

中华人民共和国国务院令 第287号公布 自20



# Regulations on Financial Accounting Reports of Enterprises

## 企业财务会计报告条例

Decree of the State Council of the People's Republic of China  
(No. 287)

The Regulations on Financial Accounting Reports of Enterprises are hereby promulgated and shall be effective as of January 1, 2001

Premier, Zhu Rongji

June 21, 2000

Regulations on Financial Accounting Reports of Enterprises

### Chapter I General Provisions

**Article 1** These Regulations are formulated for the purposes of standardizing the financial accounting reports of enterprises and ensuring the authenticity and completeness of financial accounting reports and in accordance with the [Accounting Law of the People's Republic of China](#).

**Article 2** In compiling and tendering their financial accounting reports, enterprises (including companies, the same hereinafter) shall comply with these Regulations. The financial accounting reports as referred to in these Regulations mean the documents tendered by an enterprise which shall reflect its financial condition on a specific date and its operating result and cash flow within a certain period of accounting.

**Article 3** No enterprise may compile and tender a financial accounting report which is false or conceals any important fact.

The principal of the enterprise shall be responsible for the authenticity and completeness of financial accounting reports of his own enterprise.

**Article 4** No organization or individual may instigate, instruct or force an enterprise to compile and tender a financial accounting report which is false or conceals any important fact.

**Article 5** Certified public accountants and public accounting firms shall audit the financial accounting reports of enterprises in accordance with the provisions of relevant laws, administrative regulations and working rules of certified public accountants, and shall be responsible for the audit reports they issued.

### Chapter II Composition of Financial Accounting Reports

**Article 6** The financial accounting reports shall be classified into the annual, semi-



annual, quarterly and monthly financial accounting reports.

**Article 7** The annual or semi-annual financial accounting report shall include ;

- (1) the accounting statement;
- (2) the explanatory note to the accounting statement; and
- (3) the financial condition statement.

The accounting statement shall include the balance sheet, the profit statement, the cash flow statement and the related schedules.

**Article 8** Generally, the quarterly or monthly financial accounting report means the accounting statement only, which shall include the balance sheet and the profit statement at least. If the provisions of the State on the unified accounting system require the compilation of the explanatory note to the accounting statement in the quarterly and monthly financial accounting reports, these provisions shall govern.

**Article 9** The balance sheet is the statement which reflects the financial situation of the enterprise on a specific date. Assets, liabilities and owner's equity (or shareholder's equity, the same hereinafter) shall be grouped and itemized in the balance sheet. The definition and itemization of assets, liabilities and owner's equity in the balance sheet shall comply with the following provisions;

(1) Assets mean the resources that are created from its transactions or events in the past and owned or controlled by the enterprise and can generate the anticipated economic benefits for it. Assets shall be grouped and itemized in the balance sheet according to their nature of liquidity, including current assets, long-term investment, fixed assets, intangible assets and other assets. The specific assets of banks, insurance companies and non-bank financial institutions, if any, shall be grouped and itemized according to their specific nature.

(2) Liabilities mean the present obligations created from its transactions or events in the past, and the fulfillment of such obligations may cause the anticipated outflow of the economic benefits of the enterprise. Liabilities shall be grouped and itemized in the balance sheet according to their nature of liquidity, including current liabilities and long-term liabilities, etc. The specific liabilities of banks, insurance companies and nonbank financial institutions, if any, shall be grouped and itemized according to their specific nature.

(3) Owner's equity means the economic benefits enjoyed by the owner from the assets of the enterprise, and its amount shall be the remaining amount of assets after deducting liabilities. Owner's equity shall be itemized in the balance sheet under the titles such as the paid in investment (or in stock), paid in surplus, surplus from profit and undistributed profit.

