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TOPICAL ISSUES OF IFRS FINANCIAL REPORTING: CHALLENGES AND CHALLENGES OF THE PRESENT

***Abstract.** The transition of Ukrainian enterprises to international standards of financial reporting is a requirement of time, a market system of management and is conditioned by the necessity to fulfill the contractual obligations of Ukraine regarding further integration into the European Union. The application of the norms prescribed by International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) allows for reporting, which will include relevant, understandable and truthful information. The article analyzes problems that accompany the process of introducing IFRS in Ukraine. The complex of measures on possible ways of solving these problems in terms of institutional economic theory has been systematized. The differences between IFRS and Ukrainian accounting standards have been analyzed in terms of general reporting requirements, information structure and disclosure requirements. The ways of eliminating disproportions have been proposed in order to bring the national registration system to the international requirements. The preconditions and necessity of introduction of international standards of financial reporting in the accounting system of Ukraine have been considered. The adaptation of the accounting system to international approaches to the registration of the financial state by economic entities has been investigated, which is an important component of the further integration of the national economic system into the world community.*

JEL Classification: M 41**Introduction**

The application of International Financial Reporting Standards (hereinafter - IFRS) in Ukraine has always been a controversial issue. But despite the discussion, the legislative and regulatory control of the domestic accounting system was gradually moving towards the implementation of International Standards. For today, the main purpose of the article is to study the stages of implementation of IFRS in Ukraine, to identify the problems and prospects for this process.

These issues remain relevant, as the insufficient degree of studying the problem of financial reporting in relation to the current changes related to the transition of reporting to international financial reporting standards, as well as their practical significance, testify to the need for further investigation of this issue. In order to establish common approaches to the formation of financial statements in the world economic space and to ensure the possibility of domestic business entities entering the world capital markets in Ukraine in 2007, the International Financial Reporting Standards (IFRS) Strategy was adopted for implementation.

The development of integration economic relations requires the harmonization and standardization of accounting in the international space. The main objective of such global processes is the maximum convergence of financial reporting principles and methods used in different countries. This will enable users to understand better the financial performance of business entities operating in different countries.

The main instrument of international communications in the accounting aspect is the IFRS. As Ukraine has started to introduce them into their national accounting practices, the study of the perspectives and problems that arise in this context is becoming increasingly relevant. Analyzing the state of this issue, it can be noted that the problem of the development and dissemination of international standards of financial reporting has been in the sight of scientists for a long time. The problems of the regional and national implementation of IFRS and their dissemination in the world are devoted the works of such scholars as: F. F. Butynets, S. F. Holova, H. H. Kireitseva, N. M. Maliuha, V. F. Pali, O. M. Petruk, V. M. Parkhomenko and others. Such scientists as D. Witney, E. Jenkins, Ye. Richard, D. Barry, B. Lev, S. A. Dipiazza and R. D. Ekklz paid attention to the study of these processes abroad. In addition, this issue is consistently featured in reports by both US Securities and Exchange Commission officials and representatives of the IFRS and IASB Funds.

The purpose of the study is to provide a theoretical substantiation of the essence of IFRS and to analyze the main differences in the basic concepts of national and international standards. Ukraine was one of the first countries in the post-Soviet space to declare a course on the implementation of international approaches to the construction of the national accounting system, which were mainly represented by international accounting standards (subsequently financial reporting). And only in 2011, the declared goal has been embodied in the "Principal Accounting Law".

The question of applying international standards and placing them in the basis of a reformed national accounting system has always been controversial, both in academia and among practitioners. Positions regarding international standards have been highlighted most thoroughly in the works of H.H. Kireitsev, F.F. Butynets, V.M. Zhuk, S.F. Holov, V.M. Parkhomenko, S.Ia. Zubilevych and I.A. Belousova. Despite the presence of quite a large number of discussion issues, the legal framework for accounting regulation has steadily progressed to the legislative consolidation of the application of IFRS in Ukraine. With the adoption of the relevant Law, it became necessary to determine the directions of further reform of the national accounting system.

1. Prerequisites for IFRS implementation

There are four ways to implement IFRS in a particular country: complete acceptance, formal application, adaptation, and approval method. Until this time Ukraine adhered to an adaptation policy instead of full acceptance. It was developed domestic Accounting Regulations (Standards) which do not contradict international standards. The implementation of IFRS takes place by stages.

