“Forging accounting principles” in France, Germany, Japan, and China: A comparative review

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Abstract
This article surveys the English-language literature on the history of financial reporting regulation in four non-English-speaking countries: France, Germany, Japan, and China. The choice of these countries was based on the availability of a sizable accounting history literature in the area surveyed. We first offer a summary of regulatory events in the four countries and suggest that the literature provides ample evidence of the countries’ intricate histories of financial reporting regulation. In addition, we point to important research gaps, where we believe that the literature has significant underexploited potential, in particular by moving beyond high-level overviews of changing regulatory mechanisms to in-depth studies of regulatory change that are embedded in the local legal, political, and societal contexts. Hence, plenty of opportunities exist for further research into these countries’ regulatory histories, either in terms of single-country studies or as comparative histories.

Keywords
financial reporting, literature review, non-English-speaking countries, regulatory history

Introduction
It is a large step from “Italian bookkeeping,” used in the early nineteenth century across all European countries, to today’s International Financial Reporting Standards (IFRS). During that period, we have seen the emergence of country-level regulatory systems as a major feature of financial reporting. Zeff’s (1972) Forging Accounting Principles in Five Countries placed the comparative historical study of “accounting standard setting” on the research agenda. Yet, despite the inclusion of Mexico, Zeff’s study also set a precedent in that the English-language literature on the history of financial reporting regulation has devoted most attention to English-speaking countries. It might be argued that this is justified because a number of English-speaking or Anglo-American countries1 have played central roles in the evolution of financial reporting regulation, particularly from the second half of the twentieth century onward, as the pioneers of “accounting standards” and “standard setting bodies.” Even so, the English-language literature may still be

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unbalanced in its relative lack of attention for the histories of national Generally Accepted Accounting Principles (national GAAPs) in non-English-speaking countries.

In this article, we do not venture to prescribe what balance should be struck in the research literature, but we provide support for the view that the literature in English on non-English-speaking countries remains below potential. We do so by means of a comparative review of the English-language literature on the history of financial reporting regulation in four countries: France, Germany, Japan, and China. Our restriction to English-language literature is an important limitation which we discuss further below. We do not attempt to judge the completeness of the English-language materials by reference to what is available in the local language. That would be a valid enterprise, and for several of these countries we do have access to the local literature. Instead, we address a different question: Does a comparison of the English-language literature among the countries suggest opportunities, in terms of topics, periods, research approaches, or publication formats, for further opening up of non-English histories to the international research community?

We find that, while for all four countries the outlines of the regulatory history are accessible to readers who have to rely on English, there are considerable differences in the depth of treatment among countries of comparable periods and issues. Many of these differences appear to be of a random nature, suggesting a literature that is still limited, fragmented, and uneven, rather than reflecting differences in the richness of the stories as they might be told.

This article can be read as a response to pleas for comparative international accounting history (Carnegie and Napier, 2002), as it addresses the “lack of synthesis from a cross-national or international perspective” (Carnegie, 2014: 1245). Up to a point, this is straightforward: the fact that it is common to speak of a variety of national systems of regulation as “GAAP” suggests a basic commonality and we will assume, as a historiographical convention, that all countries, despite their differences and different approaches to regulation, have in fact always had some form of “national GAAP,” for as long as there has been a practice of publishing company financial statements. It seems self-evident that the histories of national GAAP must be included in the general endeavor of accounting academics to elucidate the history of accounting.

However, for non-English-speaking countries, this endeavor is problematic for several reasons, of which language is the most obvious. A researcher contemplating writing about the history of accounting regulation in, say, France must decide whether to do so in French or in English, the academic lingua franca. As it is difficult to publish research findings twice, the question is which publication language offers the best chance of being read and appreciated. The international audience is potentially large, but it cannot be assumed that it is familiar with the broader historical context of French society, French law, and French business life or that it has access to source materials and secondary literature in French. Should or does one therefore increase one’s chances of being read not only just by writing in English but also by choosing an Anglo-American framing of the subject? That might be natural when researching phenomena such as financial reporting norms that have undoubtedly been subject to significant Anglo-American influence, but it might introduce an Anglo-American bias into the literature (Zan, 2016). The use of the phrase “national GAAP” is a case in point. On the one hand, US GAAP has in fact served as a reference point in many countries in establishing national regulatory structures, and it is valid to explore how it has brought about a certain convergence in the regulation of accounting worldwide. On the other hand, an Anglo-American framing, such as in terms of “national GAAP,” may lead to an under-exploration, and perhaps misinterpretation, of a country’s rich financial reporting history. Academics may lose sight of the particularities of their home country amid an “Englishization” of their research (Komori, 2015). We do not have an immediate answer to this dilemma, but the solution cannot be to ignore that Anglo-American concepts have played a significant role in shaping financial reporting across the world.
There is also the challenge of a recency bias or “time parochialism” (Zan, 2016). In its crudest form, this means that, in order to get published and cited, researchers have to overcome perceptions that national pre-IFRS history is no longer relevant. More subtly, it may mean that the histories of Anglo-American countries are seen as pre-eminently relevant because of the common view that IFRS largely reflects Anglo-American accounting thought. These problems are not unique to accounting and up to a point have to be faced by all historians dealing with non-English subject matter (e.g. Baldwin, 2011). However, they do have a peculiar force in this area, both because of the specialized subject matter and the trend in recent decades toward accounting harmonization, culminating in the widespread adoption of IFRS. The recent literature reviews of Bisman (2012), Carnegie and Napier (2012), Carnegie (2014), and Fowler and Keeper (2016) have consistently pointed out that the number of historical writings in accounting on non-English-speaking countries may be increasing but is still dwarfed by the amount of research on English-speaking countries.

As researchers from non-English-speaking countries, we have had to face these challenges ourselves. However, we are convinced that it is valuable to open up financial reporting histories in non-English-speaking countries to an international audience. For practical purposes, that means publishing in English, using language and concepts that an international audience can understand or can be made to understand. This applies to original research directly published in English, to translations and to literature reviews. Notwithstanding the challenges of crossing linguistic and cultural barriers, we believe that the effort should be made. Having imperfect, but abundant, English materials available on a wide range of countries is a better antidote to the risk of accounting and accounting history being dominated by Anglo-American modes of thought than the alternative of rendering non-Anglo-American experience invisible by withdrawing into purely local-language literatures. We certainly do not advocate that researchers should stop publishing in local languages. But we do argue that the totality of the English-language literature across countries is a separate category of literature with the distinct function of engaging all scholars who cannot access the local language. It is this distinct function which justifies a review of the type as presented in this article. Our motivation to write this article is thus to assist the research community to appreciate the extent and quality of what is already available. Where we identify gaps or uneven treatment, we do so in a spirit of identifying ways forward, rather than to criticize. In making recommendations, we try to consider what increases the likelihood of being read and cited when publishing on national GAAP history for an international audience.

The article is organized as follows. In the next section, we explain our approach to selecting the countries, identifying the relevant literature, and writing our review. This is followed by four major sub-sections that review the literature on a country-by-country basis. The subsequent section draws out, on a comparative basis, possibilities for further additions to the English-language literature, considering incentives for and impediments to making such contributions. The final section concludes our review.

**Approach**

Our selection of the four countries covered in this article (France, Germany, Japan, and China) is based on the existence of a sizable English-language literature on the history of national GAAPs and the mechanisms for developing national financial reporting requirements. This article grew out of a systematic attempt to identify the available literature on all non-English-speaking countries. We intend to report on that effort in a separate publication, so we will not enter into details here about what the literature has on offer for other non-English-speaking countries. Suffice it to say that the four countries selected here have given rise to the most substantial literatures, consisting of between approximately 25 and 45 historical publications per country on the national
It is probably not coincidental that these are countries of considerable economic and political significance, which means that they have a sufficiently long and rich history of company and regulatory activities to potentially support an extensive historical literature.

As discussed in the introduction, our focus on English-language writings about the four selected countries stems from our interest in finding out what non-native speakers may learn from the existing literature about the history of these national GAAPs. While elsewhere such a scope definition has been called a result of an Anglo-centric view (Zan, 2016), our focus is on inductively identifying promising subject areas, research approaches, and ways of communicating knowledge to assist accounting history researchers from the four countries in exploiting the full potential of their work. More generally, our aim is to synthesize the accounting history literature in these non-English-speaking countries in a comparative way (Carnegie, 2014). We acknowledge the risk that our focus may perpetuate misunderstandings or oversimplifications that may exist in the English-language literature. Yet the large majority of the reviewed studies are (co-)authored by natives of the respective countries. While this does not rule out a deliberate or unconscious Anglo-American framing to increase impact or chances of publication, it does reduce the risk of basic misunderstanding or lack of knowledge of the local setting. In all four countries, a historical literature in the national language exists, but assessing the degree to which the English-language literature reflects the state of the art in the domestic literature is beyond the scope of this article.

In terms of the scope of our attention, we concentrate on the history of financial reporting regulation, broadly defined as “authoritative norms for the content of published financial statements of business enterprises.” Although “accounting standards” might be a useful abbreviation, its current meaning would exclude norms expressed in the form of laws or authoritative opinions. The focus on financial reporting or published financial statements requires caution. Even though financial reporting is currently recognized as a distinct category in many countries, that recognition may be relatively recent and may have emerged in different ways. Our assumption is not that all countries have always seen financial reporting as an activity having or requiring a distinct normative framework, different from, for instance, management accounting or tax accounting. Our perspective is that once publishing financial statements emerges as a practice, and once the contents of such statements are no longer purely discretionary, that which constrains the discretion constitutes, by our definition, “national GAAP.” It may well be that this normative framework has a broader scope than financial reporting or that the distinction between financial reporting and other forms of accounting is not well established. But that, in our view, is what the comparative histories of national GAAP should clarify.

