purpose, (c) classify the papers under appropriate headings, and (d) use articles recently published in recognized journals.

Reviewed by M.H.B. Perera
Massey University
Palmerston North, New Zealand

NOTE


Despite the 1998 economic crisis, the interest by foreign investors in Russia as a potential market has not been entirely eliminated. Under those circumstances, transparency and stability of the accounting and tax rules could be viewed as positive developments by potential investors. The complexity and uncertainty relating to the current Russian accounting and tax legislation are not encouraging factors for investors. It is well known that Russia is undergoing a period of intense change, but usually the information on the direction and nature of changes in the legislation is not sufficient.

Step by step, Russian accounting and auditing are approaching internationally accepted practices, principles and procedures. Russian accounting standards are being reviewed within the framework of the International Accounting Standards, and Russian auditing standards are, in fact, adaptations of International Auditing Standards. The reform of taxation is not that direct and simple, but a lot has been already done in this area as well.

This book is designed as an introduction to Russian accounting, auditing and taxation. Its principal section is a summary of main regulatory documents, with brief comments appended by the authors. The book represents a general overview and description of Russian accounting, auditing and tax legislation, rather than focusing on practical guidance in its application. It presents a general understanding of the existing accounting, auditing and tax legislation in the context of Russia’s history and current economic environment.

Unfortunately, due to rapid changes in the relevant legislation, the book does not reflect the latest developments in Russian accounting, auditing and taxation systems. Since the book was written, a number of accounting and auditing standards have been introduced, including, but not limited to, the new regulations on Accounting and Reporting, as well as the accounting standards on fixed assets, inventory, contingencies, and events occurring after the balance sheet date. Tax legislation has also been amended, e.g., the enforcement of Part I of the Tax Code.
Despite the above, the authors’ general description of accounting, auditing and tax framework is easily adequate for the intended purpose. It is logical and easy to follow. Each chapter has a common format, i.e., an outline of the main points followed by a description of the pertinent regulations. Sometimes, the authors offer their comments on likely future developments in the relevant areas. However, the authors’ use of Russian terminology sometimes does not enhance a Western reader’s understanding of the comparisons between Russian and international practices and rules.

In some cases, the book presents the point of view of the authors, which could be open to argument. For example, one may not agree with the explanation of the postulates of auditing of Mautz and Sharaf and of the correctness of the postulates of auditing in Russia, as suggested by Prof. Yaroslav Sokolov (pp. 85–86).

It should be pointed out, in particular, that the Russian understanding of the term “accounting” differs from that used in the West. In the Russian language, its primary meaning is the maintenance of the accounting records, and its secondary meaning is financial reporting. In this regard, the book provides the Chart of Accounts, with the description of each account, together with an overview of management accounting in Russia. A Western reader may be interested to see the standard forms of statutory financial statements, which include the balance sheet, income statement, cash flow statement, flow of equity and funds statement, and disclosure in the form of notes. The forms are followed by the translation of detailed instructions for their preparation.

The historical outlook of the development of Russian accounting and auditing (e.g., pp. 113–122, 211–215, etc.) may be particularly useful as part of the introduction to Russian accounting and auditing. On the one hand, it facilitates an understanding of the problems and current situation in those areas, and, on the other, it may call into question some Western stereotypes.

With the Russian economy becoming an inseparable part of the world economy, the book becomes a valuable source of information which may be helpful in understanding the peculiarities of doing business in the Russian Federation. Thus, for both professionals and a general audience, if one seeks an overview of the framework of Russian accounting, auditing and taxation, this is the right book to choose.

Reviewed by Leonid Schneidman
PricewaterhouseCoopers
Moscow, Russian Federation


China’s economy has been witnessing a number of significant developments and structural changes since its liberalization. Factors such as the foreign investment brought in by China’s open door policy, the establishment of multinational industrial and commercial enterprises, and the change from regulating the economy by capital and resource allocation driven by policy directives to governmental reliance on fiscal policy, made taxation reforms indispensable. These reforms concern the Chinese corporate income tax system,