The first step is to create legislative and organizational prerequisites for implementing IFRS. According to the latest amendments to the Law of Ukraine "On Accounting and Financial Reporting in Ukraine", financial statements prepared according to national standards need to be translated into IFRS financial statements. This process means the transition from one system of standards, principles and accounting methods into a completely different system, the implementation of which requires a change in accounting policies in accordance with IFRS 1, "The First Application of International Financial Reporting Standards".

The second stage of IFRS implementation is the adaptation of the national legal and regulatory framework for accounting, which may have problems related to the poor quality of accounting information and inconsistency in the methods of accounting for financial instruments. The use of IFRS for small enterprises is more economical because of the less amount of information required due to the fact that the management independently evaluates which methods of representing business operations will provide more complete information about the company, using explanations that supplement and disclose such information.

The third stage is a state regulation, which is carried out under the conditions of the existing legal system. The regulation of domestic accounting clauses (standards) differs from the regulation of IFRS.

The fourth stage in solving the problems of implementing IFRS should be the expansion of international cooperation and the application of world experience. Thus, Ukraine's level of approaching national standards to international financial reporting standards is far behind the advanced countries of the world. Tools for solving problems should be: development of standards, methods and recommendations for the application of IFRS; provision of cooperation between domestic specialists; qualification improvement of accountants. Under such conditions, the introduction of IFRS may become an instrument for improving the transparency and efficiency of the management system of an enterprise, which, in turn, will enable Ukraine to attract foreign investment and loans, as well as access to foreign markets. IFRSs are documents adopted by the International Accounting Standards Board and determine the procedure for compiling and submitting financial statements.

A key element in the development of international economic relations is the creation of a unified accounting methodology that will facilitate the formation of qualitatively new forms of communication between countries. In order to achieve the unification of accounting processes, IFRS were developed and implemented. The role of these normative

documents in the integration processes generates a lot of discussions, the subject of which is their purpose and influence on the development of accounting. There is no consensus on the interpretation of the substance and characteristics of the value of the IFRS in the international accounting system (Table 1).

Table 1. Interpretation of the essence of international financial reporting standards

Source	Definition of IFRS
International Financial Reporting Standards (translation version in Ukrainian, 2012)	These are the standards and interpretations adopted by the International Accounting Standards Board.
Law of Ukraine "On Accounting and Financial Reporting in Ukraine" (On Accounting and Financial Reporting in Ukraine № 996-XIV, 1999, July 16)	Adopted by the International Accounting Standards Board documents that determine the procedure for drawing up financial statements.
Butynets, 2012	Rules that establish requirements for the recognition, measurement and disclosure of financial and business operations for the preparation of financial statements of companies around the world.
Schneidman, 2013	Rather complex systems of requirements, principles, partially rules and procedures for preparing useful information for a wide range of interested parties
Petruk, 2015	Principles of compiling financial statements, not rules, therefore, IFRS as a system of accounting does not exist.

Summarizing the opinion of scientists and the interpretation given in normative acts, we consider it appropriate to give such a definition that determines most fully the essence of the category under study and the main purpose of its existence: international standards of financial reporting - these are documents developed by the International Accounting Standards Board, reflecting the unified methods and principles for the formation of a qualitative and accessible to the range of users of information about the financial position of an entity on the basis of the convergence of the accounting and reporting methodology of the different countries. International standards are classified according to the date they have been put into operation:

IAS – International Accounting Standards;

IFRS – International Financial Reporting Standards.

In addition, the system of international standards includes interpretations developed by the IFRS Interpretation Committee (IFRIC International Financial Reporting Interpretations Committee) or by the former Standing Interpretation Committee (SIC – Standing Interpretations Committee). The conceptual framework for financial statements based on which financial statements are prepared and presented to external users is not included in IFRS. The provisions contained therein can not replace the requirements of each individual standard. However, existing standards are being developed and improved on their basis.

In Ukraine, the procedure for the application of IFRS was regulated by Art. 121 of Law No. 996-XIV of 16.07.99 (hereinafter - Law No. 996) and NP (C) BO 1 "General Requirements for Financial Statements".

In accordance with these normative documents, domestic entities apply IFRS financial statements, which are officially published on the website of the Ministry of Finance of Ukraine (www.msfz.minfin.gov.ua) provided that they do not contradict the Law No. 996.