**Article 10** The profit statement is the statement which reflects the operating result of the enterprise within a certain period of accounting. Receipts, costs and the composition of profit shall be grouped and itemized in the profit statement. The definition and itemization of receipts, costs and profit in the profit statement shall comply with the following provisions:

(1) Receipts mean the gross inflow of economic benefits arising in the course of daily activities of the enterprise such as sale of goods, supply of services and transfer of the assets-use right. Receipts shall not include the amounts collected on behalf of the third party or the customer. Receipts shall be itemized in the profit statement according to its significance.



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(2) Costs mean the outflow of economic benefits arising in the course of daily activities of the enterprise such as sale of goods and supply of services. Costs shall be itemized in the profit statement according to their nature.

(3) Profit means the operating result of the enterprise within a certain period of accounting. Profit shall be grouped and itemized in the profit statement according to the composition of profit such as operating profit, total profit and net profit.

**Article 11** The cash flow statement is the statement which reflects the inflow and outflow of cash and cash equivalents (hereinafter referred to as the cash) of the enterprise within a certain period of accounting. Cash flow shall be grouped and itemized in the cash flow statement under the titles of operating, investing and financing activities. The definition and itemization of operating, investing and financing activities in the cash flow statement shall comply with the following provisions:

(1) Operating activities mean all transactions and events other than investing or financing activities of the enterprise. Cash flow under the title of operating activities shall be itemized in the cash flow statement according to the nature of cash inflow and outflow in the operating activities; the operating activities of banks, insurance companies and non-bank financial institutions shall be itemized according to their specific nature.

(2) Investing activities mean the purchase and construction of long-term assets and the investments not included in cash equivalents and the disposal of the enterprise. Cash flow under the title of investing activities shall be itemized in the cash flow statement according to the nature of cash inflow and outflow in the investing activities.

(3) Financing activities mean the activities that cause the change in the size and composition of the capital and debts of the enterprise. Cash flow under the title of financing activities shall be itemized in the cash flow statement according to the nature of cash inflow and outflow in the financing activities.

**Article 12** The related schedules are the supplementary statements which reflect the financial condition, operating result and cash flow of the enterprise, and shall mainly include the profit distribution statement and other schedules as required by the unified accounting system of the State.

The profit distribution statement is the statement that reflects the distribution of net profit realized and profit undistributed in the past years or recover losses of the enterprise within a certain period of accounting. Profit distribution shall be grouped and itemized in the profit distribution statement according to the items of profit distribution.

**Article 13** The annual and semi-annual accounting statements shall contain the comparative figures for two consecutive years or periods at least.

**Article 14** The explanatory note to the accounting statement is the explanations of the basis, medium, principle and method adopted in compiling the accounting statement and of the major items of the accounting statement so as to help the user of the accounting statement to understand the contents of the statement. The explanatory note to the accounting statement shall contain the following particulars at least:

- (1) explanation on the nonconformity to fundamental accounting assumptions;
- (2) significant accounting policies and accounting estimates, their change, reasons, and impact on the financial condition and operating result;



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- (3) explanation on the contingent events and the events occurring after the balance sheet date;
- (4) explanation on the relation and transaction with the related parties;
- (5) transfer and sale of major assets;
- (6) merge or split of the enterprise;
- (7) major investing or financing activities;
- (8) detailed information about major items listed in the accounting statement; and
- (9) other necessary explanations helping to understand and analyze the accounting statement.

**Article 15** The financial condition statement shall explain the followings at least:

- (1) the basic situation of production and operation of the enterprise;
- (2) realization and distribution of profit;
- (3) change and turnover of funds; and
- (4) other situations which have significant impact on the financial condition, operating result and cash flow of the enterprise.

### Chapter III Compilation of Financial Accounting Reports

**Article 16** The enterprise shall compile and tender the annual financial accounting report at the expiry of a year. The enterprise shall compile and tender the semiannual, quarterly and monthly financial accounting reports if the unified accounting system of the State requires.

**Article 17** The enterprise shall compile the financial accounting reports on the basis of its actual transactions and events as well as complete and accurate information such as book entries and in accordance with the basis, medium, principle and method of compilation as required by the unified accounting system of the State.

