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ORGANIZATION OF ACCOUNTING AND TAXATION IN CANADA: THEORY AND PRACTICE

The modern world of the global economy, digitization, resource potential, political changes, wars and environmental exhaustion poses new tasks to the organization of accounting and reporting. If earlier accounting tended to be nationalized in each individual country, now the question arises about its international nature. The question arises: why is it needed? The answer is obvious: to increase the size of foreign investments, the level of profit, which is one of the main goals of the economy.

Thus, the emergence of international financial reporting standards and international accounting standards pose new challenges to the national accounting standards of various countries around the world. Canada, which is one of the most developed countries in the world, is open to global economic trends, but has its own peculiarities. Effective accounting and taxation in Canada depends on the correct application of the normative legal framework, the industry to which the enterprise belongs, the province in which the enterprise is located, and the choice of software product. Regarding the formation of financial statements, the principles of its application have their differences for national and international companies.

General requirements for the concept of financial reporting, accounting policy of enterprises and its changes, reporting forms (Balance Sheet, Income statement, Cash flow statements), currency calculations and exchange rate differences, inventories, property, plant and equipment, leases, share capital, reserves, revenue, future benefits,

construction contracts, agriculture are similar to each other in Accounting Standards for Private Enterprises (ASPE) and IFRSs and IAS. However, there are some differences between these standards, which are listed in Table 1.

Table 1

Differences between Canadian GAAP for Private Enterprises and IFRS, IAS

Section	Title of the Canadian GAAP Accounting Standards for Private Enterprises	D I F F E R F R O M	Type of standard	Title of the standard
1591	Subsidiaries		IFRS 10	Consolidated financial statements
1625	Comprehensive Revaluation of Assets and Liabilities		IFRS	
1800	Unincorporated Businesses		IFRS	
3051	Investments		IAS 28, IAS 36	Investments in Associates and Joint Ventures, Impairment of Assets
3056	Interests in Joint Arrangements		IFRS 11	Joint Arrangements
3063	Impairment of Long-lived Assets		IAS 36	Impairment of Assets
3251	Equity		IAS 1	Presentation of Financial Statements
3465	Income Taxes		IAS 12	Income Taxes
3610	Capital Transactions		IFRS	
3805	Investment Tax Credits		IFRS	
3840	Related Party Transactions		IAS 24	Related Party Disclosures
3841	Economic Dependence		IFRS	
3850	Interest Capitalized – Disclosure Considerations		IAS 23	Borrowing Costs
3856	Financial Instruments		IAS 39	Financial Instruments: Recognition and Measurement

Note. According to Chartered Professional Accountants of Canada [1].

The taxation system in Canada is also special. There are provincial and territorial taxes (Provincial and territorial tax rates). The percentages in these provinces are different, which is due to a number of factors. However, we believe that in the conditions of a market economy, this feature of taxation in Canada is important and gives economic freedom to a certain extent to each region.

In addition to the above, it is worth noting that the professional qualities of an accountant have a significant impact on the development of accounting, analysis, taxation and auditing in the country. «Chartered Professional Accountants of Canada (CPA Canada) is one of the most influential accounting organizations in the world. Working with the provincial, territorial and Bermudian regulatory bodies, CPA Canada

supports the profession and represents Canadian CPAs at the national and international levels»[2].

On the other hand, certified accountants receive a decent salary for their work. «The average salary for a Certified Public Accountant (CPA) in Canada is C\$71,555 in 2024. Financial reporting is C\$73,498, auditing – C\$72,792, accounting – C\$67,073, tax preparing – C\$70,875, financial analysis – C\$76,506» [3].

In order to obtain a diploma of a certified accountant, the following are required: theoretical knowledge of financial accounting, taxation, features of reporting; possession of the regulatory and legal framework, in particular national and international accounting and reporting standards; ability to use software products designed for financial accounting and reporting; pass the relevant exams and obtain a diploma of a certified accountant. Hence, accounting and taxation in Canada has its own peculiarities. The positive aspects of Canadian accounting can set an example for Ukraine to improve national accounting, reporting and taxation in order to enter the international market and increase foreign investments.

Literature

1. Summary Comparison Canadian GAAP Accounting Standards for Private Enterprises (Part II) and IFRSs (Part I)) / Chartered Professional Accountants of Canada, 2017. p.29. URL: [file:///C:/Users/HP/Downloads/G10161-RG-Summary-Comparison-Canadian-GAAP-ASPE-IFRS-January%202017%20\(2\).pdf](file:///C:/Users/HP/Downloads/G10161-RG-Summary-Comparison-Canadian-GAAP-ASPE-IFRS-January%202017%20(2).pdf)
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