According to the Art. 121 of the Law No. 996, entities are divided into those who apply necessarily IFRS and those who determine independently the appropriateness of the application of these standards. The list of entities that are required to apply IFRS in the preparation of financial statements is determined by the Law No. 996 (Article 121) and Order No. 419 since 28.02.00 (taking into account the changes made by the Resolution No. 820 dated November 7, 2013.) (hereinafter - Order No. 419). This list includes: public joint stock companies, banks, insurers - starting since 01.01.12; credit unions – since 01.01.15; enterprises that carry out: economic activity on providing financial services, except insurance and pension provision (Section 64 NACE 009: 2010), except for activities for management of assets (group 64.3 NACE 009: 2010) - since 01.01.13; economic activity on non-state pension provision (group 65.3 NACE 009: 2010) - since 01.01.13; auxiliary activities in the field of financial services and insurance (section 66 NACE 009: 2010) - since 01.01.14; asset management activity (group 64.3 NACE 009: 2010) - since 01.01.15.

In the case of a voluntary transition to the application of IFRS, the decision to prepare financial statements under IFRS should be consolidated in accounting policies. Companies that make consolidated financial statements under IFRS send by letter the relevant information to the state statistical bodies in the timeframe foreseen for submission of such reporting (paragraph 11 of the Order No. 419).

In transition to IFRS, IFRS 1 First-time Adoption of International Financial Reporting Standards should be applied. But first of all it is necessary to determine the date of transition. When preparing the first IFRS statement, it is necessary to distinguish clearly between: the date of the transition, that is, the beginning of the first period for which the entity provides the full comparative information in accordance with IFRS (Appendix I to IFRS 1); the reporting date of the first IFRS financial statements, which refers to the date of the end of the first reporting period under IFRS, which is determined taking into account the date of transition to IFRS and the period for which the previous financial statements of IFRS comprise, containing the first comparative information. To comply with the principle of comparability of data, the date of transition to IFRS should be at least two years before the reporting date of the first IFRS financial statements.

Business entities that are converting to the preparation of financial statements according to international standards must take into account the differences in the application of P (C) BO and IFRS. Let's examine in more detail how the general principles for submitting information, established by P (C) BO and IFRS, are different. There are different points of view on how financial statements are prepared for P (C) BO, in accordance with the requirements of International Standards.

The object of discussions between domestic and foreign scientists is the significance of differences and their impact on the quality and reliability of information.

Some authors suggest that creating and introducing national standards in domestic accounting practices was inappropriate at all. In particular, Dmitry Parfyth, senior partner of PricewaterhouseCooper, said that «... the transition to Ukrainian accounting standards that are not recognized and unclear in the world is a waste of time. Let the experts say that they are based on International Accounting Standards, but if they are not international standards, they will not be accepted in the world. And Ukrainian companies that want to work in the West will incur additional costs» (Parfitt, 2010).

The World Bank report (Schneidman, 2013) even though progress was made on accounting standards, it was stated that these standards did not provide the level of transparency and comparability required by IFRS.

In previous years, within the framework of several projects, an analysis was carried out on the compliance of the Accounting Regulations (Standards) and International Financial Reporting Standards. As a result of this analysis, the experts of the IVTSI Company, which implemented the "Private Accounting Reform Project in Ukraine", concluded that the Accounting Regulations (Standards) did not comply fully with International Accounting Standards, therefore, instead of developing national standards, Ukraine should adopt International Accounting Standards in the "pure form".

A similar view was expressed by Hill, 2010, Senior Specialist in International Accounting Standards of the United States Agency for International Development: "If reporting is based on local standards that are significantly different from international ones, this will lead inevitably to a discrepancy in the results that makes it impossible to match reliably factors of the Ukrainian enterprises with factors of their foreign competitors without transforming their financial statements. "

2. The main differences in the conceptual provisions between the Accounting Regulations (Standards) and the International Financial Reporting Standards

The distinction between the Accounting Regulations (Standards) and the International Financial Reporting Standards is recognized at the legislative level. This is confirmed by the presence in the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" (as amended on December 22, 2011) that obliges public joint stock companies, banks and insurers, as well as companies from the list established by the Cabinet of Ministers to provide Reporting according to International Financial Reporting Standards (Zakon2, 2011). Consequently, if for the specified economic entities reporting is compulsory according to international standards, the differences between the Accounting Regulations (Standards) and the International Financial Reporting Standards, in the opinion of the legislator, are significant.

In order to verify the truth of the above assertions, it is worth analyzing how the application of International Financial Reporting Standards affects on the indicators of financial statements in comparison with national standards on a concrete example. In

particular we will consider the reporting of PJSC Kiyevergo - a power complex of thermal power plants, electrical networks, adjustment, construction and other divisions which provide the capital of Ukraine with electric and thermal energy. PJSC Kiyevergo makes the reports according to standards of both the international and national standards that allow to compare their compliance.

