

EXAMINING THE EVOLUTION OF THE ROMANIAN SYSTEM OF ACCOUNTS

Sorin-Ciprian Teiușan¹

ABSTRACT: The account is the instrument through which the dual representation is ensured and the most important procedure of the accounting method. To reflect each patrimonial asset and liability element, as well as the revenues, expenses, and outcomes, an account is opened in accounting. All the accounts used by accounting form the system of accounts. All companies have their own system of accounts for keeping the books. That system of accounts is based on the general chart of accounts contained by the accounting regulations in force. The objective of this study is to research the system of accounts of the Romanian companies, for evidencing the new accounts, the removed accounts, and other aspects resulted from examining the charts of accounts, in dynamics and comparatively. By analysing the evolution of the national system of accounts in the last twenty years, we intend to offer information to those interested in the accounting history domain.

Key words: accounting system; chart of accounts; companies; accounting regulations; accounting history

JEL Codes: M41, B00

Introduction

The world is changing. New concepts, new technologies appear in all areas. Businesses are growing, and accounting is called to measure in figures the results of all activities carried out by the companies worldwide. Accounting is evolving to face the changes in all domains and to help managers in evidencing the new patrimonial elements appeared.

Accountancy "can be seen as a complex of knowledge in continue development, built on successions of reflections and ideas in connection with the movements of values, to which have contributed a large number of thinkers and workers, economists-accountants. (...) Who ignore what has been created by the forerunners in the direction of his own work, condemns himself to discover things long ago known" (CECCAR, 2006, p. 4). History teaches us that the name of accounting comes from account. "An account can be defined as a framework for classifying the values of the same type. It is characterized by its "writing", that is specification of the operations performed by the company (purchases, sales, etc.) and of the means or the agents involved (bank, suppliers, etc.)" (Capron, 1994, p. 72).

As language of business, the accounting records different types of companies' transactions and outcomes from a certain period of time. The information shall be recorded within a system of accounts. By functioning in accordance with a set of rules, the accounts enter in correspondence and form, by the number of correspondent accounts, simple accounting formulas, compound accounting formulas or double accounting formulas. The accounting articles shall be entered chronologically in the journal and shall be passed systematically in the general ledger, according to the unique system of accounts and the functioning rules of accounts elaborated by the national accounting normalization institution.

The objective of this study is to research the system of accounts provided for the accountants within Romanian companies by the national accounting normalization institute. By analysing the evolution of the national system of accounts in the last twenty years, we intend to

¹ "1 Decembrie 1918" University, 5 Gabriel Bethlen Street, 510009, Alba Iulia, ciprian.teiusan@uab.ro

offer information to those interested about the accounting history domain. How many accounts have been introduced in or removed from the general chart of accounts from 1994 until today? What patrimonial elements appeared in or disappeared from the patrimonial "language" of companies, imposing changes in the system of accounts? These questions request answers.

Research Methodology

This scientific work is carried out on the historical field of the Romanian accounting, being included into the domain of a normative accounting research. But "is it necessary a historical research into the accounting domain? May influence accounting history research the evolution of current trends into the enterprises' accounting? Is still necessary the research of the past as long as at international level the priority is the implementation of some international accounting standards? And if so, can influence such research the normalization process? These are just a few of the questions that may be asked by an accountant when the research of the past into the accounting field is raised" (Calu, 2005, p. 15).

For M. Ristea, the recourse to accounting literature is "a historiography that works on a dual criterion, historical and scientific, on the role played by the normative discourse, which wants to be regulative, and the positive discourse, able to legitimize the development". N. Feleagă considers that "the negligence in studying the past, to know your own history, amputates the means of developing the country economically, socially, or in that of a domain less envied such is accounting".

"Contabilitatea este o istorie" ("The Accounting is a History") is the title of the first chapter of Part I, "Istorie și geopolitică contabilă" ("Accounting History and Accounting Geopolitical"), given by M. Capron, in his book "Contabilitatea în perspectivă" ("The Accounting in Perspective"), published in 1994. The Romanian scientific researches conducted into the accounting historical field have released two books exclusively dedicated for history, called: "Faze în evoluția contabilității" ("Phases in Accounting Evolution"), published by D. Voinea in 1932, and "Istoria critică a literaturii contabile în România" ("Critical History of Accounting Literature in Romania"), published by C.G. Demetrescu in 1947. Later, in 1972, Professor C.G. Demetrescu published "Istoria contabilității" ("The History of Accounting"), which is a reference work into the area of accounting history in Romania. In 2005, D.A. Calu published the book entitled "Istorie și dezvoltare privind contabilitatea din România" ("History and Development Regarding the Accounting from Romania"), which summarizes her own PhD thesis, "a scientific royal which bring us life-giving water that cover a half century of drought of Romanian research on the accounting history domain" (Feleagă, 2004).

To achieve our objectives, we have examined all the legal accounting regulations released in the last twenty years, beginning with the Government Decision no. 704/1993, for the approval of implementing measures of the Romanian Accounting Law no. 82/1991 and ending with the Order of the Minister of Public Finance no. 2067/2013, for amending and supplementing of certain accounting regulations. By examination of these normative acts, we have analysed the evolution of the general chart of accounts for economic operators. As research methods, we used the documentation, the observation, the analysis of the legislation or other comparative date, and the synthesis. The results are presented by using tables, figures and explanations.

After literature review on the subject researched, our paper is structured as follows: first we begin by studying the system of accounts, as a notion, and then we continue with debating of the Romanian chart of accounts in dynamics after 1990, followed by an analysis of the number of accounts within the general chart of accounts during the years 1994-2014. The research of dynamics of the system of accounts starts with the examination of the general charts of accounts from the national accounting regulations for different companies according to size criteria for preparing the financial statements. At the end, we formulated the conclusions regarding the Romanian system of accounts after the conducted research and analysis.

