

THE ADVANTAGES AND THE LIMITS OF IMPLEMENTING THE SIMPLIFIED ACCOUNTING SYSTEM IN ROMANIA

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Abstract

Lately, at the international level, the accounting has been submitted to a comprehensive process of convergence and reconfiguration, which aims to eliminate the disagreements between different accounting systems. The accounting for the SMEs also joined this mechanism, when the IASB developed the IFRS for SMEs in 2009. On the same line, in 2011, the Romanian Finance Minister issued the Order no. 2239 for the approval of the simplified accounting regulations, which addresses to the small and the medium entities. The objective of this study can be defined on two levels: in the first part of the paper, we will present the conclusions resulting from the comparative analysis of the provisions of the Order no. 2239/2011 and the Order no. 3055/2009, while in the second part, we will summarize the results that we obtained as a result of a positive type research, embodied in an empirical study, which highlights the position of the accounting professionals accountants in Romania towards the implementation of the simplified accounting system.

Keywords: accounting, Romania, accounting simplified system, simplified financial statements

JEL classification: M41

1. INTRODUCTION

In the early 2000s, the accounting has been connected to the international realities. From that moment on, we have witnessed an extraordinary dynamic of the Romanian accounting, evidenced by the many changes that have occurred in the accounting rules. Internationally, the dynamism is also the main feature of today's accounting. Almost annually, we witness the reconsideration of the international accounting referential. (Laptes *et al*, 2009, p. 27)

IASB and FASB signed a memorandum in 2002, where they agreed to complete a project called "The Short-term International Convergence", with the main objective of eliminating, by the early 2005, a number of differences between the IAS / IFRS and the U.S.

GAAP referentials. The second stage was set later and it was reflected in the joint project called "The Joint Verification Project of the International Convergence". (Ristea et al, 2006, p 237)

Contrary to the efforts made by the two bodies in the normalization process, the convergence between the U.S. GAAP / IFRS is not a simple process, primarily because the two accounting referentials disagree about the scope of influence. If the U.S. GAAP are required to the entities seeking for funding from the U.S. capital markets, the IAS / IFRS referential is recommended to the companies seeking to be listed on the international capital markets. Therefore, the IAS / IFRS referential is intended to cover a wider area and it refers to entities with different structures.

Between these reconsiderations and shifts, along with the loss of the public confidence in the information produced and disseminated by accounting, and furthermore, subject to the audit (the famous financial scandals: Enron, Parmalat, etc.), the professional accountant has today the difficult task to actively engage and to correct the inaccuracies of an accounting system, frequently shaped by financial and geopolitical influences: there is a struggle for supremacy between the U.S. GAAP and the IFRS referential (Dumitrana et al, 2010, p.73).

At the EU level, the implementation process of the IAS / IFRS referential started since the 1st of January 2004, when two periods were defined (Ristea et al, 2006, p 239):

- the interval between the 1st of January 2004 and the 31st of December 2004 represented the transition period, the period of the restatement of the financial statements or the comparative period;
- the interval between the 1st of January 2005 and the 31st of December 2005 represented the period of actual appliance or the period of the elaboration of the first financial statements according to the IFRS referential.

Basically, at the European level, according to *Regulation no. 1606/2002 on the application of the International Accounting Standards*, also known as *the IAS Regulation*, starting with the 1st of January 2005, all the companies listed on the EU capital markets, including the credit institutions and the insurance companies were required to publish *consolidated financial statements* according to the IFRS. This approach has established inside the European Union two accounting systems, simultaneously applicable: an accounting system articulated on the IFRS and another one based on the national GAAP. The member states chose the conformity with the IFRS, both for the individual financial statements of the listed companies, and the financial statements - consolidated or individual – of the unlisted companies. Thus, from the 1st of January 2005, 7,000 European listed groups abandoned their national accounting rules for applying the international financial reporting standards (Ristea et al., 2010, p 170).