Based on the comparison of indicators, choose the Financial Statement for 2018, which is formed in accordance with the International Financial Reporting Standards and the Balance Sheet for the same period, drawn up on the basis of the Accounting Regulations (Standards) (Kyivenergo, 2017). It is clear that in the case of the identity of the norms of standards, the value of the indicators of the balance must be equal. Since the reports compiled according to international standards reflect information in dollars, the comparison of indicators is impossible without taking into account the official exchange rate.

The official exchange rate of the US dollar as of December 31, 2018 amounted to 27, 70 UAH. for \$ 1 (Ibra, 2010). Taking into account these data and transferring the indicators of the statement of financial position, prepared in accordance with International Financial Reporting Standards, in UAH, we note that the amounts do not coincide with the information presented in the balance sheet, formed in accordance with the Accounting Regulation (Standards). There is a difference in the result of the balance, which is about 66 million UAH, that is, the sum of indicators in the report, compiled according to the International Financial Reporting Standards, is lower. This is evidence of non-compliance of national accounting standards with international norms. In order to determine the reasons for the discrepancies, we will compare the conceptual provisions and general requirements of IFRS to financial statements with similar norms of Ukrainian legislation and Accounting Regulations (Standards) (Table 2).

Table 2. The main differences in the conceptual provisions between the Accounting Regulations (Standards) and IFRS

	AR(S)	IFRS
Prudence concept	Established as one of the main principles of compiling financial statements	Not considered as the principle of compiling Financial Reporting
Expenses-benefit ratio	Not a condition for accounting and compiling Financial Reporting	It is considered as one of the grounds for providing data in the Financial Statements
Deviation from standards	Not allowed	Allowed as an exception if implementation of requirements of the standard can mislead the user so that it will contradict the purpose of drawing up Financial Statements
Use of analogies	Not allowed	If the IFRS system does not contain provisions governing the accounting of a transaction, then it is permitted to use the provisions of other standardization systems that are related to the IFRS system

There are differences in the basic principles of financial statements construction. While implementing IFRS in Ukraine, most of the principles were specified in the Law of Ukraine "On Accounting and Financial Reporting in Ukraine". However, it cannot be argued that in practice all of them are actually used.

As for essence, it is possible to note that, unlike the International Accounting Standards, the Ukrainian regulations (standards) do not consider essence of information as an instrument for ensuring relevance and reliability of financial statements. Therefore it is obvious that display of some elements of the reporting are difficult for a domestic accounting system.

There are inconsistencies regarding the composition and format of the financial statements, which may be an important factor in generating qualitative and reliable information about the financial position of the entity (Figure 1).