Without approval, the enterprise may not change the basis, medium, principle and method of compilation of financial accounting reports in violation of the provisions of these Regulations and the unified accounting system of the State.

No organization or individual may instigate, instruct or force an enterprise to change the basis, medium, principle and method of compilation of financial accounting reports in violation of the provisions of these Regulations and the unified accounting system of the State.

**Article 18** The enterprise shall reasonably confirm and measure the accounting elements in the accounting statements in accordance with the provisions of these Regulations and the unified accounting system of the State, and without approval, the enterprise may not change the criteria for such confirmation and measurement of the accounting elements.

**Article 19** The enterprise shall settle accounts on the date set forth by relevant laws, administrative regulations and these Regulations, and may not advance or delay the settlement. The annual settling day shall be December 31 of each calendar year; the semi-annual, quarterly or monthly settling day shall be the last day of each half-year, quarter or month of the calendar year respectively.

**Article 20** Before it compiles the annual financial accounting report, the enterprise shall count its assets and check its debts comprehensively in accordance with the



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following provisions:

- (1) Whether or not the items of settlement exist, including receivables, payables and tax payable, and whether or not their amounts are consistent with the amounts of corresponding debts and claims of debtors and claimants;
- (2) Whether or not the actual quantity of all inventories such as raw materials, products in progress, self-produced semi-finished products and goods in store is consistent with the book quantity, and whether or not the loss on defective products and overstocking materials exist;
- (3) Whether or not all the investments exist, and whether or not the investment income is confirmed and measured in accordance with the provisions of the unified accounting system of the State;
- (4) Whether or not the actual quantity of all fixed assets such as buildings and structures, machines, equipment and means of transport is consistent with the book quantity;
- (5) Whether or not the actual amount of the projects in progress is consistent with the book entries; and
- (6) Other items that must be counted and checked.

The enterprise shall, through such count and check listed in the preceding paragraph, ascertain the consistency of the actual quantity of properties and materials with the book quantity, the default and reasons of items of settlement, the actual store of materials and goods, the realization of anticipated purposes of all investments, the use and quality of fixed assets and others. The enterprise shall, after such count and check, report the results and the treatment to its board of directors or appropriate organ, and shall complete the corresponding accounting treatment in accordance with the provisions of the unified accounting system of the State.

The enterprise shall carry out the selective count, cycle count and periodical count over all properties, materials and items of settlement according to the specific situation within the year.

**Article 21** Before it compiles the financial accounting reports, the enterprise shall, besides a comprehensive count of assets and check of debts, complete the following inspections:

- (1) to inspect whether or not the accounting book entries are consistent with the contents and amounts in the accounting documents, and whether or not they correspond the direction of recording;
- (2) to settle accounts on the settling day specified by these Regulations, to square up the balance and amounts occurred in the relevant accounting books and to inspect the balance in all accounting books;
- (3) to inspect whether or not the related accounting conforms to the provisions of the unified accounting system of the State;
- (4) to inspect whether or not the confirmation and measurement of the transactions or events for whom the unified accounting system of the State does not provide the unified accounting method conform to the normal principle of accounting, and whether or not the related account treatment is reasonable; and
- (5) to inspect whether or not the necessary adjustment of related items in the previous period or the current period due to the reasons of accounting errors or change of accounting policy exists.

The problem discovered in the inspections specified in the preceding paragraph, if any, shall be settled in accordance with the provisions of the unified accounting system of the State.



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**Article 22** If there is a change in the assets or liabilities after the count and check, the enterprise shall, in compiling the annual and semi-annual accounting reports, make its confirmation and measurement in accordance with the criteria for confirmation and measurement of assets or liabilities, and shall complete the corresponding accounting treatment in accordance with the provisions of the unified accounting system of the State.