In the European Union, the reported discrepancies between the accounting directives and the IFRS referential made the Modernization Directive 51/2003 necessary to be adopted, in 2003. This directive provides the companies that report their accounting to the European directives, the opportunity to appeal the IAS / IFRS accounting options. The Modernization Directive amended the European Directives regarding: the content of the annual statements, the balance sheet and the income statement disclosure, the valuation rules, the issue of the provisions, the structure of the audit report, the content of the management report etc. (Dumitrana et al, 2010, p.74).

Analyzing the evolution of the Romanian accounting system reform after 2000, Professor Alan D. Roberts (2002) stated that "the European and international dimension is crucial, but through the new accounting rules [Order no. 94/2001 n.a.] the development of the capi-

tal markets and the privatization process is also aimed." Moreover, the same study anticipated the future difficulties of the accounting system reform in Romania, coming from the incompatibilities between the specific Anglo-Saxon culture approach and the French accounting tradition, which served us as a model in the early '90s: the reconciliation problems between the legal form and the economic reality, the capital markets and banking orientation towards the financing of the entity, the fiscal needs and the information demanded by the investors, the accounting profession training based on procedure and the training based on the professional judgment, all are one "battle" for the future. In a real sense, these problems appear in all the countries in transition (Roberts, 2002, p 17).

The great drawback was that in Romania these discussions were complicated by an attempt, supported by a group of foreign advisors, to require the application of both accounting traditions, the continental - European and the Anglo-Saxon ones, in the preparation and publication of the financial statements for all entities considered to be "large "in Romania. It is possible that this mixture of accounting traditions and additional problems to show that it is undoubtedly a true cultural intrusion. (Jianu et al, 2009, p.13)

Analyzing the evolution of the accounting reform in Romania after the implementation of Order no. 94/2001, Săcărin M. (2004) also identified a number of inaccuracies in the Romanian accounting harmonization to the international referential: the lack of a coherent program for promoting and monitoring the application of the international accounting standards; the lack of clarifying the preparation of the consolidated accounts; the weak presentation of some elements referring to the cash flow statement; the adoption of the international accounting standards without being immediately followed by changes in the fiscal regulations; the reluctance expressed by the managers of some companies in Romania in the application of certain accounting standards when the accounting treatment is not consistent with the fiscal one; the delay which occurs in the translation of the international accounting referential (Săcărin, 2004, p 744).

In the late 2005, the Romanian specialists' discussions about the Romanian accounting coordinates starting the 1st of January 2006 anticipated the idea of maintaining two accounting systems:

- a system based on the IFRS, applicable only in the banking system, the public entities and the large corporations, publicly traded, noting that this system could be voluntarily applied to the economic entities that opted for it;
- a simplified system, articulated only on the European directives (the IV-th and the VII-th Directives).

In Romania, by implementing the Order no. 1752/2005 for the approval of the accounting regulations according to the European directives and, then, by adopting the Order no. 3055/2009, the accounting system articulated on the IFRS was postponed. Therefore, the accounting policies approved by the Romanian regulator are the result of the IV-th and the VII-th Directives, even if certain provisions were taken from the IASB conceptual framework and the IFRS referential: the definition and the recognition of the assets, liabilities, equity, revenues and expenses, etc.

As shown by Ristea M. (2005) "the period 1st of January 2005 - 31st of December 2007 can be considered a transition period for the accounting systems." Furthermore, the option for a period of transition and the adoption of some accounting regulations harmonized with the European directives is a positively appreciated approach "as the provisions of these directives are becoming legal rules in the accounting law of each country that wants to be an EU member." (Ristea, 2005, p 9)

And yet, presently, the Romanian accounting became a "prisoner" of the European Accounting Directives.

Nowadays, internationally, the possibility of implementing the international financial reporting standards in a simplified manner for the small and medium entities is also discussed. Therefore, the International Accounting Standards Board (IASB) published in 2009, *the International Financial Reporting Standard for Small and Medium Entities*, elaborated by extracting the fundamental concepts from the IASB framework, the mandatory principles and guidelines from the complete set of standards and the analysis of the changes that are appropriate in the light of the user needs and the cost-benefit considerations.