We note that the use of “national GAAP” creates potential problems, as discussed by Evans (2004). It might be misunderstood as an implied normative position that all countries should regulate financial reporting in ways that resemble US GAAP or that the only relevant elements of a
country’s financial reporting history are the ones that can be discussed by reference to US GAAP. We do not take those positions but believe that “national GAAP” is justified by common usage and, moreover, that any associations it evokes of US GAAP are not necessarily irrelevant. Yet we employ the term “national GAAP” as an umbrella term for the variety of regulatory systems, sources, and contexts, as well as the countries’ different approaches to regulating financial statements. Financial reporting regulation may originate from various sources, such as company, tax, and securities law, as well as jurisprudence or private standard-setting bodies. It may also pursue different objectives, such as being targeted at capital markets, banks, tax authorities, and other external or internal stakeholders. We refer in general to any binding regulations and authoritative guidance that reporting companies, as well as their auditors, if any, would normally consider when preparing and publishing financial statements. Hence, we exclude the literature on the development of the organized accountancy profession, which would merit a review article in its own right. At the same time, we interpreted our scope broadly in that we did not exclude articles on, say, the German Democratic Republic (GDR), because of the country’s lack of “business enterprises.” Overall, we are fairly confident that we have included most of what has been written in English on financial reporting regulation in the four countries to comment on this literature. With respect to the period covered, we focus on articles that study regulatory events and reforms between approximately 1800 and today. This choice was based on the notion that “publishing” financial statements did not acquire prominence in most countries until well into the nineteenth century, if not later, and was related to the rise of the limited liability company as generally regulated in company law, as well as to the development of stock exchanges.

We identified relevant literature on the basis of the following:

- The overviews of “accounting history literature” published since 1997 in Accounting History and since 1998 in Accounting Business and Financial History/Accounting History Review.
- A manual review of the contents of the pre-1998 volumes of the above journals as well as of Abacus, Accounting and Business Research, Accounting, Auditing & Accountability Journal, Accounting Historians Journal, Accounting in Europe, Accounting, Organizations and Society, Critical Perspectives on Accounting, European Accounting Review, The International Journal of Accounting and Research in Accounting Regulation.
- The book review sections of the dedicated accounting history journals.

Our review included all articles available on the websites of these journals as of December 2015 (including those articles noted as forthcoming or in press). To this literature, we added the following:

- The four-volume collection of national histories published between 2010 and 2012 as A Global History of Accounting, Financial Reporting and Public Policy, as well as the predecessor volume European Financial Reporting: A History (1995).
- Any other monographs or articles in edited volumes that we were made aware of, such as through references in other works.

A consequence of this approach is that our review is mostly limited to studies published since 1965, when the accounting journals reviewed began to emerge, the exceptions being earlier studies that we identified through references in subsequent publications.

Potentially useful studies were identified on the basis of their titles, with exclusion of studies dealing with periods before the nineteenth century, with management accounting, governmental
accounting, auditing and the organized accountancy profession, accounting education, accounting thinkers, and the development of accounting theory. We attempted to concentrate on studies with an avowedly and predominantly historiographical purpose. However, one can often find some materials relevant to the history of financial reporting regulation in studies that attempt to discuss the current state of financial reporting in country X and have become part of the historical literature simply by passage of time. Whether or not such materials are extensive enough to justify inclusion in our survey is evidently a matter of judgment and, again, we aimed to err on the side of caution in that we rather included too many than too few articles. In turn, this meant that, given the total number of articles identified, we cannot refer to everything that has been written on the topic but had to be somewhat selective in referring to those articles that we deem most informative for our purpose. That is, in what follows, we aimed to employ those articles that, first, help us depict the historical development of financial reporting regulation in the respective country, and, second, enable us to comment on the state of and gaps in this literature.

Our approach in writing the review is to begin by considering the countries separately, in section “Reviews by country,” and to defer a comparative discussion to section “Comparative discussion.” For each country, we have structured the discussion chronologically, building our review of the literature around a summary of the main regulatory events or episodes as they appear from the literature. This allows us to comment on the degree of consensus in the literature on these events and their interpretation, as well as to point out differences in coverage among periods. In addition, we assume that including such summaries is helpful for readers who may not be familiar with one or more of these four countries. We begin with France and Germany, followed by Japan and China. This order reflects that developments in the latter two countries were to some extent influenced by events in Europe but that we find no indications of an opposite influence. Each country section begins with a brief characterization of the available literature, which is then reviewed under chronological headings selected separately for each country.

Reviews by country

France

While a number of articles are available on specific aspects of the French regulatory framework of accounting, there are few studies attempting a longitudinal review of developments. Mikol (1995) and Bocqueraz (2010) are chapter-length papers intending such a review and they form the basis of the subsequent summary of regulatory events, augmented by works on particular episodes or regulatory features as indicated. Our summary is grouped into three episodes, starting with the origins of French regulation, moving to the plan comptable, and ending with the impact of European harmonization on financial reporting requirements.

Late seventeenth century to the 1930s: the emergence of French accounting regulation. The French regulatory history begins under the ancien régime. In 1673, the merchant Jacques Savary drafted the Ordonnance de Commerce as the first European commercial code and commented extensively on this legislation in his 1675 book Le Parfait Négociant. These documents laid down first principles of accounting, such as on inventory valuation, and are cited as early evidence of valuation issues (Richard, 2005). Savary’s book was translated into English, Italian, Dutch, and German and was in great demand throughout Europe (Howard, 1932). This influence on other countries’ regulation became even larger more than a century later, when both documents became the basis for the Code de Commerce of 1808, which spread to other parts of Europe following the Napoleonic wars as well as by becoming the forerunner of similar laws in other countries.
These early aspects of French regulation seem well-rehearsed in the literature and are covered in English-language works as early as the 1930s (Howard, 1932). The remainder of the nineteenth century is elucidated to a lesser extent. Company law went through several iterations, extending the corporate forms put forward in the Code de Commerce in an 1863 law introducing private limited liability companies (Sociétés à Responsabilité Limitée, SARL) as well as the law on Sociétés Anonymes of 1867 (Companies Act), which superseded the 1863 law, but reiterated many of its rules (Bocqueraz, 2010; Mikol, 1993). It seems that these laws focused primarily on the setting up of companies, as well as on liability, management, and governance aspects, such as installing the general shareholders’ meeting as “the center-piece of the organization” of stock companies (Mikol, 1993: 233). Bocqueraz (2010) suggests that the 1860s laws could be seen as evidence of the state largely withdrawing from the corporate sector, as shown by the fact that government authorization was no longer necessary to set up companies. This may perhaps explain why the laws did not include extensive accounting rules, apart from the requirements to publish accounts and have a summary of assets and liabilities available for an auditor twice a year (1867 law) or even every three months (1863 law). Yet, as “the law did not specify the rules according to which accounts should be maintained,” the resulting financial information was “not informative” (Bocqueraz, 2010: 40). Similarly, the audit requirement appeared as an insufficient remedy, given that the law did not define professional standards of competence or independence until 1935 (Mikol, 1993).

Against this background, Labardin (2011, 2013) studied nineteenth century bankruptcy cases, finding little influence of regulatory requirements, such as those included in an 1838 bankruptcy law, on accounting practices, presumably due to a lack of enforcement as well as the bankrupt companies’ self-interest. Nioche and Pesqueux (1997: 233) suggest that “financial crises and disastrous bankruptcies […] created conditions in which financial accounting could have developed” but argue that there was no further refinement of the Code de Commerce with regard to financial reporting during the nineteenth century. The dearth of accounting guidelines seemed to become so acute in the 1900s for a business newspaper to publish standardized accounting documents, albeit without any further regulatory implications (Nioche and Pesqueux, 1997). The accounting history literature hence seems to agree on the lack of appropriate accounting requirements, which led to inadequate financial reporting in the nineteenth century, although little if any clue is given in these studies as to why financial reporting regulation appeared to stand still. An international reader may wonder whether it was only the state’s “laissez-faire” attitude that prevented further accounting requirements or whether there were other regulatory or economic factors that perhaps made financial reporting less important. Likewise, the literature is silent on the role of jurisprudence, if any, in the development of financial reporting and no reference is made to important court rulings or judicial influence in accounting (see also next section on Germany). As to securities regulation, Davis et al. (2003) reviewed the emergence of listing requirements at stock exchanges in four countries, including France. Providing little detail on the regulatory history, the authors conclude that the Paris stock exchange relied little on accounting and did not contribute to the development of French accounting standards.

Important regulatory influence did come from the 1914 Caillaux tax laws that were refined in subsequent years (Frydlender and Pham, 1996). These laws introduced income taxes on corporate profits, yet without explicating how this profit was to be measured. Tax authorities seemed to derive tax income from accounting income and this relationship was formalized in a 1965 reconciliation schedule. The tax laws established a link between financial and tax accounting, which, over time, developed into the primacy of taxation that was fostered by tax authorities’ reluctance to accept a divergence from the income reported in financial statements.³ A further regulatory aspect of note was the practice of revaluation accounting, which the tax authorities accepted from 1930 onward, allowing increased deductions from taxable profit for revalued assets (Collins,
While being instituted as an option, the practice became widespread in the 1930s, was continued after the Second World War and allowed until 1959, when the new franc was to bring in a new era of monetary stability. Yet the inflationary period of the 1970s brought a further round of revaluations, where the practice was made mandatory for listed companies in a 1977 Finance Act, with all fixed assets to be revalued to a poorly defined “utility value.”

1940s to 1980s: the development of the plan comptable général. The evolution of detailed tax rules on accounting methods, disclosures, and format was fostered by and found explication in the plan comptable général, a first version of which was approved in 1942. Up to then, the Code de Commerce contained the relevant requirements for companies’ financial statements but was fairly limited in specifying accounting methods. Some requirements were issued in the 1930s for specific industries, such as banks and insurance companies, but remained without general application. A much-cited bon mot of one of the plan’s authors, Jean Fourastié, was that, up to then, managers were free to organize their accounting in the way that best suited their needs (Bocqueraz, 2010). Standish (1990) discusses the intricate relations between the 1942 plan comptable, promulgated by the Vichy government, accounting regulations issued in 1937 by the German Nazi regime, pre-war French accounting thought and the general social, economic, and political context, and pays close attention to the actors involved in the debates. In doing so, Standish (1990) took a debate that so far had been conducted only in the French literature to an international audience, namely, whether and to what extent the 1942 plan had its roots in Nazi Germany.

The first plan was not made operational. After the war, a revised version issued in 1947 became mandatory for government enterprises, with a permanent council to look after it. Fortin (1991) examined the 1947 version of the plan comptable. In contrast to Standish’s (1990) in-depth account of the debates leading to the early plan, Fortin (1991) provides a longitudinal overview of the plan’s emergence and its main features, also as compared to the then-current version. Standish (1997) contains a translation of the then-current version, as well as a historical overview of its development.