Literature Review

After December 1989, Romania had to change the accounting system. A new accounting system was introduced. Starting with January 1st, 1994, the accounting is organized in a double circuit, each with a different course, as follows: one, the financial accounting and the other, the management accounting. Previous to this date in Romania was practiced the accounting system with one circuit (monist).

Over the past twenty-year's period, the national accounting regulations for companies elaborated by the Ministry of Public Finance have been amended and supplemented from time to time. Different authors in accounting literature have analysed the evolution of the accounting regulations. For example, C. Toma (2009) has debated the fifteen years of the Romanian accounting system reform.

A. Pop (2002) presented in his book, side by side, the two charts of accounts approved by the Orders 94/2001 and 306/2002. In 2010, Greceanu-Cocoş published a book regarding comparability of the charts of accounts in Romania, aligned to the European Standards and between them at September 1st, 2010.

After the entry into force of the Order of the Minister of Public Finance no. 3055/2009, C. Bede (2010) submitted the new accounts that have enriched the general chart of accounts, representing either changes of some old accounts, such as those related to investment subsidies or new accounts to cover the needs of implementing the Fourth EEC Directive.

A. Benta (2012) discusses the introduction of new accounts by the Order of the Minister of Public Finance no. 1690/2012, and M. Bădoi (2013) states the novelty elements introduced by the Order of the Minister of Public Finance no. 213/2013, including the enrichment of the general chart of accounts with ten new accounts.

In the context of changes in the accounting regulations, related to the evaluation and accounting of the claims taken by assignment, which shall be recognized from January 1st, 2014 at the acquisition cost (the nominal value shall be registered in a new account introduced in class 8 of the general chart of accounts: 809 "Claims taken by assignment"), Pescaru (2013) did an analysis of the evolution of legislation regarding the assignment of receivables.

After publishing the Order of Minister of the Public Finance no. 2067/2013 for the amendment and completion of the Accounting regulations compliant with the European Directives, approved by the Order 3.055/2009, A. Oprea (2014) posted information on the changes brought by this normative act and the new accounts introduced in the general chart of accounts. Deloitte and TPA Horwath also announced in 2014 the introduction of 5 new accounts in the chart of accounts. At the same time, Jinga and Boboc set out in the Tax Newsletter from January 2014 the amendment and completion of accounting regulations.

Analyses and Results

"Every patrimonial element and every process or economic calculation shall be reflected through an infallible specific instrument that is the ACCOUNT and which functions according to certain rules of a significant scientific conception" (Drăgan, 1995, p. 4). Being included into the specific procedures of accounting method together with other procedures, such as balance sheet, trial balance, dual representation, and double entry, the account is the most representative procedure of the accounting method that contributes to achieving its object by registering, recording and calculation of information on the existence and movement of patrimonial elements. But, what is a system of accounts? O. Bojian (1997, p. 51) responds: "The account is opened in the current accounting for reflecting of each patrimonial asset and liability element, as well as of each new position that every element is occupying on the movement and transformation along phases of the economic circuit. These accounts have reciprocal connections, both between themselves and with the balance sheet, connections caused by the unit of the accounting object. All the accounts used by

accounting in order to achieve its object form the system of accounts".

The Romanian Ministry of Public Finance elaborates the system of accounts for companies materialized in the general chart of accounts (Accounting Law no. 82/1991, art. 4), presented in the applicable accounting regulations. In post-revolutionary period, according to article 4 of the Accounting Law no. 82, resumed in paragraph 11 of the applying Regulations of the Accounting Law, approved by the Government Decision no. 704/1993, it disclaims responsibility for issuing general chart of accounts and methodological standards on its use to the Ministry of Public Finance.

In our country, according to article 1 of the Accounting Law no. 82/1991, republished, with subsequent amendments and additions, all companies are required to organize and manage their own accounts, founded on the applicable accounting regulations. The accounting regulations for companies are based on: the Romanian Accounting Law no. 82/1991, the International Financial Reporting Standards, the European Directives, the national accounting regulations in compliance with the Fourth EEC Directive, the general chart of accounts, recommendations and practical guides.

The general chart of accounts is the main component of accounting standardization in Romania. It addresses to all economic operators and is designed on the decimal system of symbolization, for accounting organization in double circuit. This instrument is presented as a panel, where each account has a name and a numerical symbol assigned to facilitate the accounting records. In the general chart of accounts the following elements can be found: account classes symbolized by a digit, account groups symbolized by two digits, synthetic accounts of first degree symbolized by three digits, and synthetic accounts of the second degree symbolized by four digits.

Currently, for the bookkeeping of the financial transactions, the companies are using a general chart of accounts and accounting treatments provided for by the accounting regulations harmonized with the European Directives, approved by the Order of the Minister of Public Finance no. 3055/2009, including subsequent amendments and additions. The chart of accounts is structured into nine classes, which are splitting in groups and then into synthetic accounts of first degree and finally into synthetic accounts of the second degree. The synthetic accounts from classes 1 to 8 are used by the financial accounting and class 9 may be used by the management accounting.

For the accounts from group 80 "Off-balance sheet accounts" shall be used the single-entry bookkeeping system, whereby the records are debited and credited to a single account, without the use of correspondent accounts.

