

UDC 657.1:005.521(477)

DOI <https://doi.org/10.31359/2312.394X.2026.39.1.170>

UKRAINE'S FINANCIAL REPORTING: COMPLIANCE VS MANAGEMENT

V. Anichkin

Ukraine's financial reporting framework prioritizes regulatory compliance but fails to meet management information needs. This study reveals systemic limitations – information latency, data aggregation, and poor integration – through sectoral case analysis. Findings demonstrate how current practices constrain decision-making and propose unified reporting systems to balance transparency with operational utility.

Keywords: financial management, financial regulations, digital transformation, agricultural sector, bankin system, professional judgments, reporting automation, accounting standards, financial reporting.

ФІНАНСОВА ЗВІТНІСТЬ В УКРАЇНІ: ВІДПОВІДНІСТЬ І УПРАВЛІННЯ

В.О. Анічкін

Система фінансової звітності України перебуває в умовах значної суперечності між вимогами регуляторної відповідності й інформаційними потребами управління. Незважаючи на забезпечене дотримання міжнародних і національних стандартів, чинна система демонструє обмежені можливості підтримки операційних управлінських рішень у різних секторах економіки. Дослідження аналізує практики фінансової звітності на прикладі порівняльного аналізу банківського (АТ «УкрСиббанк») й аграрного (Astarta Holding PLC) секторів за період 2019–2024 років. Результати дослідження демонструють, що хоча чинні практики забезпечують зовнішню прозорість, їх управлінська цінність обмежена через інформаційне відставання та недостатню аналітичну деталізацію. У роботі виявлено системні обмеження, що включають тривалі терміни підготовки звітності (3–4 місяці), надмірну агрегованість даних, високу залежність від професійних суджень і недостатню інтеграцію фінансових показників з операційними метриками реального часу.

Секторальний аналіз виявив відмінності в регуляторних пріоритетах: банківські установи акцентують увагу на розкритті кредитних ризиків і ліквідності відповідно до вимог НБУ, тоді як аграрні підприємства зосереджені на оцінці біологічних активів і валютній чутливості. Незважаючи на впровадження сучасних ERP-систем, зберігається суттєвий розрив між зовнішньою звітністю для регуляторів та внутрішніми потребами управління,

що знижує адаптивність прийняття рішень. Результати дослідження демонструють, що хоча чинні практики забезпечують зовнішню прозорість, їх управлінська цінність обмежена через інформаційне відставання та недостатню аналітичну деталізацію.

Внесок роботи в наукову дискусію полягає в оцінюванні операційного впливу обмежень звітності й пропозиції концептуальної моделі трансформації в бік проактивної аналітики, автоматизованої інтеграції даних та єдиних інформаційних систем, здатних одночасно задовольняти регуляторні вимоги та потреби внутрішнього управління. Дослідження підкреслює нагальну потребу еволюції звітних систем для вдосконалення стратегічного планування та оцінки вартості підприємств в умовах динамічного економічного середовища України.

***Ключові слова:** фінансовий менеджмент, фінансові нормативи, цифрова трансформація, аграрний сектор, банківська система, експертні оцінки, автоматизація звітності, стандарти обліку, фінансова звітність.*

Conceptual problem formulation. Ukraine's financial reporting framework, while ensuring compliance with international and national standards, demonstrates limited capacity to address the operational information needs of enterprise management. The current system prioritizes regulatory requirements for external stakeholders, creating persistent gaps in real-time data availability, analytical granularity, and integration between financial and operational metrics. These structural limitations affect enterprises across various economic sectors, where divergent regulatory environments and operational complexities create distinct challenges for management decision-making. This study examines how existing reporting practices either facilitate or constrain enterprises' ability to respond to dynamic market conditions and operational risks.

Critical review of recent research and publications. Ukraine's financial reporting regulatory framework is governed primarily by the Law of Ukraine "On Accounting and Financial Reporting", supplemented by National Accounting Regulations (Standards). For certain categories of entities, International Financial Reporting Standards (IFRS) also apply. Within this system, financial statements comprise the balance sheet, income statement, cash flow statement, statement of changes in equity, and accompanying notes, with underlying accounting data serving as the foundation for all reporting components [1].

A defining characteristic of Ukraine's approach for the 2024–2026 period is the absence of a uniform reporting model across all economic sectors. Domestic regulatory practice permits organizations to compile financial statements either in accordance with national standards or IFRS,

with the choice contingent upon their legal status and the nature of their operations [1, 2].