**Article 23** The enterprise shall compile the accounting statements in accordance with the forms and contents of accounting statements as required by the unified accounting system of the State and on the basis of complete, verified and correct book entries and other related data so as to guarantee the complete contents, authentic figures and accurate computation, and may not have any omission or selection without approval.

**Article 24** The corresponding data in the different accounting statements and in the different items in the accounting statement shall be consistent; the data in the accounting statement for the current period shall dovetail those in the accounting statement for the preceding period.

**Article 25** The explanatory note to the accounting statement and the financial condition statement shall provide authentic, complete and definite explanations on the items in the accounting statement that must be explained in accordance with the provisions of these Regulations and the unified accounting system of the State.

**Article 26** The enterprise shall, if it is merged or split, compile the appropriate financial accounting report as required by the unified accounting system of the State.

**Article 27** If its business is terminated, the enterprise shall, at the time of termination, count its assets and check its debts comprehensively, close off accounts and compile the financial accounting report in accordance with the requirements of compilation of the annual financial accounting report; and within the period of liquidation, the enterprise shall compile the financial accounting report for the period of liquidation as required by the unified accounting system of the State.

**Article 28** If an enterprise group is required to compile the consolidated accounting statement in accordance with the provisions of the unified accounting system of the State, its parent company shall compile the consolidated accounting statement of the said enterprise group, in addition to its individual accounting statements. The consolidated accounting statement of the enterprise group means the accounting statement that reflects the entire financial condition, operating result and cash flow of the enterprise group.

#### Chapter IV Tender of Financial Accounting Reports

**Article 29** The accounting information reflected by the financial accounting reports tendered shall be authentic and complete.

**Article 30** The enterprises shall tender the financial accounting reports in time in accordance with the provisions of laws, administrative regulations and the unified accounting system of the State on the date of tender of financial accounting reports.



**Article 31** The financial accounting reports tendered by the enterprise shall be paged in order, bound up with the title page, and stamped with the official seal. The title page shall bear the name, unified code, form and address of the enterprise, the year or month of the statement and the date of tender, and shall be signed and stamped by the principal of the enterprise, the responsible person in charge of its accounting work and the responsible person of the accounting department (chief accountant); if the enterprise appoints the general accountant, his signature and seal shall be required also.

**Article 32** The enterprise shall tender the financial accounting reports to the investors in accordance with the stipulations of its articles of association.

The State-owned large-size key enterprises and the State-owned key financial institutions that have the board of supervisors appointed by the State Council, and the State-owned enterprises that have the board of supervisors appointed by the people's governments of provinces, autonomous regions or municipalities directly under the Central Government, shall tender the financial accounting reports to the board of supervisors periodically according to law.

**Article 33** The relevant departments or organs shall, when they require the enterprises to tender some or all financial accounting reports and relevant data in accordance with the provisions of laws, administrative regulations or the State Council, produce the appropriate documents to the enterprises, and may not require the enterprises to change the accounting standards for the required data in the financial accounting reports.

**Article 34** No organization or individual may require the enterprise to tender some or all financial accounting reports and relevant data, unless otherwise provided by laws, administrative regulations or the State Council.

If an organization or individual requires the enterprise to tender some or all financial accounting reports and relevant data in violation of the provisions of these Regulations, the enterprise concerned is entitled to refuse it.

**Article 35** The State-owned enterprises and the State-holding or State-capital-preponderate enterprises shall disclose the financial accounting reports to their own employee representative assembly once a year at least, and shall explain the followings in priority:

- (1) the information relating to employee interests, including; the composition of administrative costs; the payment, use and balance of wages and welfare expenses of managerial personnel and workers; the collection and use of public welfare funds; the distribution of profits and other information relating to employee interests;
- (2) the problems discovered in the course of internal auditing and their rectification;
- (3) the auditing results by the certified public accountant;
- (4) the problems discovered by the audit organ of the State and their rectification;
- (5) decisions on major investment, financing and assets disposal and explanation on their reasons; and
- (6) other important matters that shall be explained.