The companies that in the previous financial year registered a net turnover under 35,000 EUR in RON equivalent and total assets under 35,000 EUR in RON equivalent may opt for a simplified accounting system, represented by a set of basic rules on the evaluation and recording of the patrimonial elements using a simplified chart of accounts (Government Emergency Ordinance no. 37/2011, article I, section 7). In 2011, was published the Order of the Minister of Public Finance no. 2239 for the approval of the Simplified Accounting System. This normative act presents a simplified chart of accounts and accounting treatment to be used by the legal persons who have chosen to apply the simplified accounting system to record the economic and financial operations.

All companies whose securities are admitted for trading on a regulated market must use a chart of accounts approved by the Order of the Deputy Prime Minister, Minister of Public Finance, no. 1286/2012, for the approval of Accounting Regulations in accordance with the International Financial Reporting Standards, including subsequent amendments and additions.

The Romanian chart of accounts for companies, approved by normative acts, has evolved after 1990 as follows:

A. During the period between 1991 and 1993 have been designed charts of accounts of "the moment" by which from the old chart of accounts have been eliminated a few accounts and introduced other, and has been changed the symbol and content of several accounts.

B. In 1994, a new chart of accounts is introduced in the context of implementation of an accounting system with inspiration from French accounting system. In the next table is presented

the number of new accounts introduced by the Government Decision (GD) no. 704/2003 for the approval of implementing measures of the Romanian Accounting Law no. 82/1991. A considerable number of accounts has been added (see table no. 1) and to all the accounts from the old chart of accounts has been changed the numerical symbol. Many of these accounts are part of the current charts of accounts. In addition, the Ministry of Finance released methodological norms to use the accounts.

Table no. 1

The number of new accounts introduced by the Government Decision no. 704/1993

Class	Synthetic Account	
	First degree	Second degree
Class 1 – Capital accounts	5	14
Class 2 – Non-current assets	10	5
Class 3 – Inventories and work in progress	11	0
Class 4 – Third party accounts	10	10
Class 5 – Treasury accounts	6	11
Balance Sheet Accounts	42	40
Class 6 – Expense accounts	38	27
Class 7 – Revenue accounts	27	13
Profit and Loss Accounts	65	40
Class 8 – Special accounts	5	6
Total Accounts	112	86

Source: author's processing based on the accounting regulations

C. In 1999, begins the process of harmonizing the national accounting regulations with the Fourth EEC Directive and with the International Accounting Standards, by issuing the Order of the Minister of Finance no. 403, replaced two years later by the Order of the Minister of Public Finance no. 94/2001. This presented a new chart of accounts, with 87 more accounts compared to the number of accounts in the chart of accounts approved by the Government Decision no. 704/1993.

D. Two years later, in 2001, was issued the Order of the Minister of Public Finance no. 94/2001 for the approval of the Accounting Regulations harmonized with the Fourth EEC Directive and with the International Accounting Standards. These new regulations, applied beginning with the financial statements of the financial year 2000 by the companies listed on the Bucharest Stock Exchange, some regies autonomes, companies and national companies and other enterprises of national interest, as well as specific categories of companies operating in the capital market, presented in chapter 2 a new general chart of accounts. Compared with the chart of accounts approved by the Order 403/2001, that new chart had with 11 more accounts.

Order 94/2001 was amended and completed four times, by the Orders of the Minister of Public Finance nos. 1879/2001, 990/2002, 705/2003, and 1827/2003, but none of them have made changes to the chart of accounts.

E. In 2001, the Ministry of Public Finance issued the Order no. 1880/2001, for the approval of the Methodological Norms on organization and management of accounting in microenterprises, amended next year by the Order of the Minister of Public Finance no. 306/2002. According to that order, the tax payers which keep accounting within the terms of article 1 of the Government Ordinance no. 24/2001 on imposing microenterprises use the model of simplified chart of accounts for microenterprises. The model of simplified chart of accounts for microenterprises, approved by the Order 1880 provided 57 three-digit synthetic accounts. The accounts were not restrictive. Using other accounts included into the general chart of accounts approved by the Government Decision no. 704/1993 and the development of used accounts in synthetic accounts of the second degree or in

analytical accounts were at their discretion.

F. In 2002, was issued the Order of the Minister of Public Finance no. 306 for the approval of the Simplified Accounting Regulations, harmonized with the European Directives. This presented a chart of accounts applied beginning of January 1st, 2003, used by legal persons who at the date of the balance sheet comply with two out of the following criteria: net turnover up to 5 million EUR, total assets up to 2.5 million EUR, and average number of employees up to 50. Microenterprises could use the synthetic accounts of first degree symbolized by three digits included in the mentioned chart of accounts.

In chapter 5 of the Simplified Accounting Regulations harmonized with the European Directives, were comprised the methodological norms to use the accounts. The function of accounts was not exhaustive.

Order 306/2002 was amended and supplemented by the Order of the Minister of Public Finance no. 1827/2003, with no change in the chart of accounts.

G. In 2005, the Orders 94/2001 and 306/2002 were abrogated by the Order of the Minister of Public Finance no. 1752. This presented a new chart of accounts applied beginning of January 1st, 2006. Analysing the new regulations related to accounts brought by that order comparing to the replaced charts of accounts, we noticed the following:

- were introduced a number of 24 accounts in the chart of accounts, most of them in the first class "Capital accounts" (16 accounts). We mention, for example: 108 "Minority interest" (A/L), 109 "Own shares" (A), 1515 "Provisions for pensions and similar obligations" (L), 1516 "Provisions for taxes" (L);

- the classes 2, 3, 5, and 7 did not receive any new account;

- in the class 4 "Third party accounts" were included the following 4 credit accounts: 4418 Revenue tax, 4451 "Governmental subsidies", 4452 "Non-repayable loans in the form of subsidies", and 4458 "Other amounts received in the form of subsidies";

- in the class 6 "Expense accounts" was introduced only the account 642 "Employee luncheon vouchers" (A);

- the class 8 "Special accounts" has been enriched with 3 new accounts: 805 "Interest for the leasing and other assimilated contracts not held till maturity", 8051 "Interest payable" (A), 8052 "Interest receivable" (L). The accounts 804 "Amortisation for the degree of non-usage of fixed assets" and 8045 "Amortisation for the degree of non-usage of fixed assets" were found in the chart of accounts approved by the Order 306/2002, but not in that approved by the Order 94/2001. The chart of accounts approved by the Order 1752 maintained those accounts in class 8;

- regarding the accounts removed from the chart of accounts, the Order 1752 brought 51 eliminated accounts. 84.31% of these were synthetic accounts of the second degree.