The legal distinction between reporting frameworks holds direct implications for sectoral analysis. Under current regulations, IFRS is mandatory for public-interest entities, publicly traded joint-stock companies, enterprises operating in the extractive industries, and other activities specified by the Cabinet of Ministers. This regulatory scope extends to critical segments of the financial sector, including financial service providers, non-state pension funds, and auxiliary financial and insurance activities [2]. Consequently, institutions such as banks, insurance companies, pension-related entities, and numerous large enterprises, along with significant portions of the extractive and financial services sectors, typically prepare their financial statements in accordance with IFRS.

In contrast, many enterprises in trade, agriculture, local manufacturing, and service industries continue to apply national accounting standards, unless specific regulatory requirements mandate their transition to IFRS [2]. This bifurcation in reporting practices reflects the differentiated regulatory approach adopted within Ukraine's financial reporting ecosystem.

Ukraine's national accounting standards are explicitly designed to avoid contradictions with IFRS, thereby facilitating partial alignment between reporting systems even in cases where entities do not adopt full IFRS compliance [1]. Contemporary scholarship characterizes this phenomenon as a broader process of approximation and harmonization, wherein national standards increasingly converge with internationally recognized accounting and financial reporting principles within Ukrainian practice [3].

This trend holds particular significance for the 2024–2026 period, as legal harmonization efforts have the potential to enhance cross-sectoral comparability. However, it is important to note that such alignment does not entirely eliminate discrepancies in policy implementation, disclosure depth, or the quality of financial reporting practices.

The transition toward IFRS adoption extends beyond external reporting requirements, fundamentally altering internal business operations. Research on balance sheet preparation under international standards demonstrates that IFRS implementation influences asset and liability valuation, current asset reporting, financial instrument accounting, and other fundamental accounting items. Crucially, this adoption necessitates comprehensive revisions to internal processes and management systems, rather than merely requiring the restatement of financial forms [4].

For comparative sectoral research, these dynamics introduce significant analytical considerations. Specifically, observed differences between, for instance, an IFRS-compliant bank and a smaller industrial firm

utilizing National Accounting Standards (NAS) may reflect not only underlying economic realities but also variations in valuation methodologies, internal control frameworks, and reporting infrastructure [1, 4].

Research objectives. This study aims to examine the distinctive characteristics of financial reporting practices across various sectors of Ukraine's economy under current conditions. The analysis seeks to identify existing problem areas in reporting processes and to develop targeted recommendations for addressing these challenges.

Presentation of research findings. Contemporary financial reporting practices among Ukrainian enterprises demonstrate a gradual transition from fiscally oriented approaches toward management-analytical frameworks. A critical stage in this evolution involves the organization of primary data collection, its systematic classification, and subsequent consolidation. The efficacy of these processes depends directly on the degree of accounting automation and the integration level of corporate information systems.

This study examined financial reporting practices in the banking sector through a case analysis of JSC "Ukrsibbank". The investigation revealed that financial reporting in this sector operates under stringent regulatory constraints and requires daily submission of key financial indicators to the National Bank of Ukraine. The bank's technological infrastructure integrates ERP systems with risk management modules and financial planning tools, enabling real-time liquidity assessment, calculation of expected credit losses in accordance with relevant international standards, and continuous monitoring of capital adequacy.

The study subsequently examined financial reporting practices in the agricultural sector through a case study of Astarta Holding PLC. The investigation revealed that consolidated financial reporting in this sector faces significant complexities due to geographically dispersed assets, the presence of biological assets, foreign exchange risk exposure, and macroeconomic influences. According to the company's financial statements, Astarta applies international standards for lease accounting, fair value measurement, and revenue recognition from customer contracts, which necessitates substantial professional judgment and reliance on external expert valuations.

While the company prepares its reports in standardized electronic formats enabling automated data processing, the period-end closing process typically remains protracted, often extending 3-4 months beyond the fiscal year-end. This extended timeline results from requirements for external audits, asset valuation verification, and reconciliation between local and international reporting methodologies.

In the context of managerial decision-making, financial reporting quality is determined by a comprehensive set of attributes: relevance, faithful representation, timeliness, comparability, understandability, and verifiability. In practice, these criteria manifest as requirements for analytical granularity, depth of segment information disclosure, and adaptability of reporting formats to specific business objectives.

The research findings indicate that standardized financial reporting often proves excessively aggregated for internal management needs. This limitation is evidenced by its inability to reflect product-level profitability, operational KPIs, or real-time risk exposure. Consequently, effective decision-making systems necessitate supplementation of official financial statements with internal management reports, budgetary control data, scenario modeling, and managerial accounting metrics. This integrated approach addresses requirements across both banking and agricultural sectors, though sector-specific distinctions persist.