Although the IASB wants to regain its supremacy in the struggle with the national GAAPs by expanding the IFRS referential to the SMEs, this approach is frequently challenged in various international media, including the European Parliament. In 2007, the Legal Affairs Commission of the European Parliament, which met on the 5th of October 2007 emphasized the following limits of the project on the IFRS for SMEs (Laptes et al, 2009, pp. 29-30):

- the excessively theoretical nature of all the IASB projects, making them difficult to be applied by SMEs;
- IASB has not received any political mandate to develop the IFRS for SMEs, the EU adopting procedure being valid only for the international accounting standards for the listed companies;
- the commission expressed its disbelief that the draft of the IFRS for SMEs adequately reflects the needs of the SMEs and, moreover, the project was developed taking into account the relatively large SMEs (more than fifty employees), not taking into account the reality that most of them are of small size;
- Last but not least, the commission concluded that the draft of the IFRS for SMEs ignores the fact that the users of financial statements of the SMEs are mainly the shareholders, the creditors, the business partners and the employees, and not some anonymous investors, as in the case of the large listed companies, and that these recipients are more interested in establishing a long term business relationship than in a short term one.

On the other hand, the role of the SMEs in the European Union should not be neglected: it provides jobs for approximately 70% of employees and generates approximately 58% of the added value of the enterprises (Ialomitanu, 2010, p 253). In this context, measures are necessary to be taken in order to support the SMEs activity, by reducing the administrative costs, a goal that can be achieved by simplifying the accounting and the taxation system, operating at their level.

Nowadays, at the EU level several accounting systems are found, as follows (Ialomitanu, 2010, p 254):

- the normal accounting system that ensures the provision of information depending on the users' needs with the help of the annual financial statements presented in a developed form;
- the simplified accounting system that is characterized by the presentation of financial information with the help of the financial statements drawn up in a simplified form;
- the super simplified accounting system that involves the organization of the accounting of receipts and payments flows, also known as cash accounting.

In Romania, in 2011, the Order no. 2239 was adopted. It contains a set of accounting rules addressed to the SMEs and aims to implement the simplified accounting system.

2. RESEARCH METHODOLOGY

Our intention through this study is, on the one hand, to analyze the changes brought by the Order no. 2239/2011 compared with the Order no. 3055/2009 and, on the other hand, to show the position of the Romanian accounting professionals to implement the simplified accounting system for SMEs.

In order to achieve this goal, the first part of this study, we conducted a survey of normative type, which allowed us to identify and analyze the differences that occur between the simplified accounting system, applicable from 2011 to the SMEs and the accounting regulations harmonized with the European directives, that is the Order no. 3055/2009.

In the second part of the study, for analyzing the position of the Romanian accounting professionals towards the implementation of the simplified accounting system, we conducted a survey of a positive type, embodied in an empirical study that will demonstrate how the MFP approach, initiated in 2011, is useful and appropriate in the current economic context.

3. DISAGREEMENTS BETWEEN THE SIMPLIFIED ACCOUNTING REGULATIONS AND THE PROVISIONS OF THE ORDER NO. 3055/2009, ACCOUNTING REGULATIONS ACCORDING TO THE EUROPEAN DIRECTIVES

The legislative act which promotes the application of a simplified accounting system in Romania is the Order no. 2239/25.07.2011 on the adoption of the simplified accounting system, published in the Official Gazette no. 522/2011.

The Order no. 2239/2011 sets the content of the simplified accounting regulations and rules on approving, publishing and signing the simplified annual financial statements. Moreover, the provisions of that order became applicable starting with the financial statements for the year 2011.

The simplified accounting system can be optionally applied by the economic entities that have this right. Only the economic entities that cumulatively fulfilled two size criteria in the previous financial year can make an option for the simplified accounting system only, as follows:

- the net turnover was less than the equivalent in RON of EUR 35,000;
- the total held assets is less than the equivalent in RON of EUR 35,000.

In our opinion, these size criteria do not support the economic entities which want to simplify the accounting system. We believe that the biggest drawback is related to the threshold required for the criterion regarding *the total assets value*, a limit which is set too low and which disqualifies most of the entities that would have decided to apply the Order no. 2239/2011. As shown by Bunea (2011), it is enough that the economic entity to have a vehicle and some inventories for the limit to be exceeded. In this context, a statistical analysis of the value of assets held by the economic entities that obtain an annual net turnover lower than the equivalent in RON of EUR 35,000 would have been appropriate before setting the size criteria on the total assets held (Bunea, 2011).