In 1957, the consultative body commenting on and revising the plan was installed as the Conseil National de la Comptabilité (CNC, National Accounting Council), which was part of the Ministry of Finance, although the principal decisions were in fact made by preparers and auditors, rather than the government (Hoarau, 1995, 2009). Colasse and Standish (1998) analyze in detail the membership and functioning of the CNC from 1951 to the 1990s. Major revisions of the plan occurred in 1957 and 1982, and a 1962 decree made it binding for the private sector. The 1957 plan subsequently became the basis for charts of accounts in several (former) French colonies (Fortin, 1991).

The plan comptable became the main source of accounting regulation by detailing format requirements as well as recording, valuation, and classification procedures (Fortin, 1991). It focused on the balance sheet and inventory valuation, rather than on profit determination or cash flows (Nioche and Pesqueux, 1997). Taxation again played a major role by offering definitions of items and providing rules on measurement and valuation (Frydlender and Pham, 1996). Given the plan’s detailed rules and requirements, it seemed that little discretion or professional judgment existed in accounting choices and that a high level of conservatism, as opposed to transparency, developed in French financial reporting (Baydoun, 1995). Also, the plan comptable seemed to separate financial and cost accounting, which, prior to the war, had been aligned. Levant and Nikitin (2012) draw attention to this separation and focus on the role of an influential practitioner, Jean-Pierre Lagrange, in his failed attempt to re-integrate the two systems. This latter study and the study by Colasse and Standish (1998) are then the only works reviewed that draw attention to tensions in the discussions surrounding the plan comptable and the workings of the
respective accounting councils. That is, the bulk of the literature presents the plan as a monolithic artifact of French accounting regulation that, despite a number of revisions, has remained a constant and stable feature of the regulatory framework. While the content of these revisions may be known (e.g. Fortin, 1991), they are typically presented as a matter of fact or as logical steps in the refinement of the plan. Yet international readers obtain little information on the debates that led to these revisions and the arguments that were considered in the process, as well as on the parties or individuals involved in the discussions, although these may shed light on important changes in the corporate financial reporting landscape as well as developing views on financial reporting regulation.

1980s to the present: impact of European harmonization efforts. France’s most recent episode in accounting regulation is driven by European harmonization efforts. The 1980s saw several decrees implementing the European Economic Community’s Fourth and Seventh Directives, which not only installed the “true and fair view” but also, perhaps, more importantly, introduced group accounting in France.4 Up to then, the plan comptable had focused on individual accounts so that consolidated financial statements did not have a legal basis and remained unaffected by tax issues or the constraints of legal regulations. The directives, together with the 1967 foundation of the Commission des Opérations de Bourse (COB, stock exchange commission), had a major impact on the regulatory framework by moving the plan comptable away from traditional accounting thought. While the COB advanced disclosure requirements considerably, the directives increased the role of discretion and judgment in financial statements and hence the role of auditing. Colasse (1997) posits that the new emphasis on economic reality, rather than on conformity with legal requirements, ran counter to the legislative tradition in France and, thus, affected the accounting environment considerably. Frydlender and Pham (1996) emphasize that, at least in principle, the 1983 act implementing the Fourth Directive marked a fundamental change in the French legal system, by giving accounting regulation a much higher and independent status in the legal hierarchy, compared to the status of the plan comptable which had remained subordinate to tax law (for the same point, see Mikol, 1995). Yet Bocqueraz (2010) suggests more modestly that the French implementation of the directives was on the Continental European end of the spectrum using those options that did not change the status quo fundamentally. Nonetheless, Ding et al. (2003) have shown empirically that French firms changed their financial statement presentation in response to the flexibility allowed by French regulation opening up to international thinking. Overall, the harmonization efforts seem to have resulted in a disconnect between the individual accounts of a company, which following the plan comptable provide only summary accounting statements and are meant to also accomplish fiscal and social objectives, and the consolidated accounts, which are to fulfill investors’ information needs.

Several recent studies have used case study methods to examine the normative influences on companies’ reporting decisions prior to the European harmonization efforts. Touron (2005) offers a much cited study of companies’ decisions in the 1970s to report under US GAAP rather than French rules, apparently in the course of internationalizing both their operations and funding. Bensadon (2015) studies a company’s adoption of consolidated financial statements in the 1960s, when group accounting was not yet required in France. Management’s decision to seek a listing in New York brought the company under the US regulatory regime, being hence required to produce group accounts. Consolidation was considered to give the parent more control over its subsidiaries. Gaining expertise in that area was further perceived by the company as a way to obtain power at the CNC, once the council would begin to address consolidation issues. With Touron and Daly (2013) in a similar spirit, these studies suggest that, prior to European harmonization, national accounting requirements had become inadequate in the sense that companies needed alternative
financial reporting tools to match their globalized operations, providing an important motivation for the ensuing accounting harmonization.

More recent changes to the regulatory framework include institutional reforms to both COB and CNC (Colasse and Pochet, 2009). In 2003, the former became the *Autorité des Marchés Financiers* (AMF), which is not only to regulate financial markets but also to participate in European accounting and enforcement activities. The CNC, in turn, went through several iterations to become the *Autorité des Normes Comptables* (ANC), being responsible for private sector accounting standards since 2009. Compared to the CNC, the ANC seems to reflect an emphasis on technical expertise rather than consultation. The CNC had aimed to give credence to the wide interests in accounting by ensuring wide representation of stakeholders, peaking at more than 100 members (Hoarau, 2009). The ANC, by contrast, was installed as a small, professional body with only 16 members “to give added technical legitimacy to the national standard-setter,” which allegedly is “doubtless at the price of a deficit of political legitimacy” (Colasse and Pochet, 2009: 50). These commentators view the reform largely critically, perceiving a further emulation of the Anglo-American accounting world, rather than the establishment of a French counterweight to international institutions such as the International Accounting Standards Board (IASB).

In fact, the frequently cited study by Hoarau (1995) seems to be one of the first expressions of the now well-rehearsed argument that “international accounting harmonization is predominantly harmonization with the Anglo-Saxon accounting model” (p. 217). Referring to important cornerstones of the French accounting framework and how these have been affected by European harmonization, Hoarau (1995: 217) claims that the process has “broken down the homogeneity of the [French] accounting model,” resulting in a “reduction of the social functions of accounting.” His alternative harmonization model is based on a continuation of local accounting rules, with companies publishing a reconciliation schedule to international requirements. While Hoarau (1995) discussed implications of harmonization efforts for French accounting rules in a reflective tone, it has fed into resentment against a perceived Anglo-American hegemony in international accounting. Given the criticism with which French academics seemed to greet harmonization efforts, it is surprising not to find more historical analysis of the allegedly strong conflicts between international and French accounting norms. Richard (2004, 2005) appears as the only effort to spell out the case of fair valuation as an area of difference. Yet, while providing historical reflections on French resistance to fair value accounting, Richard (2004, 2005) disregards the French experience with inflation and revaluation accounting, as outlined by Collins (1994).

The overall critical attitude toward harmonization was also felt on an international stage in the early 2000s, when, in the course of the European Union’s (EU) adoption of IFRS, French opposition not only delayed endorsement of the IASB’s financial instrument standards but also resulted in unique carveouts to these requirements (Camfferman and Zeff, 2015). It would be enlightening to see more on the substantive issues where and when international harmonization conflicted with French local rules or where and how it has “broken down” the French accounting model. The literature suggests that it is too simple to consider the impact of the COB, the European Directives, and IFRS as consecutive manifestations of a process of erosion of a local French tradition under international influence. Rather, it seems that more emphasis should be given to different positions within France, both supporting and resisting change, and the ability of French accounting regulation to accommodate new elements, for example, under the influence of the European Directives, which gradually come to be seen as part of a national heritage to be defended against international influence.

After the adoption of IFRS in 2005, academics have turned to a more institutional perspective and examined the enforcement activities of the French regulator AMF (Dao, 2005) and the reforms of the national standard setter CNC and the stock exchange commission COB (Colasse and Pochet,
The study by Dao (2005) stands out not only in terms of the early evidence provided on IFRS enforcement but also in terms of its detail on the regulator’s methods and operating procedures. Colasse and Pochet (2009) and Hoarau (2009) are of interest as rare instances of careful analyses of the same topic, in this case, the reform of the CNC in 2007 and the origin of the ANC. Both papers interpret these events as a break with the French tradition of accounting regulation in response to international developments such as IFRS and reflecting elements from Anglo-American settings but neither sees this as an imposition of foreign structures. The papers differ, in mainly complementary ways, in their analysis of how the new arrangements are localized and relate to pre-existing views and practices, for example, on the role of the state and administrative agencies. The subject matter of both papers naturally leads the authors to borrow terminology from the Anglo-American setting (“standard setter” and “stock exchange commission”), but the papers show that one can do so while remaining fully aware of the modified meanings such terms may acquire when applied in a different national setting.

Germany

As to Germany, we note that our selection criteria implied exclusion of works on accounting thinkers, who, in Germany, were closely related to accounting regulation. Scholars such as Eugen Schmalenbach or Fritz Schmidt not only posited their versions of an accounting theory but they also represented contemporary accounting thinking and strongly affected accounting regulation and practice (Busse von Colbe, 1996; Hommel and Schmitz, 2013; Küpper and Mattessich, 2005). Notably, they also disseminated their accounting thought to an English-speaking audience (e.g. Schmidt, 1930, 1931).

Some detail on the German regulatory framework can be learned from articles in the early issues of *The International Journal of Accounting* (e.g. Käfer, 1965; Niehus, 1966), which have been largely overlooked by later work. What is most striking is the relative abundance of overview studies. Schneider (1995) provides a detailed chronology of regulatory developments from the early days of German accounting to the early 1990s. While Eierle’s (2005) objective was to analyze the evolution of differential reporting requirements for different kinds of firms, she gives an overview of major legal reforms in the process and seems to have been cited much for this particular aspect. More recent overview studies include Ballwieser (2010), Brandau et al. (2017), Fülbier and Klein (2015), and Hoffmann and Detzen (2013). These studies form the basis of the following overview, which is split into three episodes on the emergence of the regulatory framework of accounting, the German Commercial Code and accounting principles, and the impact of European harmonization efforts.