In banking operations, particular emphasis is placed on the timely disclosure of credit risk concentrations and liquidity gaps. Conversely, agricultural holdings prioritize monitoring biological asset valuation changes, foreign exchange sensitivity of cash flows, and operational costs associated with logistics and product storage. Across both sectors, however, financial reporting practices must evolve from merely documenting historical events toward providing proactive information support. This transformation would enable management to model alternative scenarios and mitigate operational risk exposure.

The examination of financial reporting practices at UkrSibbank and Astarta Holding PLC between 2019 and 2024 revealed characteristic patterns and systemic constraints in reporting data formation processes. In the banking sector, financial reporting prioritizes prudential stability and compliance with National Bank of Ukraine regulations. The analysis identified a trend toward reduced risk exposure, evidenced by a declining loan-to-deposit ratio across recent reporting periods, reflecting a conservative credit policy amid macroeconomic uncertainty. Bank reports consistently include expanded sections on expected credit losses, impairment testing, and liquidity stress testing. However, the preparation process remains resource-intensive due to requirements for regular reserve recalculations, foreign exchange portfolio revaluations, and dual internal-external audit verification.

Astarta Holding's consolidated financial reporting demonstrates significant dependence on international standards and external valuation procedures. For instance, changes in the fair value of biological assets and agricultural produce amounted to over UAH 2.3 billion at year-end 2023, increasing to UAH 3.45 billion in 2024, directly impacting revenue structure

and net financial results. Reporting complexities arise from the need to consolidate numerous subsidiaries' operations, account for operating leases, and manage foreign exchange differences. According to management reports, the company maintains a 60-day operational expense liquidity buffer and employs flexible currency hedging strategies. Nevertheless, official financial statements remain highly aggregated, limiting tactical management capabilities at the regional or production-line level.

The comparative analysis (Table 1) reveals that financial reporting practices across sectors share several fundamental characteristics, irrespective of industry-specific considerations. These commonalities include: a predominant focus on external compliance requirements, protracted period-end closing cycles, substantial reliance on professional judgment in asset valuation, and insufficient integration between financial data and real-time operational metrics.

The comparative analysis of reporting practices summarized in Table 1 reveals both systemic constraints common across sectors and industry-specific characteristics, directly impacting the quality of management information systems. First, while both entities operate within IFRS frameworks, the banking sector faces additional National Bank of Ukraine requirements that prioritize disclosure of credit metrics, liquidity indicators, and risk-oriented measures. In contrast, agricultural holdings emphasize fair value assessment of biological assets, foreign exchange sensitivity, and operational segmentation.

Second, extended consolidation cycles (3-4 months post-period-end) and significant reliance on professional judgment in asset valuation create information lags that constrain tactical management capabilities. Third, despite advanced ERP system implementation, a substantial gap persists between external compliance reporting and internal management reporting. The aggregation of indicators, lack of real-time product/regional granularity, and limited scenario modeling capabilities reduce decision-making adaptability.

Thus, while current reporting practices ensure high levels of external transparency and standards compliance, their management utility remains limited due to consolidation delays, excessive dependence on expert valuations, and insufficient integration between financial data and real-time operational metrics. These identified deficiencies directly affect the speed, justification, and risk orientation of management decisions, underscoring the need for reporting process transformation toward proactive analytics, automated segment granularity, and unified information systems capable of simultaneously satisfying regulatory requirements and internal management needs.

Table 1 – Comparative Analysis of Financial Reporting Practices: Agricultural Holding vs. Banking Sector

Analysis Criterion	Agricultural Holding (Astarta Holding PLC)	Banking Sector (JSC Ukrsibbank)	Impact on Management Decision Data
Regulatory Framework	IFRS (IFRS 9, 13, 15, 16)	IFRS + NBU regulatory requirements	Methodological unification, though differing regulatory emphases complicate internal KPI comparisons
Reporting Timeline	3–4 months post fiscal year-end	Daily/monthly NBU reporting + annual IFRS audit (3–4 months)	Extended consolidation cycles reduce tactical decision responsiveness
Key Areas of Professional Judgment	Fair value of biological assets, lease accounting, FX differences	Expected credit loss (ECL) modeling, liquidity assessment, credit risk evaluation	High dependence on expert valuations increases data variability for planning
Technological Infrastructure	ERP systems with advanced consolidation modules, electronic reporting formats	Integrated banking systems with risk management and liquidity modules	Existing infrastructure provides advantages, though gaps persist between financial and management reporting
Primary Management Limitations	Data aggregation, insufficient segment granularity, data latency	Compliance reporting prioritized over operational analysis, regulatory form adaptation challenges	Reduces accuracy of scenario modeling and market response speed

Note: Compiled based on analysis of consolidated financial statements (2019–2024) and management reports of the studied entities [5, 6].