Order 1752/2005 was amended and completed twice in the next years, as follows:

1. Order of the Minister of Public Finance no. 2001/2006 on amending and supplementing Order 1752/2005 did no change in the chart of accounts.

2. Order of the Minister of Public Finance no. 2374/2007 for amending and supplementing Order 1752/2005 introduced the following 2 accounts in the chart of accounts with their functioning rules: 141 "Gains in respect of sales or cancellation of equity instruments" (L) and 149 "Loses in respect of issuance, redemption, sale, cession free of charge or cancellation of equity instruments" (A).

Because the Order 1752 did not contained the accounts functioning, chapter VII of the Order 2374 describes the content and accounts' function contained in the general chart of accounts provided for in chapter IV of the Accounting Regulations in accordance with the Fourth Directive. Since in the chart of accounts are included also accounts specific to consolidation, the function account presented shall also refer to them. The function of accounts was not exhaustive and was illustrated how to record in accounting the major economic and financial operations.

H. From January 1st, 2010, the Order of the Minister of Public Finance no. 3055/2009 for

the approval of the Accounting Regulations in accordance with the European Directives is applied, and the Order 1752/2005 is abrogated. These new accounting regulations present a new chart of accounts to be used by companies' accountants. In the table below are the results of comparison between these two charts of accounts with respect to the new accounts included.

Table no. 2

New accounts introduced in the general chart of accounts by Order 3055/2009

Class	Group	Synthetic Account		Account Name	Function		
		I	II		A	L	A/L
1				Capital accounts			
	10			Capital and reserves			
			1067	Reserves from foreign exchange differences in respect to a net investment within a foreign entity			A/L
2				Non-current assets			
	22			Tangible assets in transit			
			223	Plant and machinery, motor vehicles, animals and plantations in transit	A		
			224	Furniture, office equipment, protection equipment of human and material values and other tangible assets in transit	A		
3				Inventories and work in progress			
	32			Inventories in transit			
			321	Raw materials in transit	A		
			322	Consumables in transit	A		
			323	Materials in the form of inventory items in transit	A		
			326	Animals in transit	A		
			327	Goods purchased for resale in transit	A		
			328	Package in transit	A		
4				Third party accounts			
	47			Accruals, subsidies and similar accounts			
			475	Investment subsidies			L
			4751	Governmental investment subsidies			L
			4752	Non-repayable loans in the form of investment subsidies			L
			4753	Investment donations			L
			4754	Inventory surpluses in the form of noncurrent assets			L
			4758	Other amounts received in the form of investment subsidies			L
6				Expense accounts			
	60			Expenses related to inventories			
			609	Trade discounts received			L
	64			Personnel expenses			
			643	Expenses with bonuses for employees from profit	A		

Class	Group	Synthetic Account		Account Name	Function		
		I	II		A	L	A/L
		644		Expenses with remunerations in equity instruments	A		
			6456	Company's contribution to optional pension plans	A		
			6457	Company's contribution to voluntary health insurance premiums	A		
	65			Other operating expenses			
		652		Expenses with the environment protection	A		
7				Revenue accounts			
	70			Net turnover			
		709		Trade discounts offered	A		
	71			Revenues associated to cost of production in progress			
		711		Revenues associated with the costs of the completed production			A/L
		712		Revenues associated with the cost of services in progress			A/L
8				Special accounts			
	80			Off-balance sheet accounts			
		8039		Other off-balance sheet items	A		
		806		Certificates for green house gases emissions	A		
		807		Contingent assets	A		
		808		Contingent liabilities	A		

Source: accounting regulations, author's elaboration

Regarding the removed accounts, only five accounts were eliminated from the chart of accounts (131 "Governmental investment subsidies", 132 "Non-repayable loans in the form of investment subsidies", 133 "Investment donations", 134 "Inventory surpluses in the form of noncurrent assets", 138 "Other amounts received in the form of investment subsidies"), by replacing them with 5 new accounts with the same names introduced in class 4 (4751, 4752, 4753, 4754, 4758). At the same time, account 711 "Variation in inventory" was divided in two accounts with different names and content: 711 "Revenues associated with the costs of the completed production" and 712 "Revenues associated with the cost of services in progress".

To account called "Other off-balance sheet items" the numerical symbol was changed from 8038 to 8039, and symbol 8038 was attached to item "State patrimony received for administration, concession and rented". Referring to this issue, Greceanu-Cocoş (2010, p. 28) considers that 8038 account renaming and numbering of the old account name with a new number (8039), is a prohibited practice in accounting theory, but turns out to be unknown to the Ministry of Public Finance as mandatory rule in case of modification of the chart of accounts.

Order 3055/2009 was amended and completed by six times in five years, as follows:

1. Order of the Minister of Public Finance no. 2869/2010 for amending and supplementing of certain accounting regulations introduced 2 new accounts (1095 and 2677) in the chart of accounts and changed the functioning of 13 accounts. The new regulations are applied beginning with the financial statements of the financial year 2010.