As a general point, we note that the longitudinal works are useful for compiling a summary of regulatory events but, by their nature, tend to lack a focused contribution to research debates or in-depth descriptions of regulatory events and debates. Also, following the Second World War, the reviewed literature has almost exclusively focused on events in West Germany such that little is known on financial reporting in the GDR. Of the two studies that seem to be available, Graves and Berry (1989) have examined the GDR accounting system, suggesting that accounting was an important element of that country’s economic welfare. Young (1999) has studied the transition of East Germany into a market-based economy.

*Early nineteenth century to 1890s: emergence of regulatory framework of accounting.* Prior to the formation of the German Empire in 1871, a large number of heterogeneous German states existed, each of which had its own laws that only to a limited extent touched on accounting issues. Chief among these laws was the *Allgemeines Landrecht für die Preußischen Staaten* of 1794 (General
National Law for the Prussian States), which contained some basic postulates on financial reporting and valuation. These laws were often influenced by French contemporary thinking on commercial law and the subsequent French codes that spread after the Napoleonic wars (see prior sub-section).

The issuance of the *Allgemeines Deutsches Handelsgesetzbuch* (General German Commercial Code, ADHGB) in 1861 is then the first landmark law book on commercial law, whose emergence seems to be covered fairly well in the German, but not in the English literature (Hoffmann and Detzen, 2013; Schröer, 1993). The ADHGB was not issued by an individual state, but by the German Confederation (*Deutscher Bund*), a loose association of German states, so that some degree of regulatory coordination existed prior to political unity. As to its content, the ADHGB comprised some broad rules on the content of financial statements, such as on inventories and valuation guidelines, based on a current value principle. The overall minimalist conception of accounting requirements in due course led to the emergence of interpretations of the law by way of judicial rulings as well as commentaries (Fülbier and Klein, 2015; Hoffmann and Detzen, 2013; Richard, 2005). Using legalistic-deductive reasoning, these sources added substance to the elementary legal requirements, subsequently becoming a key feature of the regulatory accounting framework in Germany. While the importance of jurisprudence and authoritative literature is frequently mentioned in a general sense in the English-language literature, specifics about what this meant for the regulatory framework as it developed over time are hard to find. Later court rulings are alluded to more extensively (Fülbier and Klein, 2015), whereas the nineteenth century interpretations have received limited attention. While Ballwieser (2010) invokes the role of the courts in the development of a link between tax and financial statements, little detail on such decisions, including the parties and considerations involved in the rulings, seems available. The only exception seems to be the 1873 decision by the *Reichsoberhandelsgericht* (Supreme Court of Commerce of the German Empire), which upheld the valuation of assets at their current values (Hoffmann and Detzen, 2013; Richard, 2005). Elucidating the details of other rulings and cases, and the substance of legal interpretations, would bring about a more nuanced understanding of the tensions and ambiguities in the German regulatory framework, as well as of the role of jurisprudence in the dynamic of its development.

In 1870, the ADHGB was reformed by a first amendment that introduced requirements for stock companies (*Kommanditgesellschaften auf Aktien* and *Aktiengesellschaften*), which had emerged over the previous years, largely in the absence of legal foundations. Yet the reform act proved insufficient, when, during the subsequent founder crisis (*Gründerkrise*), scores of newly founded stock companies went bankrupt. A second amendment of the ADHGB was hence issued in 1884 to remedy the alleged regulatory shortcomings, for example, requiring financial statements to be audited and limiting companies’ potential to overstate assets and distribute unrealized gains as dividends.

There has been some interest in the historical origins of fair valuation and asset measurement in these early legal requirements and related jurisprudence (Hoffmann and Detzen, 2013; Richard, 2005). Similarly, Richard (2012) explained the influence of railroad accounting on both the legislation and contemporary thinking on accounting. Yet we found no English-language research on the regulatory debates that produced the various legal texts, that is, on regulatory arguments, vested interests, and political power.

**1890s to 1980s: German Commercial Code and accounting principles.** While, in 1892, a separate law introduced private limited liability companies to the legal framework, the *Handelsgesetzbuch* (Commercial Code, HGB), issued in 1897 and becoming effective in 1900, was of larger significance for the accounting regulatory framework. The HGB established a further essential feature of
German accounting, requiring companies to follow “accepted accounting principles” in their financial statements. This reference to the *Grundsätze ordnungsmäßiger Buchführung* (principles of orderly bookkeeping, GoB) seemed a regulatory expedient, prohibiting accounting treatments that were not common practice without specifying which practices were allowed. Hence, the GoB had to be fleshed out in more detail and were developed over the next decades, emerging in a systematic way only after the Second World War (e.g. Evans, 2004; Working Group on External Financial Reporting of the Schmalenbach-Gesellschaft-Deutsche Gesellschaft für Betriebswirtschaft, 1995). Accounting academics, such as Eugen Schmalenbach, Fritz Schmidt, or Ernst Walb, dedicated major efforts to specifying accepted GoB and developing accounting theories that went on to have a major impact on German accounting (Ballwieser, 2010; Busse von Colbe, 1996; Hommel and Schmitz, 2013; Küpper and Mattessich, 2005).

The 1920s saw two milestones that made a long-lasting impact on the regulatory framework in Germany. First, the hyperinflation experience undermined common principles of accounting, so that, for some time, gold-mark financial statements were drawn up, by indexing carrying amounts to metals, foreign currencies, or other indices. Discussions of this period find entrance in most international works on inflation accounting (Sweeney, 1927, 1928; Tweedie and Whittington, 1984). Also, this experience is said to have imprinted itself on German accounting thought, such that historical cost accounting and prudence became hallmarks of its regulatory framework, feeding the still prevailing view that these principles would help to pre-empt another episode of inflation. Hence, the putting aside of common principles of accounting did not result in a general relaxation regarding alternative valuation approaches, but rather in a striving to return quickly to what were perceived normal accounting principles.

The second milestone of the 1920s related to the installment of a formal link between financial and tax accounting (Eierle, 2005; Pfaff and Schröer, 1996). While references in tax law to financial statements already existed, it was the income tax law of 1920 and its reform in 1925 that implemented the *Maßgeblichkeitsprinzip* (authoritativeness principle) in German accounting. It linked the accounting choices made in financial statements to the choices made in the tax statements. This link was further strengthened after the Second World War via the “reverse authoritativeness principle” in the tax law, which made certain tax treatments relevant for financial statements. Hence, the federal tax court also had a say in financial reporting by interpreting accounting requirements in its court decisions, albeit often in a subtle or indirect way (Ballwieser, 2010).

Subsequently, regulations for stock companies went through several iterations, before they were extracted from the HGB to become a separate law in 1937 (Eierle, 2005; Fülbier and Klein, 2015). This *Aktiengesetz* (Stock Companies Act) expanded reporting requirements for stock companies by requiring stricter formats for financial statements, which were to be audited externally, installing creditor protection mechanisms and widening disclosure requirements, including a management report. Given the existence of a historical debate in France about the Nazi roots of the *plan comptable* (see prior sub-section), it is notable that the longitudinal reviews do not treat the years 1933–1945 in much detail. However, Abel (1971) reviewed some of the Nazi thinking on accounting that went into the 1937 *Aktiengesetz*, and, along with Käfer (1965), briefly touches on the *Reichskontenrahmen* (Reich chart of accounts) of the same year. In fact, Käfer (1965) traces the origins of European charts of accounts to Schmalenbach’s 1927 version.6 It is also apparent from these studies, as well as Standish (1990), that the 1937 chart of accounts did not remain legally binding in post-war Germany, although it continued to be used and further developed in practice (Bechtel, 1995).7

In contrast, there was, apparently, a degree of legal continuity for the *Aktiengesetz* of 1937, which was reformed again in 1965 with an extension and refinement of previous requirements, also in terms of governance and investors’ rights (Niehus, 1966). The 1965 law restricted the creation
of hidden reserves by introducing a strict valuation principle at historical cost and for the first time required consolidated financial statements, which, at the time, were said to be the most “rigorous regulations concerning consolidation practices” in Europe (Swoboda, 1966: 9). To be precise, consolidated financial statements were required only for groups with stock companies as parents or subsidiaries and were required to include only domestic subsidiaries (Busse von Colbe, 1996; Eierle, 2005). Some of the Aktiengesetz’ publication and disclosure requirements were extended in 1969 to other corporate forms, in response to the crisis at the steelmaker Krupp, which, as an unincorporated firm, had so far not been required to publish financial statements (Fülbier and Klein, 2015; Schoenfeld, 1970). Amid these changes to the regulatory framework, a distinct corporate reporting environment developed that, as Fülbier and Klein (2015) argue, has been shaped by four characteristics. First, as Germany became a bank-based economy, creditors were among the main addressees of financial statements. Hence, accounting rules (or, rather, GoB) emphasized prudence and conservatism, instead of being concerned with future-oriented information. Second, the prevalence of small- and medium-sized entities meant that accounting rules would develop in line with companies’ cost constraints so presumably not meet the extensive demand for financial information from capital markets. Third, book-tax conformity and the rulings of the Federal Tax Court (Bundesfinanzhof) further “strengthened the predominance of contracting purposes by defining the determination of distributable profit as a core accounting objective, considering both creditor protection and, in particular, tax consequences” (Fülbier and Klein, 2015: 353). Finally, stakeholder orientation, including labor union representation on companies’ boards, has further led to an insider economy that has valued conservatism and resulted in a strong contract orientation. Again, this characterization of the German reporting landscape seems well known in the English-language literature. However, the literature we reviewed provides little historical analysis of the emergence of these features. Notably though, Fülbier and Klein’s (2015) reference list is replete with such work in the German language.

