

# Recent Development of Chinese Accounting System

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The purpose of this paper is to search the socio-economic background and the features of the 2006 accounting standards, by comparing the new standards with the previous standards and IFRS/IAS. The new standards are required for several reasons: 1. the extended introduction of equity system to state-owned enterprises, 2. the growth of the stock market, 3. the participation to IASB, 4. the affiliation to WTO. In addition, we have found several features in the new standards: 1. the

extended adoption of fair value, 2. the enlargement of the extent of disclosure, 3. the rational arrangement of each standard. Although, China has converged its accounting standards with IFRS/IAS to a greater extent as mentioned above, they also insisted to conform them with domestic legislation and economic condition as much as possible. We expect that the issuance of the new standards will contribute to the development of Chinese accounting system.