2. Order of the Minister of Public Finance no. 2382/2010, for supplementing of certain accounting regulations, introduced rules for accounting of operations performed by the groups of

economic interest, but did no change in the chart of accounts.

3. Order of the Minister of Public Finance no. 1118/2012 for amending and supplementing of the Accounting Regulations introduced the accounting treatment of the green certificates and other rules for evidencing the certificates for green house gases emissions and for assignment of receivables, but did no change in the chart of accounts.

4. Order of the Minister of Public Finance no. 1690/2012 for amending and supplementing of certain accounting regulations, introduced 2 new accounts (1018 and 478) in the chart of accounts together with functioning rules. Regarding the revenue related to assets received by transfer from customers, because such operations can be performed also by the economic operators which apply the Accounting Regulations compliant with the Fourth EEC Directive, approved by the Order of the Minister of Public Finance no. 3055/2009, with subsequent amendments and completions, in mentioned regulation was introduced the account 478, so those transactions be recorded in the same manner by all economic operators, irrespective of the applicable accounting regulations. The new regulations are applied beginning with the financial statements of the financial year 2012.

5. Order of the Deputy Prime Minister, Minister of Public Finance, no. 1898/2013, for amending and supplementing of the Accounting Regulations in accordance with the European Directives, introduced the rules applicable for the evaluation and accounting of the claims taken by assignment. In these terms, a new account was included in the chart of accounts (809), together with the operating mode. This new regulation is applied since January 1st, 2014.

6. Order of the Deputy Prime Minister, Minister of Public Finance, no. 2067/2013, for amending and supplementing of certain accounting regulations, introduced the treatment applicable for the accounting of green certificates and the accounting treatment for those users that are connecting to utility networks. At the same time, 5 new accounts were introduced in the chart of accounts, the name of one account was changed (6456 "Company's contribution to optional pension plans" was renamed "Company's contribution to optional pension funds"), and were made changes with certain accounts' functioning rules (438 "Other personnel related debts and claims" and 645 "Social security contributions"). The new regulations are applied beginning with the financial statements of the financial year 2013.

The next table contains all the new accounts introduced in the last 5 years by the Orders which amended and completed the Order 3055/2009, and the class and group that received them.

Table no. 3

New accounts introduced in the general chart of accounts between 2010 and 2014

Class	Group	Synthetic Account		Account Name	Function		
		I	II		A	L	A/L
1				Capital accounts			
	10			Capital and reserves			
		1018		Patrimony (national institutes of research and development)			L
		1095		Shares of the absorbing entity owned by the entity absorbed			A
	14			Gains or losses in respect of issuance, redemption, sale, cession free of charge or cancellation of equity instruments			
		1491		Losses from cancelling of own shares as a result of reorganizations			A
		1495		Other losses related to equity instruments			A

Class	Group	Synthetic Account		Account Name	Function		
		I	II		A	L	A/L
2				Non-current assets			
	26			Financial assets			
		266		Green certificates postponed			A
			2677	Bonds acquired on third party issuances			A
4				Third party accounts			
	47			Accruals, subsidies and similar accounts			
		478		Deferred income related to assets received by transfer from customers			L
5				Treasury accounts			
	50			Short term investments			
		507		Green certificates granted			A
6				Expense accounts			
	64			Personnel expenses			
		6455		Company's contribution to life insurance policies			A
8				Special accounts			
	80			Off-balance sheet accounts			
		809		Claims taken by assignment			A

Source: accounting regulations, author's elaboration

The emergence of new patrimonial elements caused the introduction of accounts for the accounting treatment applicable to these. For example, for the accounting of green certificates the Ministry of the Public Finance introduced the accounts: 266 "Green certificates postponed" and 507 "Green certificates granted", together with their functioning rules. Before these, has been used the account 5081 "Other short-term investments / analytical green certificates". Other related accounts are 652 "Expenses related to environment protection" and 806 "Certificates for green house gases emissions", both being introduced by the Order 3055/2009.

It can notice that from 2006 to present have been introduced 38 new accounts in the chart of accounts, as follows: 28 accounts in 2006, 2 accounts in 2011, 2 accounts in 2012, and 6 accounts in 2014. 23 of these are accounts of first degree and 15 are accounts of the second degree.

In the chart of accounts are found accounts used in accounting only by certain companies or for a limited period (see table no. 4).

I. In 2011, was issued the Order of the Minister of Public Finance no. 2239 for approval of the Simplified Accounting System. Legal persons who in the previous financial year registered a net turnover under 35,000 EUR in RON equivalent and total assets under 35,000 EUR in RON equivalent may opt for a simplified accounting system. This system presents a simplified chart of accounts, which comprises 111 three-digit synthetic accounts and 5 four-digit synthetic accounts to record in accounting the value added tax (4423 "VAT payable", 4424 "receivable", 4425 "Input VAT", 4426 "Output VAT", and 4428 "VAT under settlement"). Entities may develop the accounts listed in the simplified chart of account as required.

J. In 2012, was issued the Order of the Deputy Prime Minister, Minister of Public Finance, no. 1286 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards (IFRS). These regulations present in Chapter V the chart of accounts applicable to companies whose securities are admitted for trading on a regulated market. This instrument contains the accounts necessary to record in accounting the economic and financial operations, as well as their contents. In development of the chart of accounts were considered

primarily the accounting treatments contained in IFRS and IFRS provisions on information presented in the annual financial statements, consolidated financial statements, respectively.

Order 1286/2012 was amended and completed three times by the Orders of the Minister of Public Finance nos. 1690/2012, 213/2013, and 2067/2013, which increased the number of accounts with 22.