1980s to the present: impact of European harmonization efforts. The reform of the Aktiengesetz was the last accounting act of genuine German origin, as subsequent reforms became embedded in European harmonization efforts. In fact, it has often been asserted that both the Fourth and Seventh Directives initially showcased German thinking, before UK influence made itself felt (Diggle and Nobes, 1994; Haller, 1992; Walton, 1997). When the Directives were implemented in 1985 in German accounting law, “the German legislator was very reluctant to break with old German accounting traditions” (Haller and Eierle, 2004: 32). While the “true and fair view” and various group accounting principles originating in English-speaking countries found entrance in German law, the implementation of the directives did not change major aspects of German accounting requirements or interpretation; this was also to ensure that the reform did not affect corporate taxes (Eierle, 2005; Haller, 1995). In the 1990s, Ordelheide (1993, 1996) added well-cited German perspectives to academic discussions of the Fourth Directive. Haller (1995) draws attention to the discussions on international accounting harmonization in Germany, where, it would seem, the sentiments expressed in France (Hoarau, 1995, see prior sub-section) were shared. Little discussion has been offered since then on German views regarding international harmonization of accounting. Eberhartinger (1999) suggested that the strong influence of taxation on financial reporting in Germany might impede comparability of financial statements between countries as well as compliance with the “true and fair view.” McLeay et al. (2000) examined empirically the lobbying during the transformation of the Fourth Directive into German accounting law, finding that preparers exerted the most influence on the German legislator, although this influence depended also on the positions of auditors and academics. McLeay et al.’s (2000) work has been cited frequently, mostly for studying the German approach to accounting harmonization in a parliamentary setting.
As in France (see prior sub-section), a major push toward harmonization came from the corporate sector, when, in 1993, Daimler-Benz became the first German company to list shares on the New York Stock Exchange (Radebaugh et al., 1995). Soon thereafter, German legislators pursued a number of reforms to the regulatory framework, beginning in 1998, that allowed listed stock companies to issue consolidated financial statements according to either International Accounting Standards (IAS) or US GAAP. These requirements were extended in 2000 to other company forms with publicly traded debt or equity instruments (Eierle, 2005). Also in 1998, a corporate governance reform was undertaken that, among other things, introduced a group cash flow statement and segment reporting for listed companies, thereby extending the differences in reporting requirements between listed and unlisted companies in group versus individual accounts (Eierle, 2005). The reform act also enabled the founding of a private standard-setting body, the Deutsche Rechnungslegungs Standards Committee (Accounting Standards Committee of Germany, DRSC). It was installed in 1998, initially to issue guidance on consolidated financial statements, advise the Ministry of Justice on accounting issues, and represent Germany on the international accounting scene. While Naumann (2000) offers a contemporary discussion of these “enforcement mechanisms” grounded in the law reforms, Eierle (2005) details further reform acts of a minor nature that implemented changes to the European Directives or were part of the program to internationalize the German accounting framework. Fülbier and Klein (2015) review the historical development of the contracting role of German accounting and discuss the implications of accounting internationalization for this role. They suggest that German legislators have been involved in a balancing act to preserve this contracting role, while reluctantly meeting the demand for forward-looking information, primarily in consolidated financial statements.

In line with other EU countries, Germany adopted IFRS in 2005 and, to ensure proper application of accounting standards, the German legislator installed a two-tier enforcement regime. In 2005, the Financial Reporting Enforcement Panel (FREP), a private sector body, began its examinations of audited financial statements, where it would interact closely with the German financial market supervisor Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin; Berger, 2010). As the EU’s adoption of IFRS has triggered a broader interest in national regulatory features, Haller and Eierle (2004) examined the internationalization of German accounting legislation since the mid-1990s. Focusing on the implementation of member state options of the EU’s IAS Regulation, the authors reviewed the lawmaking processes, the resulting changes, as well as the interests of involved parties, concluding that harmonization is occurring only gradually. Their study of the “localization” of international influence has been of interest to a considerable number of academics.

Following these changes for listed companies, the Accounting Modernization Act of 2009 represented a major reform of the HGB’s accounting requirements (Fülbier and Klein, 2015; Hoffmann and Zülch, 2014). The reform was to align national accounting law with international accounting rules also for non-listed firms while keeping German accounting requirements as a distinct set of rules. The reform was well-covered in German-language literature, but this debate was not brought to the attention of an international audience. An exception is a recent investigation of the parliamentary debates on the 2009 accounting reform by Hoffmann and Zülch (2014), who show that lobbyists employed rhetorical strategies to feed both expert knowledge and personal views into the reform process. The authors exploit the German legislative setting of accounting rule-making, where expert input by accounting practitioners and academics is considered by parliamentarians who typically have little knowledge of accounting. This political setting could inspire others to add further perspectives to the existing literature on lobbying and different legislative processes.
Notwithstanding the existence of a sophisticated business culture in Tokugawa Japan, the accounting history literature locates the beginnings of financial reporting regulation in Japan in the period following the Meiji Restoration of 1868. From the late nineteenth century onward, financial reporting regulation has always had its legal foundation in company law. A fundamental theme has been how to align this company law foundation with other elements of the regulatory structure, in particular securities law and tax law. Coming to terms with international influences has been another theme in the history of financial reporting regulation. While the main junctures in the development of regulation are well-documented in the English-language literature, some details remain ambiguous, and the events are not always uniformly interpreted. Our review is divided into three periods: late nineteenth century to the end of the Second World War, the post-war period until the 1990s, and the most recent period beginning with the so-called “accounting big bang.”

The English-language literature includes two significant historical monographs: the 1968 PhD dissertation by Fujita, published many years later by Garland (cited as Fujita, 1991), and the 1984 dissertation by McKinnon, also published by Garland (McKinnon, 1986). Both cover the history from the late nineteenth century to the period of writing. Fujita (1991) seems to have been used in particular by many subsequent authors, which is understandable given its rich descriptive content. Kudo et al.’s (2011) work is a recent piece of significant historical writing by Japanese authors on financial reporting regulation. As a book chapter, it consists of two parts: one written by Kudo and Okano covering the period until the 1930s and a second part by Saito from the Second World War to 2007/2008. Cooke (1991) is a less recent but still useful article-length overview of the history from the late nineteenth to the end of the twentieth century.

Nineteenth century to the end of the Second World War. Financial reporting regulation in Japan seems to begin with the incorporation of the First National Bank in 1873, the first modern limited liability company. Its legal foundation was the 1872 National Bank Act. In the absence of a general legal framework for establishing limited liability companies, the Bank Act and related regulations imposed a requirement on banks to submit financial statements to the government and to publish financial statements or extracts from them in newspapers. Kudo et al. (2011) note the creation of a significant non-bank corporation in 1885 by what appears to be an individual charter or similar instrument issued by the government and containing requirements for financial reporting. Yamaguchi (2001) mentions several shipping companies established prior to the 1890s with accounting prescriptions in their articles of incorporation or similar instruments, but it is not clear whether this was done on a voluntary basis or as a result of government influence.

A general legal framework for company reporting was established in the Commercial Code, a first draft of which was prepared by Hermann Roesler, a German legal scholar. A first version became effective in 1893, a modified and more enduring version became effective in 1899. The literature suggests that German influence (or Franco-German influence, Kudo et al., 2011) was significant but contains no systematic comparison between German legislation extant or in preparation during the 1880s and 1890s (see prior sub-section) and the Japanese Commercial Code. McKinnon (1986: 131) discusses the Code in the context of a general preference for “things German” in Japanese government and judiciary circles and indicates that the 1899 Code was subsequently revised in minor ways in line with German legislation. However, she suggests that the relation to German law was superficial in that the Japanese legal framework was used to accommodate a variety of reporting practices imported from different countries, including the United States and the United Kingdom (McKinnon, 1986). Her overall conclusion is that the introduction of reporting requirements by means of the 1899 Commercial Code was not in response to a perceived domestic
need for better corporate disclosure, but in response to the need for the country to have a “modern” legal system as part of its drive to achieve equal status with the Western powers (McKinnon, 1986). This point is further developed in McKinnon (1994), which draws on several important studies by Japanese authors on the introduction of Western-style accounting in Japanese practice and education (notably Chiba, 1987; Nishikawa, 1993, but also the older work by Shimme, 1937). McKinnon’s analysis seems compatible with the comparative study by Auyeung (2002) of accounting developments in Japan and China in the late nineteenth century and which explains the more rapid and effective adoption of Western accounting in Japan in terms of the different attitudes in the two countries with respect to political and cultural challenges from the West.

As noted in the prior sub-section, German legislation was short on detail with respect to the content of financial statements. Kudo et al. (2011) suggest that this was also true of the Japanese Commercial Code, which is borne out by the discussion of the Japanese requirements by Fujita (1991). Yet, while German company law and German thinking continued to evolve around the meaning and role of GoB, it is not apparent that these developments were followed in Japan by academics or legal practitioners. Chiba (1996) interprets amendments to the Code in 1938 as a first step in the “Anglo-Americanization” of the Code, which was to continue after the war, and thus suggests a loosening of the link with German law.

Fujita makes clear that, as in German law, financial reporting law was mainly concerned with ordering the relations among shareholders and the company, and with creditor protection. The latter objective seems to have been pursued by conservative valuation (in particular, lower of cost and market) rather than by transparency. There is little if any discussion in the literature of requirements to make financial statements available to others than shareholders.

Fujita (1991) notes that in 1938, a provision was inserted into the Commercial Code authorizing the government to provide guidance on the contents of financial statements by means of cabinet ordinances, but that the government did not use this power until 1963. Instead, a series of four “Working Rules” for financial statements, asset valuation, costing, and auditing was issued between 1934 and 1939. These “Working Rules” were not part of company law. Rather, they were part of a government-led movement of industrial rationalization in response to the worldwide economic crisis and were issued by a Financial Committee under the Ministry of Commerce and Industry. Fujita (1991) provides considerable detail on the contents of the Working Rules which went well beyond the Commercial Code requirements. McKinnon (1986) follows Fujita to point out that, in contrast to the Commercial Code, the Working Rules were inspired by Anglo-American accounting thought. However, there was no enforcement of the Working Rules. McKinnon (1986) also accepts Fujita’s view that their immediate impact on practice was limited. Noguchi and Nakajima (2008) concluded on the basis of a sample of chemical companies that the Working Rules had no significant influence on disclosure. The financial reporting policies of most companies, both listed and unlisted, remained highly secretive and became more so as the 1930s progressed. However, Kudo et al. (2011: 184) emphasize the indirect effect of the Working Rules through textbooks and education and state that the content of the Working Rules was “vividly reflected” in the financial statements of large corporations. Fujita (1991: 126) concludes that the significance of the Working Rules is in their long-term impact on Japanese accounting thought and that they are indeed the “cornerstone” of public financial reporting in Japan as it developed after the Second World War.