In the first financial year, the newly established entities can choose, between the application of the simplified accounting system and implementation of the accounting regulations

harmonized with the European directives, that is the Order no. 3055/2009. In the second financial year, these economic entities, unless they meet the cumulative size criteria described above, are bound to apply the provisions of the Order no. 3055/2009.

The legal entities whose securities are admitted to trading on a regulated market are not allowed to choose the simplified accounting system. This limitation acts in the following cases:

- to the economic entities belonging to a group of companies, entered into the consolidation of a parent company based in Romania, which is required to elaborate consolidated financial statements;
- to the companies or the national companies, the companies fully or partly owned by the state, the autonomous administrations, the national research and development institutes and the cooperatives;
- to the legal persons whose activity is regulated and supervised by BNR, CNVM, the Insurances Supervisory Commission and the Commission for Monitoring the Private Pensions System.

The simplified accounting rules include: the accounting principles, the recognition rules, the measurement and presentation of the elements in the annual simplified financial statements, the rules for drawing up the annual simplified financial statements, the format and content of the annual simplified financial statements, the simplified chart of accounts, but also the content and the functioning rules of the accounts from the chart of accounts.

Comparing the provisions of the Order no. 2239/2011 to the Order no. 3055/2009 content, we identified a few differences. The differences between the simplified accounting system and the Accounting Regulations harmonized with the European directives, which is the Order no. 3055/2009, can be summarized as follows:

□ two accounting principles were removed from the content of the Order no. 2239/2011: the substance over form principle and the materiality principle; therefore, the accounting principles accepted by the Order no. 2239/2011 are:

- the going concern principle;
- the prudence principle;
- the principle of the consistency;
- the principle of the intangibility;
- the principle of periodicity;
- The principle of separate evaluation of assets and liabilities;
- the principle of non compensation.

□ the correction of the accounting errors in the prior periods is made only through the profit and loss account; therefore, in the simplified accounting system the method based on the retained earnings, recommended by the Order no. 3055/2009, is not supported in order to correct the accounting errors from previous periods;

□ the simplified accounting system states that the assessment of the cash and cash equivalents in foreign currency, as well as of the claims and the liabilities in foreign currency, to be carried out at the end of each period for which the income tax statement is made. This is a different approach than the one from Order no. 3055/2009, which requires an valuation of these structures at the end of each month;

□ the simplified chart of accounts proposed by the Order no. 2239/2011 presents a small number of accounts, each account actually cumulating the functioning of several accounts from the chart of accounts approved by the Order no. 3055/2009. For exemplifying the matter, we present the case of the account 400 *Suppliers and similar accounts* from the

simplified chart of accounts, which accumulates the functions of: 401 *Suppliers*, 403 *Notes payable*, 404 *Suppliers of fixed assets*, 405 *Notes payable to suppliers of fixed assets* and 408 *Suppliers – invoices to be issued* from the general chart of accounts. In addition, certain accounts in the plan of accounts, approved by the Order no. 3055/2009 were not taken in the simplified chart of accounts. It is the case of 104 *Share premiums* account, 105 *Revaluation reserves* or 451 *Settlements between related parties* are not in the simplified chart of accounts;

□ the accounting organization and management for the economic entities that chose the simplified accounting system can be assigned to an individual who graduated in economics;

□ the economic entities choosing the simplified accounting system, including those that have implemented certain accounting treatments recommended by the Order no. 3055/2009, prepare simplified annual financial statements, represented only the simplified balance sheet and profit and loss account. The simplified annual financial statements must be accompanied only by a written declaration of the entity's management accountability for their preparation in accordance with the simplified accounting system. From the 1st of January 2012, the economic entities that do not meet the size criteria established by the Order no. 3055/2009, will not produce simplified financial statements but abbreviated ones, including: the abbreviated balance sheets, the income statement, the explanatory notes, and only compulsory, the cash flow statement and the statement of changes in equity, therefore, from financial year 2011, the accounting practice in Romania will draw three distinct sets of financial statements:

- the developed financial statements, by entities that meet at least two of the three size criteria established by the Order no. 3055/2009;

- the abbreviated financial statements, by the economic entities that do not meet two of the three size criteria established by the Order no. 3055/2009;

- the simplified annual financial statements, by the economic entities that cumulatively meet two size criteria established by the Order no. 2239/2011 and choose the simplified accounting system.