In the table no 5 is presented a situation regarding the number of accounts included in the general chart of accounts during the years 1994-2014, based on the accounting regulations and structured in classes with synthetic accounts of first degree and synthetic accounts of the second degree. For the Orders 1752/2005, 3055/2009, and 1286/2012 are calculated the number of accounts at date of publication (first row) and with subsequent amendments and additions (the second row).

Table no. 4

List of accounts with peculiarities

Synthetic Account		Account Name	Explanations
I	II		
	1016	Public patrimony	this account only appears for entities which have not completed the legal transfer procedures for public sector assets
	1064	Fair value reserve	these accounts only appear in the consolidated annual financial statements
	1067	Reserves from foreign exchange differences in respect to a net investment within a foreign entity	
107		Conversion reserve	
	1081	Noncontrolling interest – profit (loss) of the period	
	1082	Noncontrolling interest – other equities	
264		Investments accounted for using the equity method	
	1172	Retained earnings due to the adoption of IAS for the first time, with the exception of IAS 29	this account only appears for companies that have applied the Accounting Regulations approved by the Order of the Minister of Public Finance no. 94/2001, until reversal of this account
	2071	Positive goodwill	these accounts normally appear in the consolidated annual financial statements
	2807	Amortization of goodwill	
	2907	Impairment of goodwill	
424		Profit share payable to employees	this account is used only when there is a legal basis for awarding these benefits
	4418	Revenue tax	this account is used to indicate tax on the income of micro-enterprises, as defined in the Law no. 571/2003 (Tax Code), including subsequent amendments and additions
542		Cash advances	in this account sums awarded through the card system will also be indicated

8052	Interest receivable	this account is used by entities which have been removed from the general Registry and which have ongoing leasing contracts
-------------	---------------------	---

Source: accounting regulations, author's elaboration

Table no. 5

The numerical evolution of accounts included in the general chart of accounts between 1994 and 2014

Elements	Class 1		Class 2		Class 3		Class 4		Class 5		Balance Sheet Accounts		Class 6		Class 7		Profit and Loss Accounts		Class 8		Total Accounts		
	I	II	I	II	I	II	I	II	I	II	I	II	I	II	I	II	I	II	I	II	I	II	Total
Chart of accounts according to GD 704/1993	21	22	20	28	34	7	45	23	16	26	136	106	39	27	27	13	66	40	5	12	207	158	365
Chart of accounts according to Order 403/1999	16	36	24	59	29	25	45	30	22	34	136	184	38	22	27	28	65	50	5	12	206	246	452
Chart of accounts according to Order 94/2001	16	42	26	60	29	25	43	34	22	32	136	193	37	26	26	28	63	54	5	12	204	259	463
Chart of accounts according to Order 1880/2001	10	0	7	0	4	0	14	0	5	0	40	0	9	0	8	0	17	0	0	0	57	0	57
Chart of accounts according to Order 306/2002	15	29	25	24	29	9	43	29	22	26	134	117	36	24	25	20	61	44	6	13	201	174	375
Chart of accounts according to Order 1752/2005	22	46	25	45	29	19	43	34	18	28	137	172	37	24	24	22	61	46	7	15	205	233	438
	24	46	25	45	29	19	43	34	18	28	139	172	37	24	24	22	61	46	7	15	207	233	440
Chart of accounts according to	19	47	27	45	35	19	44	39	18	28	143	178	41	26	27	23	68	49	10	16	221	243	464
	19	51	28	46	35	19	45	39	19	28	146	183	41	27	27	23	68	50	11	16	225	249	474

Elements	Class 1		Class 2		Class 3		Class 4		Class 5		Balance Sheet Accounts		Class 6		Class 7		Profit and Loss Accounts		Class 8		Total Accounts			
	I	II	I	II	I	II	I	II	I	II	I	II	I	II	I	II	I	II	I	II	I	II	Total	
Order 3055/2009																								
Chart of accounts according to Order 2239/2011	8	0	12	0	14	0	30	5	11	0	75	5	20	0	16	0	36	0	0	0	111	5	116	
Chart of accounts according to Order 1286/2012	21	62	30	57	32	18	46	44	16	27	145	208	46	50	32	46	78	96	8	15	230	319	550	
	22	64	33	64	31	18	48	46	17	27	151	219	46	53	31	48	77	101	8	15	236	335	571	
Draft Order (October 2014)	20	60	31	52	36	21	45	40	19	28	151	201	41	33	28	28	69	61	10	15	230	277	507	

I – synthetic accounts of first degree;

II – synthetic accounts of the second degree.

Source: author's processing based on the accounting regulations

The analysis of the numerical dynamic of accounts included in the general chart of accounts between 1994 and 2014 highlights the changes regarding the number of accounts held by each category (figure no 1).