This situation significantly impacts decision-making velocity, justification, and risk orientation. Data consolidation delays particularly reduce management's operational adaptability to rapidly changing market conditions – a critical concern in both agricultural and banking sectors where commodity prices, exchange rates, and regulatory rates fluctuate daily. Moreover, the aggregated nature of reporting formats complicates analysis

by region, product line, or other target segments. Consequently, management often lacks data on the profitability of specific products, branches, or customer segments, thereby limiting cost optimization and resource reallocation opportunities.

However, the adoption of international standards and digital reporting formats enhances data comparability, facilitates capital attraction, and improves external control quality. The current partial regulatory separation between financial and management accounting creates an information gap between external reporting and internal decision-making needs. In practice, managers must develop parallel internal reports, increasing administrative burden and elevating risks of information inconsistency and consequent decision-making errors.

A critical consideration remains the integration of non-financial indicators into primary reporting frameworks. While integrated reporting has gained substantial traction in global practice, its implementation in Ukraine remains in early developmental stages, thereby constraining strategic planning capabilities and long-term enterprise value assessment. Consequently, current reporting practices, primarily oriented toward regulatory compliance, require transformation toward proactive analytics, automated data collection systems, and corporate architecture capable of generating reporting formats that serve both external stakeholders and operational management requirements.

Conclusions. The comparative analysis of financial reporting practices reveals that while the current system effectively ensures high levels of compliance and adherence to standardized requirements, its adaptability to internal management needs remains significantly constrained. Key deficiencies include protracted reporting timelines, excessive data aggregation, substantial reliance on expert valuations, and insufficient integration between financial data and real-time operational metrics. These factors directly compromise management decision quality by reducing operational responsiveness, forecasting accuracy, and risk mitigation capabilities.

Financial reporting functions as a universal information model designed to serve the needs of diverse stakeholders. According to the conceptual framework of financial reporting, its primary users are investors, creditors, and other providers of capital who lack the ability to demand customized reports and therefore rely on general-purpose financial information. National accounting standards similarly stipulate that financial statements should provide users with reliable data for assessing an entity's financial position, performance, and cash flows. However, the theoretical definition of "primary users" invariably requires contextualization through

the lens of specific business models, industry characteristics, and the degree of integration within global or local capital markets.

References

1. Sydich, M. (2024). International Accounting Standards and their Impact on the Accounting of Export and Import Operations in Ukraine. *Economic Herald of the Donbas*, 4(78), 72–75. [https://doi.org/10.12958/1817-3772-2024-4\(78\)-72-75](https://doi.org/10.12958/1817-3772-2024-4(78)-72-75)
2. Yankovsky, R.E., & Goncharova, V.G. (2023). Financial Reporting as Information Support for Monitoring the Financial State of the Enterprise. *Financial Strategies of Innovative Economic Development*, (3), 44–49. <https://doi.org/10.26661/2414-0287-2023-3-59-07>
3. Verbytska, V., & Bredikhin, V. (2024). Overview of the Principles of the Modern Accounting System and Financial Reporting in Ukraine. *Municipal Economy of Cities*, 2(183), 33–37. <https://doi.org/10.33042/2522-1809-2024-2-183-33-37>
4. Ovsyuk, N., & Oliinyk, Y. (2024). Features of forming the enterprise's balance according to international financial reporting standards. *Economics. Finances. Law*, 5/2024, 22–25. <https://doi.org/10.37634/efp.2024.5.4>
5. UkrSibbank. (2026). *Finansova zvitnist*. Retrieved from <https://ukrsibbank.com/about-bank/financial-documents/financial-reports/>
6. Astarta. (2026). *Financial Results – Annual Results*. Ahropromyslovyi Kholding 'Astarta-Kyiv'. Retrieved from <https://astartaholding.com/financial-results-annual-results/>

Анічкін Володимир Олександрович, аспірант, кафедра фінансів, банківської справи та страхування, Державний біотехнологічний університет; e-mail: volodumuranichkin@gmail.com; ORCID: <https://orcid.org/0009-0001-4551-9549>

Anichkin Volodymyr, PhD student, Department of Finance, Banking and Insurance, State Biotechnological University; e-mail: volodumuranichkin@gmail.com; ORCID: <https://orcid.org/0009-0001-4551-9549>

Отримано: 10.04.2026. Прийнято: 22.04.2026. Опубліковано: 20.05.2026.