Fujita (1991) notes that the preceding developments occurred in a context of increasing militarization of Japan, which was fully on a war footing from 1937 onward. Yet his work does not link accounting developments with the war until, in 1941, a set of draft or tentative Standards for the Financial Statements of Manufacturing Companies was issued by the Planning Bureau, with the aim of generating standardized accounting for planning in a centralized wartime economy. Chiba (1996) provides a fuller discussion of the 1930s from which it appears that the above-mentioned
Commercial Code provision authorizing the government to issue accounting ordinances was part of a wider set of powers assumed by the government under the National General Mobilization Law of that year. Moreover, Chiba highlights the political tensions over perceived profiteering by war-related industries and the sometimes violent pressure from ultra-nationalist and army circles to restrict profits and dividends, by accounting measures or otherwise.

Chiba (1996) explains the wartime accounting standards as the outcome of a power struggle between the Ministry of Finance, on the one hand, and the Ministries of the Army and the Navy, on the other hand (as well as between the latter two). Whatever their precise origin, the wartime measures existed independently of the accounting provisions in the Commercial Code (Fujita, 1991). Suzuki (2007b: 284) reports that “actual accounting was rarely practiced in accordance with these war-time regulations,” whereas Kudo et al. (2011) assert that, like the Working Rules, these standards had an influence on post-war reporting.

From the Second World War to the 1990s. The end of the Second World War was a key juncture in the history of financial reporting, marked by the imposition of elements of US-style regulation by the allied occupation authorities. The Commercial Code remained in place, with some revisions, as the legal foundation of corporate accounting, but a new, separate system of securities law, based on the system prevailing in the United States, was superimposed. The accounting profession was also reformed in line with the US system. This episode has naturally attracted considerable attention, not only in the monographs of Fujita and McKinnon but also in dedicated studies by Chiba (2001) and Suzuki (2007a, 2007b). Suzuki, in particular, provides rich historical detail of the wider context such as the reform of national income accounts. Although the fundamental importance of the post-war events is generally acknowledged, there are differences in assessment. As indicated above, some authors emphasize the continued influence of earlier initiatives for accounting reform, such as the 1930s Working Rules. Tsumori (1995), on the other hand, highlights the break with the past because of a new emphasis on disclosure, as opposed to the recognition and measurement emphasis in the Working Rules. Others again differ in their assessment of the process of “Japanization” of the imposed regulatory framework after the end of the occupation in 1952 (e.g. the discussion of McKinnon, 1986, in Cooke and Kikuya, 1992). The brief discussion in Jinnai (1990) of debate among accounting academics in the 1950s and 1960s on the merits of the post-war regulatory setup is a reminder that debate among historians will often be a continuation of debate among contemporaries. What is generally agreed is that the parallel existence of two independent sets of regulation (securities law and company law) provided a lasting challenge of coordination, which became a central theme in financial reporting regulation. It is also agreed that the Ministry of Finance, under which securities law and its enforcement came to reside, became the central player in financial reporting standards.15

In 1949, a government-sponsored Investigation Committee on Business Accounting Systems produced “A Statement of Business Accounting Principles,” which became the basis of the reporting requirements under the securities law. Because of the different basic objectives of securities law and company law, the more investor-oriented Statement of Principles was not necessarily compatible with the conservative requirements of the Commercial Code. To complicate matters further, the system of corporate income tax established after the war required that accounting practices must be applied in the (Commercial Code) financial statements to qualify for tax relief. While the tax reform was also effected under the influence of the allied occupation authorities, it is reminiscent of the German Maßgeblichkeit (see prior sub-section).

The institutional solution was to transform the Investigation Committee on Business Accounting Systems into a Business Accounting Deliberation Council (BADC), an advisory body to the Ministry of Finance. As such, it was charged with developing accounting and
auditing standards, building on the Statement of Business Accounting Principles, for use in the context of securities law and the related auditing requirements. But its remit also included the consideration of the effects of such standards on accounting under the Commercial Code and tax laws. The BADC therefore played a harmonizing role in a series of amendments both to the Commercial Code and to the Business Accounting Principles, lasting into the 1970s (Kudo et al., 2011). The BADC also seemed an important platform to give reporting entities and their representatives, in particular the influential Keidanren, a voice in the development of accounting regulation. However, as Fujita (1991) makes clear, the Ministry of Justice did not simply defer to the BADC but continued to develop the Commercial Code provisions for its own purposes. In the process, it issued a Regulation for Corporate Balance Sheets and Income Statements in 1963, on the basis of the above-mentioned 1938 Commercial Code provision authorizing the use of ordinances to flesh out the requirements for financial reporting purposes. McKinnon (1986: 195–207) analyzes this episode in terms of “intra-system conflict” between the Ministries (and involving Parliament in its role with respect to tax law). Oguri and Hara (1990) provide some analysis of the development of the institutional setting in which such conflicts played out and point to the role of deliberative bodies such as the BADC in Japanese political culture. Such bodies are considered useful in reconciling different interests and forging at least a semblance of consensus. [...] Positioned at the interface of public and private regulation, such deliberative bodies in effect play a significant part in legitimizing the policy-making or standard-setting process and inducing the public to consent to the existing order. (Oguri and Hara, 1990: 45)

In 1974, this phase of reconciling the two different accounting systems was brought to at least a preliminary close by coordinated modifications of the Commercial Code and the Statement of Business Accounting Principles. It was agreed that the Statement of Business Accounting Principles should be taken as the basis for interpreting the accounting requirements of the Commercial Code (Choi and Hiramatsu, 1987; Fujita, 1991). Yet the regulation of financial reporting for listed companies remained a delicate balancing act in a double-track system (or triangular system, reflecting also the impact of tax accounting), as was noted in numerous contemporary discussions of Japanese financial reporting.16 One might think that the introduction of consolidated financial reporting during the 1960s and 1970s would have provided an opportunity to make a clear separation between consolidated financial statements governed by securities law and legal entity financial statements governed by the Commercial Code and with a link to tax law, as was the case in France (see that sub-section). As discussed in detail by McKinnon (1984) and Kawamoto (2001), the regulation of consolidated financial statements was indeed a matter of securities law. The BADC made a recommendation on consolidated financial statements, which was separate from the Statement of Business Accounting Principles, and in 1977, an ordinance requiring publication of consolidated financial statements by listed companies came into effect. However, Kudo et al. (2011) note that consolidated financial statements had the status of supplementary information and remained relatively uninformative.

The activities of the US Financial Accounting Standards Board (FASB) and the International Accounting Standards Committee (IASC), both established in 1973, gradually transformed perceptions of financial reporting, thus posing an increasing challenge to the Japanese system. This did not occur immediately: around 1990, the impact of IAS on Japan was still believed to be limited (Camfferman and Zeff, 2007; Kikuyua, 2001). Yet some international influence was visible in the form of BADC standards on foreign currency translation (1979) and segment reporting (1988; see Fujita, 1991).
From the 1990s to the present. Kudo et al. (2011) write that during the 1990s, after the Japanese property bubble burst, a belief gained ground that significant improvements to accounting standards were necessary to keep Japanese financial markets internationally competitive. Chiba (1996: 165) could still assert that the 1949 Business Accounting Principles “form the fundamental principles in place today.” But during the 1990s, and particularly toward the end of the decade, the BADC issued a raft of new and revised standards inspired by US GAAP and IAS (see Kikuya, 2001, for a detailed review). This development is often referred to as the “accounting big bang,” although Benston et al. (2006: 171) emphasize its ongoing nature by calling it a “slow burn.” Benston et al. (2006: 172) also show how the revision of the accounting standards was part of “a complete revolution in the Japanese financial system” that included the creation of a new securities regulator, the Japanese Financial Services Agency, in 2000, independent of the Ministry of Finance. Kudo et al. (2011) outline how, in the same context, further steps were taken to ease the tensions between company law and securities regulation, not least by the enactment in 2005 of a new Company Law superseding important sections of the Commercial Code. Even so, Kudo et al. (2011) go no further than to claim that this “more or less completed the unification of the dual business accounting systems, which had taken a half-century, or a better part of the post-war period” (p. 190). Gee and Mano (2006) bring out the intricacies of this episode of regulatory reform by focusing on the specific topic of accounting for deferred tax by Japanese banks, thus highlighting the links between financial reporting, tax law, and banking supervision including loan loss provisioning.17

As part of the reform package, the task of setting accounting standards was transferred from the BADC to the Accounting Standards Board of Japan (ASBJ), a private sector standard setter created in 2001, which did not, as did the BADC, report to the Ministry of Finance. Even so, the BADC (now referred to as the Business Accounting Council, BAC) remained in existence as a consultative body and with continuing responsibilities for auditing standards. As Benston et al. (2006) note, there was a general belief in Japan that after all these reforms, Japan now had an institutional framework of accounting regulation that was equivalent to that in other advanced economies.

However, international standards turned out to be a moving target. Camfferman and Zeff (2015) provide a succinct review of how the ASBJ, and Japan generally, tried to cope with the fast-paced changes in IFRS after 2001, and the wave of jurisdictions adopting IFRS, after it became clear that the use of IFRS would become mandatory for companies listed in the EU from 2005 onward. A defining moment occurred in 2004 when the European Commission concluded that it was not yet ready to acknowledge the equivalence of Japanese GAAP with IFRS as adopted in the EU. This was followed in 2007 by the lifting of the 20-F reconciliation requirement for cross-border listings in the United States on the basis of IFRS and signs that the United States might actually adopt IFRS as the primary reporting basis for domestic companies. This set off an ongoing process in Japan by which domestic standards were converged with IFRS and an option was created for listed companies to report on the basis of IFRS. However, it is clear that IFRS is not universally welcomed in Japan. Tsunogaya et al. (2011) put this resistance in perspective by means of an extensive historically oriented analysis of accounting models prevailing in Japanese accounting thought and embedded in the regulatory system. Tsunogaya (2016) and Tsunogaya et al. (2015) provide some insight into the structure of the debate over IFRS by analyzing the record of deliberations of the BAC during 2011 and selected episodes in 2008–2013, respectively. As for France and Germany (see prior sub-sections), the debate about the suitability of IFRS for national circumstances is partly made available to an international audience.