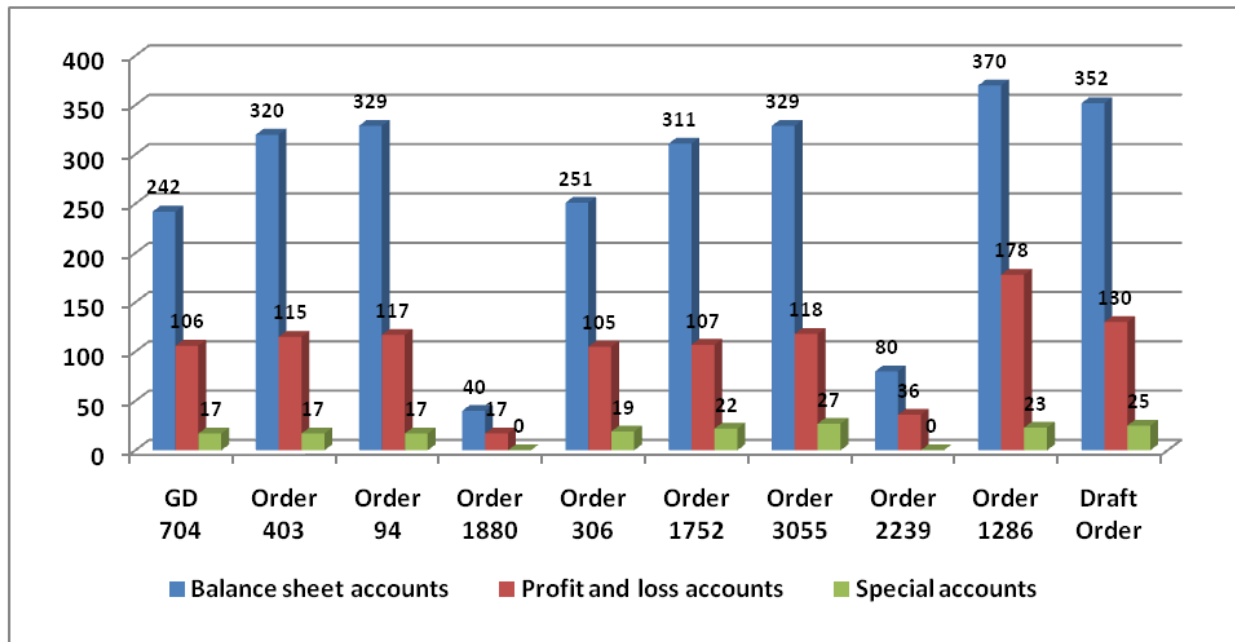


Figure no 1. The numerical dynamic of accounts included in the general chart of accounts between 1994 and 2014

Conclusions

Accounting uses separate accounts to reflect every patrimonial element in terms of economic destination and financing source. All these accounts used by accounting, distinguished by their accounting function, but which are interrelated with each other, form the system of accounts. All companies have their own system of accounts for keeping the books. That system of accounts is based on the general chart of accounts contained by the accounting regulations in force.

Over the past twenty-year's period, the system of accounts for companies has varied between a minimum of 57 accounts for microenterprises and a number of 571 accounts for entities whose securities are admitted to trading on a regulated market. In 1994, the chart of accounts was composed of 365 accounts. In 2014, the chart of accounts has 474 accounts for regular companies, indicating an increase of 29.86%. New accounts have been introduced in the last two decades in accordance with the new patrimonial elements appeared. For example, at the moment when the certificates for green house gases emissions or the green certificates appeared on the market, accounting had to set accounts for evidencing them and accounting treatments. In these terms, how influences the development of the general chart of accounts on intelligibility accounting information for users? A considerable number of accounts is an advantage in terms of analytical records, but may be an impediment to easy understanding of the information provided by accounting. An answer more detailed can be formulated after a research in this direction.

In 2013, was published the Directive 34/EU of the European Parliament and of the Council with the objective of reducing administrative burden and improving the business environment, especially for small and medium-sized enterprises (SMEs). One of the concepts underlying the Directive is "Think Small First". In this sense, what changes to the system of accounts will bring the implementation of the Directive 2013/34/EU? On the website of the Ministry of the Public Finance is posted a Draft Order for the approval of the Accounting Regulations on the annual individual and consolidated financial statements elaborated for implementation of this Directive in Romania. This

draft order introduces three categories of entities, namely: micro-entities; small entities; medium and large entities, depending on the size criteria laid down in mentioned directive. It is estimated that about 94% of all economic operators are micro-entities (608,300 entities), about 5% are small entities (30,600 entities), while medium and large entities represent about 1% (4,500 entities). According to estimates for fiscal year 2013 about 12,900 entities have applied the simplified accounting system. Accordingly, the proposed regulations for micro-entities will benefit about 608,300 entities, compared to about 12,900 entities who prepared simplified reporting in 2013.

The mentioned draft order presents a new chart of accounts which contains 507 accounts (see figure no. 1). It is proposed that the new accounting regulations to come into force on January 1st, 2015. At that moment, the Orders 3055/2009 and 2239/2011 will be repealed. The entities which have applied the accounting regulations approved by the Order 3055 will change a chart of accounts formed of 474 accounts with a new chart of accounts with 33 new accounts. The entities which have applied the simplified accounting regulations approved by the Order 2239 and have used the accounts comprised in the simplified chart of accounts will use the new general chart of accounts. Thus, from the simplified chart of accounts with 116 accounts, entities will pass to a chart of accounts with 507 accounts. All these changes in the system of accounts of the entities require a capacity of adapting to the dynamics of accounting by the accountants.