□ the economic entities that will implement the simplified accounting rules don't have to audit their simplified financial statements.

We appreciate that the application of the new accounting rules, which promotes a simplified accounting system, has both advantages and disadvantages.

The benefits of applying the simplified accounting rules can be summarized as follows:

- the new accounting rules are summarized;

- depending on the complexity of the information needs and the economic - financial transactions, although the economic entities may appeal to the general accounts from the chart of accounts, but also to the accounting treatments recommended by the Order no. 3055/2009 (for example: the revaluation of the fixed assets or the recognition of leases), if they made their option for the simplified accounting, they elaborate simplified annual financial statements;

- the number of accounts used was significantly reduced;

- the accounting rules are more flexible and easier to be understood;

- the simplified annual financial statements are only the simplified balance sheet and income statements, documents that contain a more simplified structure compared to the forms required by the Order no. 3055/2009 and, moreover, they don't have to be accompanied by the explanatory notes;

- the graduates in economics under civil contracts / agreements can organize the simplified accounting and can sign the simplified annual financial statements

On the other hand, the simplified accounting system disadvantages are:

- the symbol of the accounts from the simplified accounting chart of accounts was renumbered: even if the accounts were kept in their initial classes, as found in Order no. 3055/2009, the groups and subgroups 2 and 3 were changed, which implies the need to develop new accounting monographies;
- the economic entities that meet the requirements for applying the simplified accounting system and would rather use the Order no. 2239/2011 starting with the financial statements of 2011, are required to develop and to apply policies to implement the new accounting system and to change the chart of accounts because the financial statements are the result of all the accounting activities carried out in 2011.

4. THE RESULTS AND CONCLUSIONS OF THE POSITIVE TYPE RESEARCH REGARDING THE IMPLEMENTATION OF THE SIMPLIFIED ACCOUNTING SYSTEM IN ROMANIA

Our intention is to bring into the light the Romanian accounting professionals opinion on the implementation of the simplified accounting system to the SMEs. For achieving this goal, we completed a study of a positive type, embodied in an empirical study, which highlights the attitude of the Romanian accounting professionals towards the MFP approach to simplify the accounting system for SMEs since 2011.

The empirical research conducted by us is based on 38 questionnaires completed by accounting professionals, who perform the following positions in the economic entities they activate: financial manager 2, expert accountant 10, chief accountant 4, economist 10, accountant 7, controller 1, financial analyst 1, head of division 1 and administrator 2. We mention that 28 respondents are employed in accounting entities, which provide accounting and tax consulting services, an respondent is an employee of audit firm, two respondents are employees in companies performing financial and accounting analysis for entities economic and 7 respondents are accountants, hired at companies that have another field of activity, different from the accounting and consulting services in the financial – accounting field.

76.32% of the respondents are employees of SMEs, only 9 of them are already operating within economic entities with more than 50 employees and obtained, at the end of 2011, a turnover of more than 1,000,000 EUR. Furthermore, 65.79% of the respondents are employees of economic entities with an average number of employees up to 10 people and 94.74% of the respondents are working in companies whose securities are not admitted to trading on a regulated market.

Furthermore, we present our research results, obtained by centralizing and interpreting the responses obtained through the questionnaires distributed to 38 accountants.

After centralizing the results, we found that 42% of the respondents are employees of economic entities which are eligible to implement the simplified accounting system since 2011, due to the fact that meet all size criteria required by the Order no. 2239/2011, meaning that the net turnover achieved in 2011 and the total assets held at the same time are under the equivalent in RON of EUR 35,000.

