

# Reforming the system of accounting in banking institutions

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The financial sector in Ukraine is actively reforming now. One of the tasks of the reform process is to ensure compliance of the national legislation in accounting with the requirements of the European Union. In order to achieve the goal, banking institutions have been moving to international financial reporting standards (IFRS 9), which required the introduction of a new Accounts Plan in 2017.

The purpose of the article is to examine the key changes in the new Plan of Accounting Accounts in Banking Institutions, enacted in 2017 as a part of the reform of the accounting system in Ukraine. The methodological basis for the study were the Plan of Accounts, enacted in 2004 and the Plan of Accounts of the Banking Institution, enacted in 2017.

By analyzing the accounting plans, the authors identified a number of key changes which banks had in the process of transition to international accounting standards. Among the main changes, we highlighted:

- cancellation of the classification of loans and securities by maturity for short-term and long-term;
- cancellation of the classification of securities portfolio for trading portfolio, portfolio for sale and repayment portfolio;

- implementation of the classification of financial instruments at amortized cost, at fair value through profit or loss, or through comprehensive income;

- cancellation of groups of accounts in which the amounts of redundancy on financial instruments were displayed.

- cancellation of a number of groups of accounts and the implementation of new groups of accounts.

The transition to international standards has a number of advantages:

- to allow to create the financial statements that are more reasonable for foreign investors;
- to allow banking institutions to enter the international financial capital markets freely;
- to reduce the cost of borrowing;
- to attract the foreign investments into the country;
- to facilitate the standardization of information systems for accounting purposes;
- to increase the efficiency of carrying out the audit procedure of domestic banking institutions.

Further study of the process of reforming the accounting system in banks should be devoted to the problems of managerial accounting that may arise in the transition to international accounting standards.