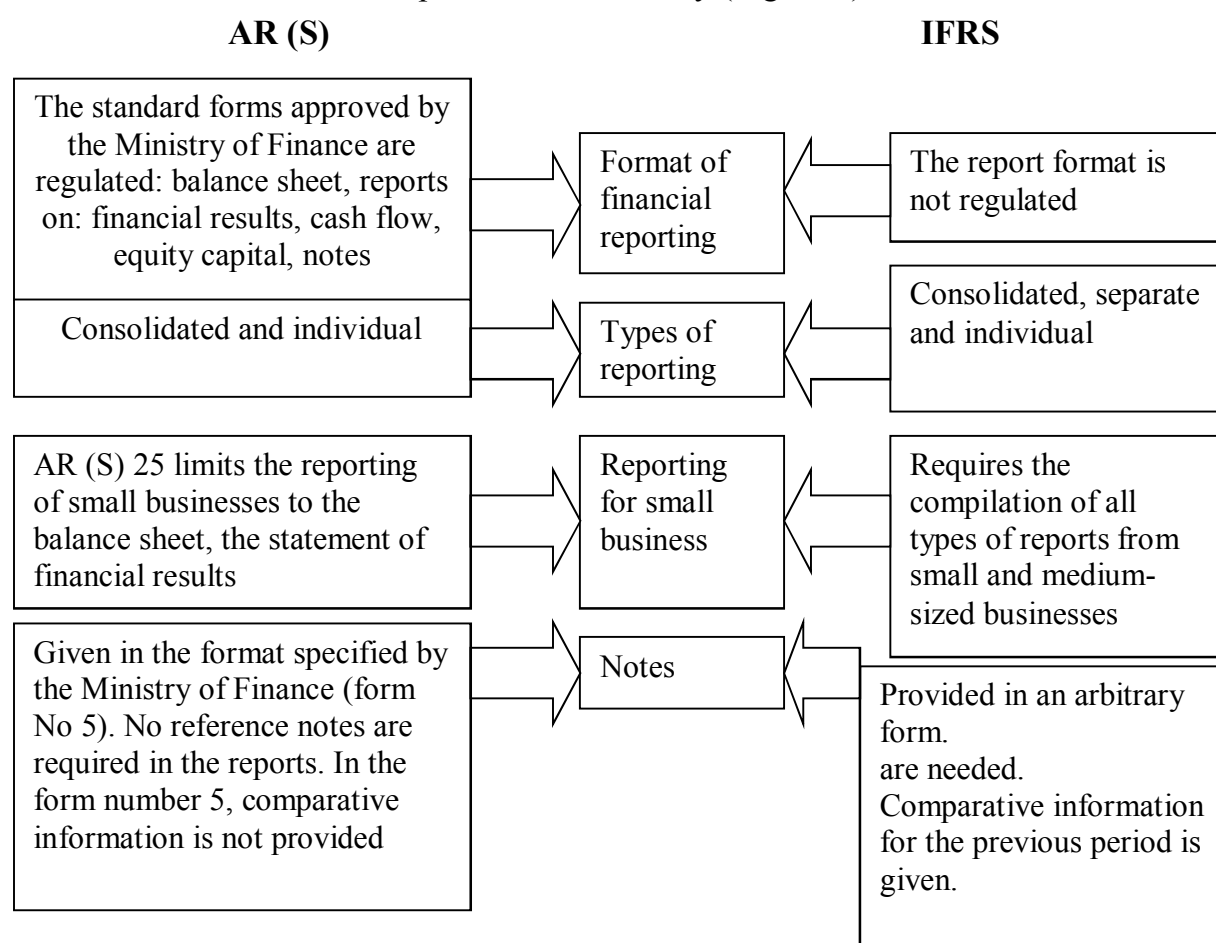


Fig. 1 Formatting and reporting: inappropriate between AR (S) and IFRS

The composition and format of financial reporting in Ukraine is approved by the Ministry of Finance at the legislative level. Such a rigid regulation, in our opinion, is the main source of the differences that arise between domestic and international standards in this regard. Because IFRS prioritize the professional judgment of the object of accounting, while AR (S) contain a clear instruction, the deviation of which is not allowed.

An analysis of the compliance of AR (S) with international standards has shown some differences that affect both conceptual provisions and separate aspects of accounting and financial reporting.

It is worth paying attention to the significance of such discrepancies, which determines their impact on the quality of financial reporting and compliance with international standards (Figure 2).

