

Semenenko Tetiana

*Candidate of Economic Sciences, Senior Lecturer
at the Department of International Accounting and Audit
Kyiv National Economic University named after Vadym Hetman*

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CURRENT TRENDS IN ACCOUNTING: KEY FEATURES AND CHALLENGES

Nowadays the businesses have much more motivations to enter the global business environment due to the amazing improvements we have in technology, capital removal, the need to create new revenue sources as well as the removal of the inter-country trade barriers. In today's fast-paced business world, trying new ways in finance and accounting is important.

Factors influencing international accounting system development have been investigated by accounting researchers since the 1960's [1]. It is important to understand how environmental factors shape accounting reporting and disclosure standards in order to predict the progress towards harmonization efforts. The main factors that define current trends in accounting are:

1. Harmonization of IAS's: the economic expansion to new markets propelled the design of a common international accounting system.

2. Legal System: there are two types of legal system, the code law and the common law – «legalistic» orientation toward accounting and those with a «no legalistic» orientation.

3. Taxation System: in some countries taxation rules and financial reporting regulations are strongly interrelated while in others are totally separated. For example, in common law countries tax and accounting rules are kept separate. Code law countries on the other hand, tend to have common tax and financial reporting regulations.

4. Provider of Capital: there are three main sources of finance: banks, government and shareholders. The contribution of each of these sources to the creation of the companies' financial capital varies from country to country. This separation of three types of capital sources means that accounting practices differ in order to satisfy the needs of the financial providers.

5. Culture: culture is another factor that influences the regulations of accounting practices. Countries that belong to a specific culture adopt the accounting system prevailed in countries of the same culture.

6. Others: financial reporting systems, political and economic relations among countries, applying and enforcing legal regulations in accounting [2].

Under the factors mentioned above, there are significant trends in accounting. These trends have global schedule but not national or regional. Accounting practices have changed over time with new technologies, evolving customer demands, and business needs. It is now much more than just bookkeeping and ledgers. Accounting firms are embracing these new trends to be in league with the new changes and better serve client demands. The Pandemic effects are still relevant, and adapting to the latest accounting trends is the one way to stay sustainable for more extended periods in the market. Adopting new technologies and accounting trends in the business helps them embrace the new remote work culture, which is one way to stay sustainable for extended periods. *Increased use of data security, accounting in the cloud, increased use of financial software, offshore staffing with remote workplace, increased use of data analytics, taxes can be filed online, blockchain technology, data analytics and forecasting* – all of them define current direction of accounting development.

Thus, the business landscape continues to change because of technological developments, regulatory changes, market expansion, and so on (all factors and trend have been considered before). As a result, businesses may have to deal with many accounting challenges that can cause some problems or put brains on accounting development in general

and in the context of business unit as well. The main challenges, modern accounting systems face with, are:

- *Compliance with changing local accounting regulations* – navigating constantly changing accounting regulations one of the biggest problems businesses and accountants may face today. Governments and each country's regulatory boards frequently update financial reporting guidelines and tax laws to keep up with economic shifts and ensure transparency;

- *Dealing with international accounting standards* – typically, the IFRS recommends methods for dealing with accounting tasks like defining transaction types, financial reporting, record-keeping and maintaining transactional data, to mention a few;

- *Forecasting and financial planning* – market uncertainties and other external factors make forecasting more complex. It also increases the possibility of making errors and inaccurate predictions;

- *Cybersecurity* – accounting teams face the risk of data breaches, especially with remote work, where compromised employee credentials can lead to security breaches;

- *Globalization* – as businesses continue to increase in size and complexity across the world, accounting departments will need to accommodate more and more international standards and regulations. Local economic instability, cybersecurity standards, and tax law changes across these countries will require adaptable accounting teams and technology that eases the challenges.

So, the business environment is faced with numerous opportunities and challenges. Factors of accounting environment, on the one hand, enforce and, on the other hand, slow changes in accounting, down. Summing up mentioned above, it's important to state that trends are objective and formed under globalization and automation. These trends lead to improvement of accounting but at the same time cause some challenges which should be solved.

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