References

1. Bede, C., 2010. Noile conturi, introduse prin OMFP 3055/2009, [Online] available at <http://cristina.bede.ro/2010/02/noile-conturi-introduse-prin-omfp-30552009/>, accessed on July 17th, 2014.
2. Bădoi, M., 2013. Noutăți privind aplicarea IFRS: Legiuitorul aduce clarificări și completări cadrului contabil românesc, [Online] available at <http://legestart.ro/noutati-privind-aplicarea-ifrs-legiuitorul-aduce-clarificari-si-completari-cadrului-contabil-romanesc/>, accessed on June 23rd, 2014.
3. Benta, A., 2012. Despre OMFP nr. 1690/2012 și introducerea unor noi conturi contabile (About Order no. 1690/2012 and the introduction of new accounting accounts), [Online] available at <http://legestart.ro/despre-omfp-nr-16902012-si-introducerea-unor-noi-conturi-contabile/>, accessed on June 23rd, 2014.
4. Bojian, O., 1997. Bazele contabilității, Eficent Publishing House, Bucharest.
5. Calu, D.A., 2005. Istorie și dezvoltare privind contabilitatea din România, Economică Publishing House, Bucharest.
6. Capron, M., 1994. Contabilitatea în perspectivă, translation into Romanian by Lorin Nicolae, Humanitas Publishing House, Bucharest.
7. Corpul Experților Contabili și Contabililor autorizați din România, 2006. Album 85 de ani de la înființarea Corpului Experților Contabili și Contabililor Autorizați din România, CECCAR Publishing House, Bucharest.
8. Deloitte, 2014. New accounting regulations, article in Tax & Legal Weekly Alert, 6-10 January 2014, [Online] available at http://www.deloitte.com/assets/Dcom-Romania/Local%20Assets/Documents/EN/Tax%20Alerts%202014/ro_TaxLegalWeeklyAlert_6-10_january_EN.pdf, accessed on July 17th, 2014.
9. Drăgan, C.M., 1995. Bazele contabilității (Manual de inițiere contabilă), Contconsult Publisher, Bucharest.
10. Greceanu-Cocoș, V., 2010. Ghid privind comparabilitatea planurilor de conturi din România, aliniate la Standardele Europene și între ele, la 1 septembrie 2010, Wolters Kluwer Publishing House, Bucharest.

11. Jinga, M., Boboc, A., 2014. Amendment and completion of accounting regulation, article in Tax Newsletter, January 2014, [Online] available at <http://documents.lexology.com/01cb1e96-ab43-4396-a71d-48313f50bc89.pdf>, accessed on July 17th, 2014.
12. Ministerul Finanțelor, 1994. Sistemul contabil al agenților economici, Economică Publishing House, Bucharest.
13. Oprea, A., 2014. Changing accounting regulations, [Online] available at <http://www.toplegal.ro/5707/changing-accounting-regulations.html>, accessed on July 17th, 2014.
14. Pescaru, C., 2013. Tax optimization of the assignment of receivables – opportunities brought by the new year, [Online] available at <http://www.toplegal.ro/5668/tax-optimization-of-the-assignment-of-receivables-opportunities-brought-by-the-new-year.html>, accessed on July 17th, 2014.
15. Pop, A., 2002. Contabilitatea financiară românească armonizată cu Directivele contabile Europene și Standardele Internaționale de Contabilitate, Intelcredo Publishing House, Deva.
16. Toma, C., 2009. 15 ani de reformă a sistemului contabil românesc, published in volume Informarea financiar-contabilă în condiții de criză: 15 ani de la implementarea sistemului contabil din România, coordinators Toma, C. and Istrate, C., "Alexandru Ioan Cuza" University Publishing House, Iași, pp. 213-224.
17. TPA Horwath, 2014. Changes to accounting regulations, article from Tax & Legal Newsletter Romania, January 2014, [Online] available at <http://www.tpa-horwath.ro/en/r/publications-news/newsletter/changes-accounting-regulations>, accessed on July 17th, 2014.
18. Directive 2013/34/EU of the European Parliament and of the Council on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, published in the Official Journal of the European Union, 26 June 2013.
19. Romanian Accounting Law no. 82/1991, republished in Monitorul Oficial of Romania, Part I, no. 454/2008, including subsequent amendments and additions.
20. Government Decision no. 704/1993, for the approval of implementing measures of the Romanian Accounting Law no. 82/1991, published in Monitorul Oficial of Romania, Part I, no. 303 bis.
21. Government Decision no. 22/2003, for the repeal of some statutory provision, and amending and supplementing of certain accounting and tax methodologies, published in Monitorul Oficial of Romania, Part I, no. 44/2003.
22. Order of the Minister of Finance no. 403/1999, for the approval of the Accounting Regulations harmonized with the Fourth EEC Directive and with the International Accounting Standards, published in Monitorul Oficial of Romania, Part I, no. 480/1999.
23. Order of the Minister of Public Finance no. 94/2001, for the approval of the Accounting Regulations harmonized with the Fourth EEC Directive and with the International Accounting Standards, published in Monitorul Oficial of Romania, Part I, no. 85/2001, including subsequent amendments and additions.
24. Order of the Minister of Public Finance no. 1880/2001, for the approval of the Methodological Norms on organization and management of accounting in microenterprises, published in Monitorul Oficial of Romania, Part I, no. 651/2001.
25. Order of the Minister of Public Finance no. 306/2002, for the approval of the Simplified Accounting Regulations, harmonized with the European Directives, published in Monitorul Oficial of Romania, Part I, no. 279 bis/2002.
26. Order of the Minister of Public Finance no. 1752/2005, for the approval of the Accounting Regulations in accordance with the European Directives, published in Monitorul Oficial of Romania, Part I, no. 1080/2005, including subsequent amendments and additions.
27. Order of the Minister of Public Finance no. 3055/2009 for the approval of the Accounting Regulations in accordance with the European Directives, published in Monitorul Oficial of Romania, Part I, no. 766/2009, including subsequent amendments and additions.

28. Order of the Deputy Prime Minister, Minister of Public Finance, no. 1286/2012, for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, published in Monitorul Oficial of Romania, Part I, no. 687/2012, including subsequent amendments and additions.
29. Draft Order of the Minister of Public Finance for the approval of the Accounting Regulations on the annual individual and consolidated financial statements, [Online] available at <http://discutii.mfinante.ro/static/10/Mfp/transparenta/AnexaD34.pdf>, accessed on November 10th, 2014.