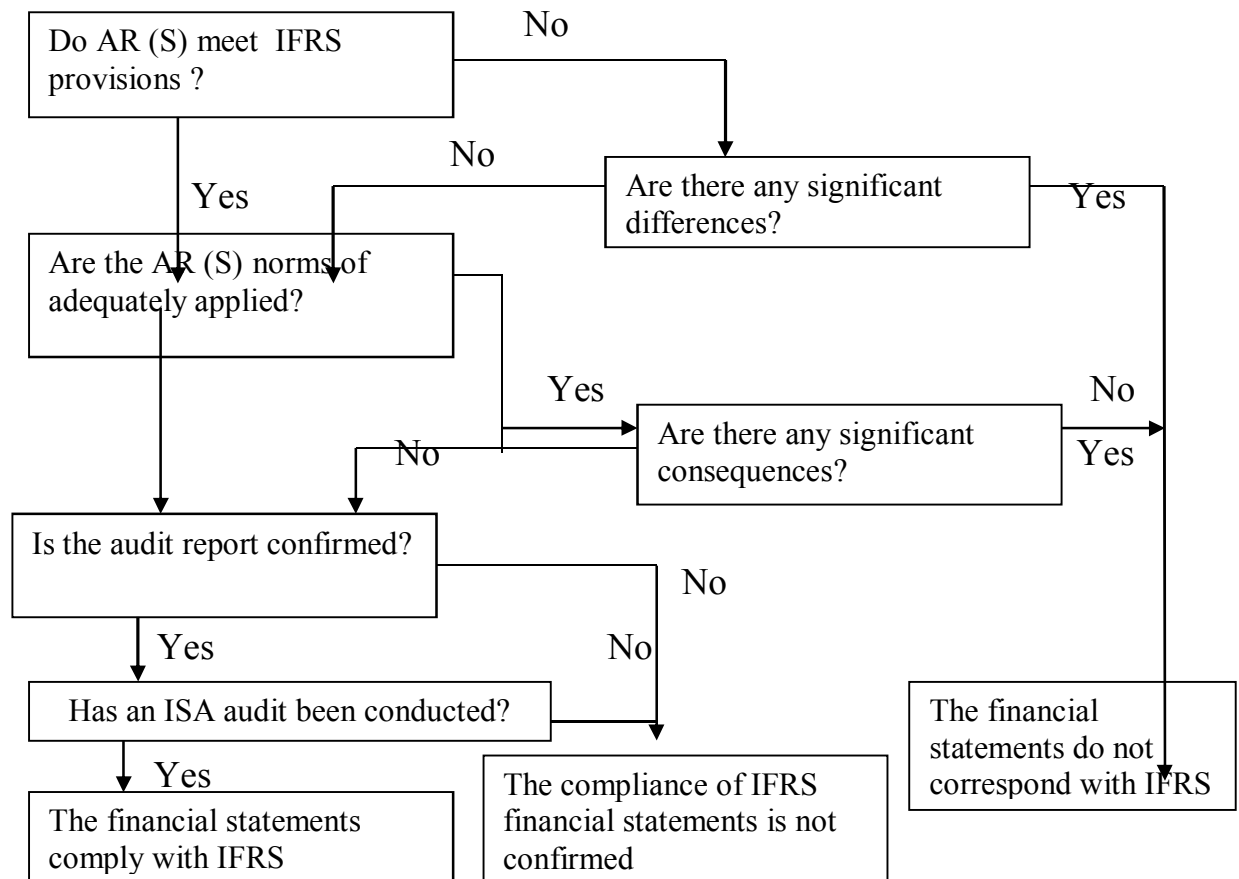


Fig. 2. Algorithm for analyzing the compliance of financial statements with IFRS requirements (Golov, 2017)

According to this algorithm, compliance with the reporting made under AR (S), all requirements of IFRS may exist only under the following conditions: the identity of the conceptual framework and the compliance of AR (S) norms with the IFRS regulations; understandable interpretation and compliance with the AR (S) requirements; insignificant impact of existing differences on the quality of financial reporting; the audit report confirms the compliance of the financial statements with the IFRS requirements.

According to this algorithm, compliance with the reporting made under AR (S), all IFRS requirements may exist only under the following conditions: the identity of the conceptual framework and the compliance of AR (S) norms with the IFRS regulations; understandable interpretation and compliance with the AR (S) requirements; insignificant impact of existing differences on the quality of financial reporting; the audit report confirms the compliance of the financial statements with the IFRS requirements.

Nowadays, there is no clear toolkit for accountants regarding the practical application of IFRS for the preparation of financial statements. This includes the reporting format to be used, the recommendations for the first application of IFRS, the comparison of national and international standards for a better understanding of the requirements of the latter, clarification of specific norms of the defined by IFRS, terminology, availability of methods for the transformation of financial statements and procedures for auditing IFRS and other reporting. In order to apply IFRS adequately, it is necessary to develop regulatory accounting with respect to accounting, which is an important task entrusted to the Ministry of Finance of Ukraine and the National Bank of Ukraine. This task is also provided for in the Memorandum. For its successful implementation, it is also necessary to involve not only regulators, but also scientists and practitioners, as well as members of professional organizations. It is important to understand that these measures are only a way to implement IFRS directly and are not intended to take into account national interests and institutional features.

4. Organization of international professional organizations.

Even in the Program for the reform of the accounting system with the application of international standards, one of the tasks of the reform was the active work in international professional organizations (Minfin, 2012). To date, three Ukrainian professional organizations of accountants and auditors are members of international accounting organizations. However, analyzing the current state, one can state that the task set by the Program is only half done. As noted in the program, the key point in this plan should be active work in international organizations. And this, in our opinion, involves the participation of representatives of domestic regulators and professionals from non-governmental organizations in the work of the relevant international committees that are developing and approving international standards. This is perhaps the only opportunity to take into account national interests and institutional peculiarities of the development of the Ukrainian economy, as well as domestic positive achievements in the theory and practice of accounting.

In particular, it is known that the development and approval of international financial reporting standards and the International Financial Reporting Standards for Small and Medium-Sized Enterprises is undertaken by the IASB. Members of the Board are appointed by the International Financial Reporting Standards Fund, which today consists of 20 Trustees (Figure 3). Furthermore, the structure of the standards-setting bodies includes the IFRS Advisory Board and the Interpretation Committee. To date, these bodies do not have domestic experts in accounting and auditing. It is worth noting that this also applies to all countries of the former Soviet space. As a result, the use of international standards in the light of the economic and legal environment and the state of market relations in Ukraine, as foreseen by the Accounting Reform Program, and simple implementation without any adaptation, has become weaker.