China

The history of financial reporting regulation in China bears the imprint of the country’s political history. This includes the end of the Qing dynasty and the imperial tradition in 1911. The new
republican era struggled to establish an effective national government and to survive a long war with Japan. Then, a civil war was followed by the founding of the People’s Republic of China in 1949 and tumultuous events including the Cultural Revolution. It also bears the imprint of the period of strong economic growth ushered in by the adoption of policies aimed at economic reform and opening to the outside world from the 1980s onward and continuing to the present. Perhaps reflecting the sharp ruptures in China’s social and political history, few studies have attempted to synthesize the development of financial reporting norms from the late nineteenth century onward. Guo et al.’s (2011) study is a notable exception.18

Late nineteenth century to 1949: imperial and republican China. Although a historical literature on the pre-1949 period exists, it is not extensive, and does not yield an easily summarized view of how financial reporting developed and what regulation was in force with any degree of effectiveness at various times and places, let alone how the processes of promulgating such regulation worked. Several contributions (e.g. Aiken and Lu, 1993; Guo et al., 2011) describe China’s long tradition of indigenous accounting practices. By the late imperial period, these had developed some features associated with Western double-entry bookkeeping but remained sufficiently distinct to make the adoption of Western style-accounting seem a significant step. Auyeung (2002) and Auyeung and Ivory (2003) emphasize the slowness or “stagnation” of the adoption of Western-style accounting and note that indigenous accounting methods continued to be used into the early twentieth century by enterprises which in other respects adopted elements of Western technology. They do not discuss in detail in what sense this “stagnation” might be seen as problematic.

Guo et al. (2011) pinpoint the beginning of modern financial reporting with the advent of the first Chinese corporations from 1872 (or 1873) onward.19 Although the Qing government did issue a Commercial Code and promulgated company law during its closing days (Peng and Brown, 2015),20 it is not apparent from the literature what requirements these contained with respect to financial reporting. What is clear is that key sections of the modernized economy, for instance, railways, were under foreign control. In all likelihood, such financial reporting as did take place was often done by foreign managers and accountants in formats expected by foreign investors and creditors (Aiken and Lu, 1998; Auyeung and Ivory, 2003).

A point that is suggested rather than explored in the literature is that, until about the Second World War, one should not think of the development of financial reporting in China as happening within a unified legal framework. The foreign presence in China including the extraterritorial rights of many Western powers in treaty ports and elsewhere meant that enclaves of Western-style financial markets, including Western-style financial reporting, could emerge, governed by hybrid or perhaps vaguely specified legal systems. This was the case in Shanghai where, as documented in rich detail by Peng and Brown (2015), the financial press reported on the financial disclosures of companies from the 1860s onward. But while events in Shanghai were probably significant in the history of financial reporting in China, they underline how hazardous it is to attempt any generalizations about China’s pre-1949 financial reporting history.

The republican government, to the extent that its control reached, did take steps to develop accounting regulation. From 1912 onward, accounting regulation emerged with characteristics that remain recognizable until today. Accounting regulation took the form of general “accounting laws” on which the government or government agencies built a complex structure of industry-specific regulations and guidelines (Guo et al., 2011). The starting point seems to have been the detailed regulation of bookkeeping, calculation, and decision-specific reporting rather than the regulation of general purpose financial statements. Industry rather than legal form was determinative of the applicable requirements, and priority was given to developing accounting rules, with emphasis on uniformity, for the government itself, and for government-owned or government-controlled enterprises.
Neither general company law nor securities regulation seem to have been decisive in the emergence of a practice of periodic financial reporting or the emergence of norms for such reporting. In the private sector, particularly in banking, there was a movement during the 1920s and 1930s to adopt Western-style bookkeeping, but again apparently concentrated on Shanghai (Aiken and Lu, 1998; Huang and Ma, 2001). Xu and Xu (2008) is a rare example of a study investigating the emergence of financial reporting norms in some detail, with considerable attention to the roles of key individuals and with rich information about the context. They discuss private-sector attempts by Chinese banks in Shanghai to adopt uniform accounting terminology for banks during the 1920s. The results were transformed into mandatory regulations by the Guomindang government in the 1930s as part of a more general attempt to assert government control over key sectors of the economy.

**1949 to late 1970s: accounting in a collectivist economy.** From the 1960s onward, studies taking a contemporary perspective on “accounting in China” begin to appear in the international literature (e.g. Kwang, 1966), but not in any great numbers until the 1990s.21 Studies taking a historical perspective on the 1950s–1970s are rare (notably Ezzamel et al., 2007; parts of Huang and Ma, 2001; Liu and Eddie, 1995; Xu et al., 2014). These studies show that, following the founding of the People’s Republic of China in 1949 and the transition to a centrally planned economy achieved by the mid-1950s, the notion of uniform accounting requirements was more effectively developed, compared to the tentative and sporadic application during the republican period. From 1949 onward and until the present, the Ministry of Finance was the pivotal player in the development of accounting norms. During the 1950s, and under Soviet influence, the Ministry of Finance presided over the creation of a complex set of mainly industry-specific accounting and reporting guidelines (for an overview, see Guo et al., 2011; Huang and Ma, 2001). During this period, if not before, the idea of an “accounting system” (*kuaiji zhidu*),22 meaning a set of accounting requirements with applicability to a specific group of entities or economic activities, became a basic concept in accounting regulation. From the 1950s to the 1970s, numerous “accounting systems” and accompanying guidance were created, modified, and suspended. These accounting systems were based on “fund accounting” in that their main emphasis was on showing how centrally allocated funds had been applied to the designated purposes. At a more theoretical level, they were said to reflect the principles of Marxist political economics (Wang and Qian, 1987, who also discuss the outlines of typical financial statements).

Ezzamel et al. (2007) have analyzed how the substance of accounting regulation during this period was colored by the dominant Maoist ideology, which included an element of deliberate rejection of Western accounting notions such as conservatism. The status and practical effect of these accounting systems was probably severely affected by the turmoil of the Great Leap Forward and the Cultural Revolution. It is again quite difficult on the basis of the English-language literature to form a clear idea of events, other than that they were turbulent and complex. While accounting remained a distinctly recognizable phenomenon, it was, at least in the 1950s–1970s, considerably different from financial reporting as understood in the Western world. As Yang et al. (2014) put it, “Since enterprises, in this era, were not independent commodity producers and relied on governmental appropriations for financing, the primary objective of accounting and reporting was to meet the information needs of government’s economic planning and policy control” (p. 26). At a high level, it seems clear enough that the development of “Chinese GAAP” was non-linear, and that there were significant discontinuities between this period and what went before and what came after. As a matter of historical research, considerable scope exists to shed more light on these events, and little has been said about any legacies from the 1949 to 1980 period to influence the subsequent development of financial reporting and its regulation or about whether elements of pre-1949 traditions resurfaced to shape financial reporting from the 1980s onward.
1980s to the present: modernization and international convergence. Following the end of the Cultural Revolution, the central position of the Ministry of Finance in matters of accounting was restored. The legal foundation was provided by an Accounting Law of the People’s Republic of China promulgated in 1985. This law imposed the requirement on all organizations to keep accounting records, provided basic instructions for the format of accounting records and reports as well as general definitions of the responsibilities of accounting staff (Guo et al., 2011, characterize the Law as an “accounting behavior standard”), and declared that the Ministry of Finance shall take charge of all accounting work in the country. Yet, well before the Accounting Law, in 1980, if not before, the Ministry had already started to resuscitate and modernize the “accounting systems” and supporting materials. Next to accounting guidance organized by industry, there also appeared “accounting systems” or other specific regulations for Sino-foreign joint ventures, and for the joint-stock enterprises that began to make their appearance with the establishment of stock markets in Shanghai, in 1990, and in Shenzhen, in 1991. The result was a rather bewildering variety of accounting regulations in place by the early 1990s (Huang and Ma, 2001: 82, referring to Scapens and Hao, 1995).

Under international influence, the notion of “accounting standards” (kuaiji zhanze) made its appearance in China in the early 1990s as a new and increasingly important type of accounting regulation. The key steps in this process are reasonably consistently reported in the English-language literature, although many details remain unclear. The introduction of “accounting standards” is traced specifically to an accounting standards working group established by the Ministry of Finance in October 1988. This is mentioned by several authors (e.g. Ji, 2001; Liu and Eddie, 1995), but little has been written about the Ministry’s specific expectations when setting up the group. The work of the group led, in 1992, to the promulgation of an “Accounting Standard for Business Enterprises” subsequently referred to as the “basic standard.” This looks like a mundane statement against the background of a literature on accounting standards which is replete with examples of committees or working groups preparing the way for a public policy measure. However, Scapens and Hao (1995: 273) make the point that in the Spring of 1992 Deng Xiaoping made his famous “Southern Tour” which marked the beginning of a period of reform in many areas of China’s economy and society. The acceleration of accounting reform from 1992 onward was just one element of these reforms. This point is explored at much greater length by Ezzamel et al. (2007), which is an important but rare example of what could be done to study Chinese accounting regulation in its political context. Drawing on interviews, they interpret the 1992 standard in terms of the assertion of a “Dengist” ideology over the remaining influence of the Maoist perspective. They remind us that the period between the establishment of the accounting standards working group in 1988 and the issuance of the basic standard in 1992 was a crucial period in modern Chinese history, punctuated by the Tiananmen Square manifestations in the Spring of 1989 and the ensuing political struggle between reformists and conservatives. As Ezzamel et al. (2007) assert (and as suggested by Xiao et al., 2004), the publication of the standard was held up by political uncertainty that was only resolved with the ascendancy of the reformist political camp from 1992 onward.

The publication of the 1992 standard is characterized by Guo et al. (2011: 87) as a “ground-breaking event.” The basic standard enumerated the essential features of financial reporting as generally understood in Western countries, including the structure of financial statements and basic accounting principles, and was generally consistent with financial reporting as depicted in the standards and conceptual framework of the IASC. By giving pride of place to the balance sheet equation in terms of “assets = liabilities + owners’ equity,” it differed fundamentally from Soviet-style fund accounting based on “fund applications = fund sources.” The basic standard was applicable to all business enterprises and marked an important break with the past, both in terms of content and in terms of regulatory structure (Xiang, 1998). However, although the intention was to
build a comprehensive and generally applicable set of some 30–40 specific standards on the foundation of the basic standard (Chen et al., 1997; Chow et al., 1995), this was a long process, continuing to the present. Existing regulations including the accounting systems remained in place and continued to be maintained, until they were gradually supplanted by a growing body of specific accounting standards. That the process was at several points significantly delayed is reasonably clear, but not necessarily why and how.