Early in the questionnaire, we were interested to know the position of accounting professionals involved in the research on the complexity of the accounting regulations

harmonized with the European directives, that is the Order no. 3055/2009, from the perspective of the SMEs. The research results show that more than half of respondents, respectively 65.79%, believe that the regulations harmonized with the European directives are not unjustifiably complex and detailed in terms of the SMEs' interests.

In relation with the accounting professionals involved in our research position on the MFP initiative to simplify the SME accounting system, we found the following distribution of the responses:

- 47.37% of the respondents consider that the MFP approach is appropriate in the current economic climate;
- 39.47% of those surveyed believe that the MFP initiative is unjustifiable;
- 7.89% did not know details about the MFP approach to simplify the SMEs accounting system;
- Only 5.27% of the respondents consider that the implementation of Order no. 2239/2011 very useful.

After centralizing the responses, we found that more than half of those interviewed, respectively 60.53%, don't consider the size criteria imposed by the MFP too small to limit the implementation of Order no. 2239/2011 by most of the economic entities which want to simplify the accounting system. On the other hand, 23.70% of the respondents consider that MPF thresholds set are too small for the size criteria so that many companies are not eligible to apply Order no. 2239/2011, while 15.77% of the respondents were not able to amend the size criteria imposed by the MFP.

The MFP has left the economic entities that meet the size criteria required by the Order no. 2239/2011, the freedom to choose between the simplified accounting system and the application of the Order no. 3055/2009. After centralizing the results, we were surprised to find the position of accounting professionals towards the MFP flexibility: more than half of the respondents, respectively 68.42%, believe that if the economic entity to which they are employed would be eligible to apply the Order no. 2239/2011, in terms that the implementation of this law is optional, the organization of a simplified accounting and the abandon of the Order no. 3055/2009 is not appropriate.

As noted above, at the time of the study, only 42% of the respondents were employees in entities eligible to apply the Order no. 2239/2011 and, after the centralization of the responses, we found that only 31.25% of them said that the entity has initiated procedures for implementing the simplified accounting system, starting with the financial statements of 2011.

To the question on the amendments made by the Order no. 2239/2011 compared to Order no. 3055/2009, the following distribution of responses was obtained:

- 44.74% of the respondents consider that the Order no. 2239/2011 does not substantially differ from Order no. 3055/2009;
- 31.56% of the respondents believe the Order no. 2239/2011 brings many changes compared to the Order no. 3055/2009;
- 23.70% of the respondents did not know details about the differences between the two acts.

The content of the Order no. 2239/2011 does not substantially differ from the accounting rules approved by the Order no. 3055/2009, but some differences can be identified. After processing the answers, we found that, according to the accounting professionals involved in the research, the most important changes to the Order no. 2239/2011 compared to the Order no. 3055/2009 are as follows:

- 28.95% of the respondents consider that the most important change relates to the fact that economic entities opting for the simplified accounting system elaborate simplified annual financial statements, consisting only in the simplified balance sheet and the income statement;
- 26.31% of the respondents consider that the most important change concerns the simplified chart of accounts proposed by the Order no. 2239/2011, bringing together a small number of accounts;
- 18.42% of the respondents believe that the most significant change relates to the correction of the accounting errors coming from past periods, which is made only by using the *Profit or loss* account, without the alternative use of the *Retained earnings account*, recommended by the Order no. 3055/2009, to correct the accounting errors from the previous years;
- 13.16% of the respondents consider that the most important change brought to Order no. 2239/2011 refers to the valuation of claims and liabilities in foreign currency, which is made at the end of each period for which the income tax statement is completed, without longer requirements of evaluating these elements at the end of each month, as determined by the Order no. 3055/2009;
- 13.16% of the respondents believe that the most important change relates to the elimination of the substance over form principle and the principle of materiality.
- The empirical research aimed to determine the opinion of the Romanian accounting professionals regarding the main benefits generated by the implementation of a simplified accounting system. The answers obtained show the following:
- 50% of those surveyed believe that the most important advantage generated by the implementation of the simplified accounting system regards the annual financial accounting statements which are represented only by the simplified balance sheet and income statement, documents that contain a more simplified structure compared to the forms required by the Order no. 3055/2009 and, moreover, they are not accompanied by explanatory notes;
- 21.05% think that the real advantage is that the graduates in economics under contracts / civil agreements can organize a simplified accounting and sign the annual financial statements;
- 13.16% believe that an important advantage concerns the possibility of implementing the simplified accounting system starting with 31st of December 2011;
- 10.53% think that the accounting rules approved by the Order no. 2239/2011 are more flexible and easier to be understood;
- 5.26% think that an important advantage of organizing the simplified accounting system is to significantly reduce the number of accounts simplified chart of accounts.