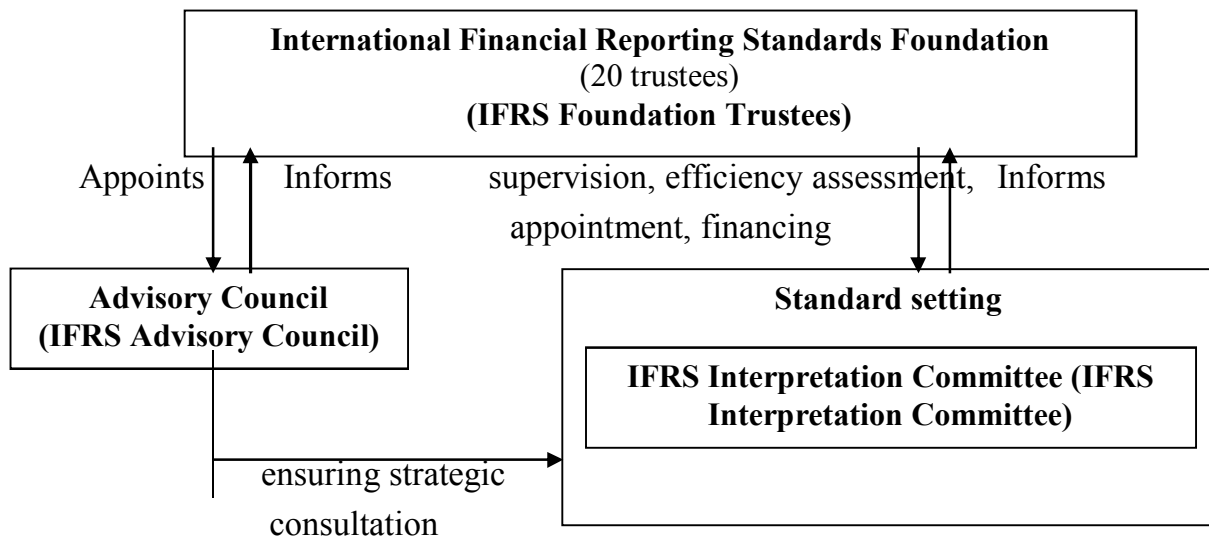


Fig. 3 Structure of bodies for the development of international standards of financial reporting (Source: <http://www.ifrs.org/>)

We consider that with the enormous potential of scientists and practitioners as well as domestic developments in the field of accounting, it is necessary to consolidate the efforts of the regulatory authorities, especially the Ministry of Finance of Ukraine, and professional organizations of accountants and auditors for active cooperation with the above bodies on the initial stages, and the entry of domestic representatives to these bodies in the future. As noted above, this will allow you to influence the regulation of accounting globally even at the stage of developing international financial reporting standards and to take into account national interests and institutional features. As it was noted above, it will allow to influence accounting regulations on a global scale at a development stage of International Financial Reporting Standards and to consider the national interests and institutional features.

With regard to the practical IFRS implementation directly at enterprises, it can only be carried out subject to the availability of specialists with relevant knowledge. The same applies to specialists of state and independent controlling bodies, which will be based on the control of correct application of standards and authenticity of financial reporting data.

Today, the formation of professional accountants and auditors is carried out under the influence of several institutions: higher education, vocational education and professional media. If professional organizations and the media are sufficiently involved with IFRS implementation and need only to strengthen their role and activity for a more successful transition to the IFRS application, the higher education institution needs more substantial changes to the requirement for successful IFRS implementation. The Higher School does not comply fully with the requirements of accounting specialists training to apply IFRS for the compilation and presentation of financial statements. The disgraceful fact is that the training course on IFRS in higher education institutions for the relevant specialty is optional, such as is being studied on the student's choice, and is actually an overview. In addition, no Memorandum is foreseen in this area.

The basis of training specialists in any field has always been and will be higher education. Therefore, the Ministry of Education and Science should be involved in the Memorandum and provide for the revision of the programs of training of specialists in accounting and auditing and bring them in line with modern requirements.

The problem of controlling institutions is also very acute in IFRS implementation. At present, it is not yet clear which body will be responsible for monitoring compliance with IFRS. If the Ministry of Finance is responsible for the methodology, which body will be responsible for monitoring compliance with this methodology. This question is open today. There are several options for solving this problem: the creation of a special body, or the delegation of authority to the National Commission on Securities and Stock Market. Of course, in this issue, an important role is assigned to an audit, which is an independent institution that acts in the public interest to verify the accuracy of information contained in the financial statements.

