

## *Annotation*

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### ***IAS 16 “Fixed assets” in the context of national standards and tax laws***

*Today in Ukraine there is a single classification of fixed assets provided in AS 7 “Fixed Assets”, Guidelines on accounting of fixed assets and the Tax Code of Ukraine which is based on specific feature of fixed assets. This indicates the direction of existing regulations on the preparation of financial, tax and statistical reporting, not on the creation of a database for management of objects which generate economic benefits.*

*A comparison of international and national standards for accounting of fixed assets in scientific research revealed a number of differences between them in the definition, recognition and evaluation. The main difference between AS 7 “Fixed Assets” and IAS 16 “Fixed Assets” lies in the attempt to have a detailed formation of main propositions of fixed assets, linking it to tax laws of Ukraine in order to achieve a uniform system of accounting and statistical surveys of economic activity of the economy on the macro level. IFRS regulate the basic rules of accounting of fixed assets, allowing professional judgment, based on the characteristics of fixed assets, their evaluation in the process of recognition of income and expenses of the reporting period, and in some cases, methods of calculating depreciation. Professional judgment is aimed at determining object of fixed assets in spite of differences in useful life of its components.*

*Requirements of the present dictate economic entities to apply International Financial Reporting Standards, promoting the unification of financial statements, which, in turn, attract additional investments, increases the transparency and clarity of information for management decisions. However, the current tax laws of Ukraine on taxation of profits and AS 7 “Fixed Assets” which is used in determining taxable profits contain some differences compared with IAS 7 “Fixed Assets” resulting in an increase in profit before tax and therefore floating assets are withdrawn, an additional payment of tax differences is required arising from the calculation of depreciation, revaluation, their classification.*

***Keywords:*** *determination, recognition, evaluation of fixed assets, international and national accounting standards, taxation reporting.*