Control and accountability systems also differ. In Ukraine, control is carried out through audits, tax inspections, and court appeals. In China, constant real-time monitoring is implemented, and severe fines and collective responsibility of company managers are in force.

Accounting in China developed much earlier, with active borrowing of Western standards as early as the 19th century. In Ukraine, systematic accounting was formed under the influence of the Soviet system and transitioned to international standards after gaining independence.

Integration with the international financial system in these countries is different. Ukraine is actively harmonizing its system with European practices and the International Financial Reporting Standards (IFRS). China integrates international standards only partially, adapting them to take into account national economic interests.

The general conclusion can be formulated as follows. Ukraine belongs to the continental accounting system, which is focused on harmonization with international standards and transparency for investors. China, on the contrary, uses a mixed system with strict state control and the integration of accounting and tax accounting through digital technologies. Despite certain common features, the key differences are determined by the economic models of the two countries: Ukraine is a market economy that seeks integration into the global system, while China has an economy with a high level of state influence that uses accounting as a tool for strategic management.

Based on a comparison of the accounting systems of Ukraine and China, several promising areas for improving Ukrainian accounting practices can be identified, relying on China's best practices and international experience.

The experience of expanding digitalization and automation of accounting requires the greatest attention. China has achieved significant success in implementing digital technologies in accounting and tax reporting. Ukraine is also moving in this direction, but the process needs further improvement. The essence of the proposals is as follows:

- creation of a single state digital platform for accounting and tax accounting (analogous to the Golden Tax System in China), which will ensure the integration of accounting data with tax authorities;

- automation of accounting processes through the use of Big Data, AI, and

- blockchain (to prevent fraud and simplify audits);

- introduction of mandatory electronic document flow for all enterprises, which will reduce paper accounting and speed up the processing of reports;

- development of cloud services for accounting, which will simplify accounting for small and medium-sized businesses.

In China, tax and accounting reporting are combined into a single system, which simplifies administration and control. In Ukraine, these systems are still separated, which creates difficulties for businesses. Therefore, it is proposed to:

- optimize reporting and simplify tax calculations based on accounting data, which will reduce the burden on enterprises;

- introduce automatic reconciliation of accounting and tax reporting to reduce errors and the risk of fines;

- reduce the number of mandatory reports by combining data into a single system.

The Chinese experience of strict control over accounting and reporting requires strengthening centralized control over accounting and the transparency of financial reporting, which will minimize tax abuse. This requires:

- creating an automatic risk monitoring system (based on AI and Big Data), which will allow the detection of suspicious transactions and tax evasion;

- introducing mandatory audits for large enterprises according to unified CAS + IFRS standards;

- introducing fines for tax fraud through an automated system (without the need for lengthy inspections).

In order to improve approaches to financial reporting in Ukraine, it is necessary to:

- simplify financial reporting for small businesses (similar to the simplified reporting form in China for small enterprises);

- introduce mandatory submission of consolidated financial reporting for large companies according to international standards;

- expand requirements for the transparency of financial information (for investors and international partners);

– implement blockchain platforms for storing accounting data, which will make it impossible to falsify reporting;
– use smart contracts in financial transactions for automatic accounting control [13, 14].

The application of these approaches will allow Ukraine not only to simplify accounting processes but also to increase the transparency and efficiency of the financial system, which will contribute to attracting investment and business development.

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SIMILARITIES AND DIFFERENCES BETWEEN THE ACCOUNTING SYSTEMS OF UKRAINE AND CHINA

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This study provides a comparative analysis of the accounting systems of Ukraine and China, focusing on their alignment with the International Financial Reporting Standards (IFRS). The paper examines the historical evolution, regulatory frameworks, and methodological approaches to accounting in both countries. Ukraine follows a continental accounting model adapted to European standards, while China employs a mixed system that integrates IFRS-based practices with centralized state regulation.

Special attention is given to the level of digitalization and automation of accounting processes, highlighting China's implementation of the Golden Tax System and the use of artificial intelligence technologies. The study identifies key similarities between the two accounting systems, such as integration with tax authorities, while emphasizing differences in regulatory approaches, the degree of centralization, and flexibility in responding to economic changes.

The research also explores the challenges and prospects for improving Ukraine's accounting system by incorporating best practices from China, including the development of a unified digital platform for accounting and taxation, the automation of accounting processes, and the adoption of blockchain and Big Data technologies to minimize financial fraud. The findings provide practical recommendations for enhancing financial transparency and reducing administrative burdens on businesses.

This research is relevant for academics, professional accountants, financial analysts, and regulatory bodies interested in optimizing national accounting systems and fostering international harmonization.

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