Implementation of measures for changes at lower levels of the institutional hierarchy of IFRS implementation will promote gradually successful reforms in "people's heads", that is, the reform of informal institutions of accountant, auditor, owner, manager and user of information (reporting). This level of institutional hierarchy in accounting is the highest and most stable (conservative), and only positive changes at this level will prove successful implementation of measures to implement IFRS in Ukraine. International standards, despite their apparent semantic difference, correspond with each other. For example, in the accounting for fixed assets only the provisions of IAS 16 Property, Plant and Equipment are insufficient - other standards that are consistent with IAS 16 in these matters are required. So: in accounting of operations of acquisition of fixed assets in the course of business combination the accountant should agree on separate provisions of IAS 16 with the corresponding paragraphs IFRS 3 Business Combinations; in accounting of operations of acquisition of fixed assets by means of the credits and loans of IAS 16 it is necessary to coordinate with IAS 23 Borrowing Costs; in accounting for the acquisition of fixed assets at the expense of government grants (targeted financing), except for IAS 16, we will need IAS 20 Accounting for Government Grants and Disclosure of Government Assistance; in accounting for purchase and sale of fixed assets in exchange for shares can not do without IFRS 2 Share-based payment.

Accounting for lease transactions is regulated by a separate standard, IAS 17 Leases. Similarly, a separate standard (IAS 41 Agriculture) regulates the accounting of such types of fixed assets as biological assets. And before carrying out a sale of fixed assets, we must transfer such assets to a separate item of long-term assets held for sale, in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. In addition, IAS 36 Impairment of Assets is perhaps the main standard for accounting for all long-term assets: tangible, intangible and financial. And in many aspects of accounting for fixed assets we cannot simply do without this standard (Tomilova, 2018).

Similar examples can be given also for other objects of accounting and elements of reporting: there is the main (profile) standard to which there are surely corresponding. And for example for such elements of the reporting as obligations and reserves, there are some profile standards such as: IAS 19 Employee, IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, IAS 26 Accounting and Reporting by Retirement Benefit Plans, IFRS 2 Share-based payment, IAS 32 Financial Instruments: Disclosure and Presentations, IAS 39 Financial Instruments: Recognition and Measurement i IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Conclusions.

The analysis of the compliance of AR (S) with international standards showed the existence of some differences, both in conceptual foundations and in individual accounting elements. This factor significantly affects the quality of information and the significance of financial reporting indicators in general, which results in mistrust of international investors regarding the truthfulness of the information provided. Therefore, it is possible to consider the reports compiled for AR (S) as meeting international requirements only under the following conditions:

Firstly, compliance with the norms of the national standards with the provisions of IFRS and the insignificance of existing differences;

Secondly, an adequate interpretation and compliance with the AR (S) norms;

Third, the availability of an auditor's report on the compliance of financial statements with the requirements of IFRS, compiled on the basis of an audit conducted for the MSA.

The development of the accounting system in Ukraine isolated from world trends in its development is not possible under the conditions of global globalization. Recent legislative changes in terms of accounting reform are only the first step towards IFRS implementation in Ukraine. These changes require the urgent implementation of a series of measures at all levels of the institutional hierarchy of the IFRS introduction, the successful implementation of which should ultimately contribute to the gradual entry of Ukraine into countries with a methodological impact on the development of the global accounting system. This will enable to take into account national interests and institutional features of the development of the domestic economy in terms of more attractive and reliable coverage of values inherent in the domestic economy.

Financial reporting under IFRS has become one of the prerequisites for access to international financial capital markets, as it allows: attracting investment through its transparency and clarity to international players; reduce the value of attracted capital (there is no need to perform unnecessary procedures for analyzing, comparing and translating accounting under investor-understandable standards); increase international investment; facilitate the standardization of information systems for keeping records; IFRS audit is made more effective by the interconnection of IFRS and International Standards on Auditing (ISAs) with a single understanding of the objectives of financial reporting.

International Financial Reporting – this is reporting for investors! Large countries and multinational companies are interested in IFRS. The largest donors of the IFRS Fund in the person of states are (in descending order): China, the European Union, Great Britain, France and Russia. The largest donors in the person of private business are: US companies (Citigroup, Morgan Stanley, Bank of America, Microsoft, CFA Institute, Oracle), Germany (BMW, Adidas, Bayer, etc.), Big Four auditing firms (KPMG, PwC, Deloitte, Ernst & Young).

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