Through the Order no. 2239/2011, the MFP leaves the possibility that the accounting organization and management for the economic entities choosing the simplified accounting system, to be entrusted to an individual who graduated in economics, without requiring to be specialized in *accounting and management information systems*. This possibility is disputed by half of those interviewed by us. Only 18.42% of the respondents support without reserves the MFP position, while 31.58% of the respondents agree with this measure, with the condition that the graduates in economics to be specialized in *accounting and management information systems*.

According to most of the respondents, the three main disadvantages of the implementation of the simplified accounting system by adopting the Order no. 2239/2011 are:

- most of the respondents considered that the main disadvantage generated by the Order no. 2239/2011 is related to the symbols of accounts from the simplified chart of accounts, which were renumbered, leading to the need of developing new accounting monographies;
- the economic entities that meet the requirements for applying the simplified accounting system and prefer to use the Order no. 2239/2011 starting with the financial statements of 2011, are required to develop and use policies in order to implement the new accounting system and to change the chart of accounts;
- the graduates in economics based on contracts or civil agreements can organize the simplified accounting system and sign the annual financial statements.

Is the Order no. 2239/2011 the best accounting solution for the SMEs in Romania? Our research results show that this regulation is not the best way of simplifying the SMEs accounting. More than half of the respondents, respectively 52.63%, don't agree with the MFP vision regarding the simplification of accounting, 31.58% are not able to appreciate the extent to which MFP proposed the best accounting solution for the SMEs and only 15, 79% of the respondents considered as appropriate the MPF strategy to simplify the SMEs accounting system.

Internationally, in 2009, IASB issued the IFRS for SMEs, but more than half of the accountants involved in the research, namely 52.63%, don't consider it as an alternative for improving the SMEs accounting system in Romania. On the other hand, 31.58% of the respondents believe that the IFRS for SMEs could be a suitable solution to simplify the accounting of the Romanian SMEs, while 15.79% of the respondents did not appreciate the benefits of a possible implementation of the IFRS for SMEs.

5. CONCLUSIONS

In 2011, the Ministry of Finance issued Order no. 2239 in an attempt to simplify the accounting system applicable to the small and medium economic entities, a regulation whose implementation creates, as stated in this paper, both advantages and disadvantages.

The empirical research that we performed shows that the economic entities that meet the size criteria required by the Order no. 2239/2011 didn't initiate the implementation procedures of the simplified accounting system, starting with the financial statements of 2011. Perhaps this reality can be explained by the fact that MFP left the economic entities the freedom to choose between a simplified accounting system and a developed one, based on the accounting regulations harmonized with the European directives, approved by the Order no. 3055/2009.

On the other hand, as demonstrated by the results of our research, another reason for delaying the implementation of the Order no. 2239/2011 is related to the symbol of the accounts from the simplified chart of accounts, which were renumbered, implying the development of new accounting monographies. Moreover, most of the accounting professionals involved in the research considers that the solution proposed by the MFP to simplify the accounting system of the small entities is not the best option.

As it can be easily seen, for the correct application of the Order no. 2239/2011, a permanent correlation with the Order no. 3055/2009 is required, because in the new accounting regulations references are often made to its content. We wonder if this normalization is a

justified solution. Perhaps it was simpler to bring amendments to the Order no. 3055/2009 with the elements for simplification, instead of issuing a new regulation which refers repeatedly to the first one could have been a better solution. It remains to be seen whether the MFP approach will demonstrate its value in the future.

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