**Article 36** The enterprise shall tender the financial accounting reports that are compiled with the consistent basis, medium, principle and method of compilation to



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the different parties concerned in accordance with the provisions of these Regulations, and may not tender the financial accounting reports that are compiled with the different basis, medium, principle and method of compilation.

**Article 37** If a financial accounting report must be audited by the certified public accountant, the enterprise shall tender the financial accounting report which shall be accompanied by the audit reports issued by the certified public accountant and his firm.

**Article 38** The organizations or individuals that receive the financial accounting reports of enterprises shall keep the contents of the reports in confidentiality before the reports are officially disclosed.

## Chapter V Legal Liability

**Article 39** Where an enterprise commits any of the following acts in violation of the provisions of these Regulations, the department of finance of the people's government at or above the county level shall order the enterprise to make corrections within a specified period of time, and may impose a fine of more than 3, 000 yuan but less than 50, 000 yuan on the enterprise; and a fine of more than 2, 000 yuan but less than 20, 000 yuan on the principal person who is directly responsible or any other person who is directly responsible; if the person above is a servant of the State, administrative or disciplinary sanctions shall be given thereto according to law concurrently;

- (1) changing the criteria for confirmation and measurement of accounting elements without approval;
- (2) changing the basis, medium, principle and method of compilation of financial accounting reports without approval;
- (3) settling accounts in advance or in delay.
- (4) failing to count assets or to check debts comprehensively before compiling the annual financial accounting report; or
- (5) refusing the supervision and inspection carried out according to law by the department of finance or any other relevant department on the financial accounting reports, or failing to give relevant authentic information.

If an accountant commits any of the acts listed in the preceding paragraph and the circumstance is serious, the department of finance of the people's government at or above the county level shall revoke his certificate of qualification for accounting.

**Article 40** Where an enterprise compiles and tenders a financial accounting report that is false or conceals an important fact, thus constituting a crime, criminal responsibility shall be investigated for according to law.

Where an enterprise commits any act listed in the preceding paragraph but no crime is constituted, the department of finance of the people's government at or above the county level shall circulate a notice of criticism and may impose a fine of more than 5, 000 yuan but less than 100,000 yuan on the enterprise; and a fine of more than 3,000 yuan but less than 50,000 yuan on the principal person who is directly responsible and any other person who is directly responsible; if the person above is a servant of the State, administrative or disciplinary sanctions such as removal from his post or even up to discharge from the enterprise shall be given thereto according to law concurrently; if the accountant has a serious circumstance, the department of finance



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of the people's government at or above the county level shall revoke his certificate of qualification for accounting.

**Article 41** Any person who instigates, instructs or forces the accounting department, accountant or any other person to compile and tender a financial accounting report that is false or conceals an important fact, or conceals or destroys intentionally the financial accounting report that shall be kept according to law, shall be investigated for criminal responsibility according to law if a crime is constituted; or may be imposed a fine of more than 5, 000 yuan but less than 50, 000 yuan if no crime is constituted; if the said person is a servant of the State, administrative or disciplinary sanctions such as demotion, removal from his post or discharge shall be given thereto according to law concurrently.

**Article 42** Anyone who, in violation of the provisions of these Regulations, requires the enterprise to tender some or all financial accounting reports and relevant data, shall be ordered to make corrections by the people's government at or above the county level.

**Article 43** Anyone who violates the provisions of these Regulations and concurrently violates the provisions of other laws and administrative regulations shall be punished by the relevant departments within their respective scope of power according to law.

#### Chapter VI Supplementary Provisions

**Article 44** The department of finance of the State Council may formulate the specific measures for compilation and tender of financial accounting reports in accordance with the provisions of these Regulations.

**Article 45** The measures for compilation and tender of financial accounting reports by small-size enterprises without external financing activities shall be formulated separately by the department of finance of the State Council in accordance with the principles set forth in these Regulations.

**Article 46** These Regulations shall come into force as of January 1, 2001.



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