Shortly after the publication of the basic standard, some 30 exposure drafts had been prepared (Guo et al., 2011). This was done with financial support from the World Bank and with the help of advisors from the audit firm Deloitte (Xiang, 1998). The idea of exposure drafts was by itself a process innovation, adopted from the due process of accounting standard setters such as the IASC. The first standard was issued in 1997, increasing to a total of 16 by 2001. The standards covered topics such as “the cash flow statement,” “construction contracts,” and “related party transactions” and more or less followed the corresponding IAS. Meanwhile, the roughly 40 extant accounting systems were by the mid-1990s reorganized into a smaller number, still mainly set along industry lines, and made compatible with the basic standard (Chen et al., 1997). The applicability of the new accounting standards remained for the time being wholly or largely restricted to listed companies. As a further complication of the regulatory structure, companies issuing so-called “B-shares” (which initially were intended for foreign investors only) were since 1992 required to report on the basis of both national requirements and IAS.

Guo et al. (2011) note the issuance in June 2000 of “Regulations on Financial Accounting Reports of Enterprises,” which they consider as the first time that financial reporting as such, as opposed to accounting in general, was regulated by law. It was followed by another revision of the “accounting systems,” this time reduced to a small number of systems applicable to a variety of unlisted enterprises. For listed enterprises, a revision of the “accounting standards” was envisaged, which took place at high speed from 2004 onward and was completed with the issuance of one basic standard and 38 specific standards in February 2006. The Ministry of Finance asserted that these Chinese standards were now “substantially converged” with IFRS (see also Camfferman and Zeff, 2015). Consequently, the requirement for double reporting for companies with “B-shares” was ended. The standards themselves remained quite static, and it was not until 2014 that changes and additions were made to the set of standards (currently numbering 42) in response to the evolution of IFRS. Yet, following 2006, several layers of supplementary guidance have been issued including authoritative textbooks and questions and answers on the Ministry’s website. This supplementary guidance has not only helped to keep the system flexible but also created opacity as to what exactly, at any one point in time, was required of companies.

Comparative discussion

The preceding reviews are necessarily brief and cannot begin to do full justice to the cited publications. Nevertheless, we feel justified to make a number of general observations on the literature reviewed. This is followed by a discussion of topics where we believe the English-language literature could be enhanced, either by further research or by making such knowledge as may be available in local languages internationally available. Finally, we discuss the value of such publications and the incentives for producing them.

General observations

For all four countries, there is sufficient literature available to allow a non-native speaker to form a view of the “bare bones” of the history, in terms of the major regulatory texts, their general nature
and scope of application, and institutional actors responsible for promulgating guidance on financial reporting.

For all four countries, some literature goes beyond formal descriptions and attempts in-depth descriptions of specific episodes or regulatory events in terms of the wider contexts, including the legal, political, and societal frameworks, and the tensions arising out of the various influences on the development of financial reporting regulation. Such more focused work tends to reveal the existence of ambiguities about the status or interpretation of existing regulations or of significant exceptions or additional requirements for particular industries. Yet the fragmentary insights provided by this literature merely serve as a reminder that knowing the successive changes to company laws or the chronology of the emergence of standard-setting bodies does not provide a sufficiently deep understanding of how national systems of financial reporting regulation emerged, have functioned at specific points, and have changed over time in response to emerging information needs or changing legal, political, and societal contexts. In that respect, there are still major gaps in the literature on all four countries for readers who have access to the English-language materials only. This is not just true in terms of more in-depth analysis, but on occasion also regarding the basic chronology of regulatory events which can still be rather hazy for the earlier periods.

Although our article is not intended as a beauty contest, we do suggest that the literature on Japan is the most mature. By this we mean not so much the volume of publications, but rather that a relatively high proportion consists of publications with deliberate historical focus, rather than analysis of contemporary events with some historical context. The Japanese literature also contains several examples of debate among authors with regard to the interpretation of specific events. In all countries, there is evidence of a “recency bias.” This is understandable given that recent developments around IAS and IFRS make it relatively easy to merge historical analysis into a discussion of contemporary policy issues, with a framing that can easily be appreciated by an international audience. While this has resulted in thoughtful and carefully documented studies on recent history for all four countries, the literature on Japan includes several notable studies on earlier periods as well, in particular for the 1930s and 1940s, that do not rely on a direct link with current policy issues. The literature on Japan has not just mapped the development of mainstream company financial reporting but has also occasionally addressed other areas such as accounting for companies managing assets in occupied territories during the Second World War (Noguchi and Kanamori, 2010) and the regulated railroad industry in the 1950s (Sasaki, 2001). The Japanese literature has probably benefited from two historical monographs (Fujita, 1991; McKinnon, 1986) appearing at a relatively early date, which provided a strong point of reference for subsequent authors. There is, after all, a limit to what can be done in article- or chapter-length publications, when it comes to discussing the evolution of financial reporting regulation over several decades or even more than a century. It is possible that the pervasive influence of Fujita (1991) has contributed to a mostly consistent use of translations of Japanese names and terms by different authors. In contrast to the Japanese literature, the literature on France and Germany, especially on periods prior to about the 1990s, has not done as much to go behind well-known high-level generalizations such as the importance of the plan comptable in France or of jurisprudence in Germany to explore the ambiguities or tensions behind such general statements. We speculate that this literature has been held back up to a point by an apologetic tendency to emphasize, over and against international influence, the suitability of national regulatory frameworks to national circumstances. This may have led to a taken-for-grantedness of these regulatory features without having in-depth explorations as to their substance available in the English-language literature.

In line with Carnegie and Napier (2002), we also suggest that researchers engage more in comparative histories across countries. This review has shown a range of parallel developments and
contrasts among the four countries, which are mentioned in the literature, but have hardly been exploited. China is probably the most detached from the other three countries, but the literature already acknowledges influence from France on Germany in the nineteenth century and some reverse influence in the twentieth. That Japan took its cue from German company law is also taken as given. But so far, Standish (1990) seems to be the only instance of a detailed investigation of such cross-country influences, in this case, the relationship between developments in France (the 1942 plan comptable) and Germany. But even there, as we observed above, there is a curious lack of symmetry in that developments in financial reporting in Nazi and wartime Germany during the 1930s and early 1940s have received very little attention (but see Abel, 1971; Käfer, 1965). Likewise, it would be enlightening to study how regulatory unity evolved in Germany during the nineteenth century out of heterogeneous state laws and how, through this complex process, the influence of the French example made itself felt. We also suggest a closer exploration of the parallel developments in Japanese and German legal thinking on accounting matters from the 1880s to the 1920s or 1930s. In fact, the only comparative route that has been explored in some detail seems to be the European harmonization efforts, in particular the implementation of the Fourth Directive and the adoption of IFRS in national regulatory frameworks. The mid-1990s and early 2000s were then periods of some activity in comparative research, at least on a European level. While this research was mostly of a contemporary nature, looking back, one can learn something about the now-history of financial reporting. There are a small number of studies that have looked from a historical-comparative perspective at issues such as goodwill (Ding et al., 2008) and group accounting (Nobes, 2014). Notably, such comparative research tends to group France and Germany together and contrasts developments in these countries with those in the United States and the United Kingdom. As a general conclusion, we do not propose that there is a future only for studies comparing two or more countries. In our view, single-country studies are just as valuable, provided they are written with some awareness of parallel developments in other countries.

Potential for expanding the English-language literature

We concur with Evans (2004) that there is a risk in using the term “GAAP” universally. It may lead researchers to ignore, underestimate, or misunderstand aspects of financial reporting regulation that have no counterpart in the Anglo-American tradition. However, we believe that the concept of “national GAAP” is useful to set a historical research agenda, as long as it is used with an open mind to different approaches to articulating the norms for financial reporting as well as to the variety of contexts in which such rules emerge. In that spirit, we began this article by assuming that “financial reporting” is a useful category to describe what happened in different countries from the nineteenth century onward, so that it would make sense to explore the historical evolution of authoritative norms for financial reporting. While, in all four countries, companies sooner or later began to produce balance sheets and income statements and, for some time now, financial reporting is seen as a distinct activity, this has not always been the case. In France and China, the primary object of regulation has long been thought of as “accounting.” Until quite recently, it seemed that whatever was specifically regulated in China with respect to financial reporting was mainly a byproduct of detailed regulations with respect to record-keeping, account classification, costing, and the uniform collection of financial statistics. While this may partly be a distinctly Chinese characteristic, there may well be parallels with, for instance, the thinking behind the French plan comptable. These comparative observations suggest, perhaps rather obviously, that the path to today’s more or less harmonized financial reporting world was highly idiosyncratic, depending on the respective countries’ economic, social, and political contexts. It is our hope that accounting history researchers will continue to shed light on the unique factors contributing to the
development of the different financial reporting frameworks, so that we can fully appreciate the
diverse origins of financial reporting across the world.

In turn, when one thinks of the emergence of “financial reporting” as a distinct category in the
English-speaking countries, particularly, the United States, the influence of public capital markets
and securities regulators is apparent. While the literature has noted that this factor became signifi-
cant in Japan following the Second World War and in France from the 1960s onward, it would be
useful to see more (comparative) investigation of why financial reporting by listed companies was,
or was not, seen as requiring further regulation compared to reporting by companies generally.24 In
particular, in more recent decades, companies’ perceptions of the inadequacy of national financial
reporting became a driving force behind the internationalization of accounting requirements. This
was true for France and Germany, and, with different timing and a different setting, in Japan as
well. While it is evident that Chinese accounting reform from the 1990s onward had everything to
do with adjusting to international developments, little if anything seems to be available in English
about the role of reporting entities or changing corporate landscapes. That is, we have found little
detail about evolving views and regulations on specific accounting or reporting issues. We noted
just a small number of studies with a decidedly historical objective, mainly on the cluster of topics
on group accounting, consolidation, and accounting for goodwill (Bensadon, 2015; McKinnon,
1984; and comparative studies by Ding et al., 2008; Nobes, 2014). Much information on such regu-
lations in place at given moments in time is scattered across the descriptive literature presenting the
current state of accounting regulation in a particular country (e.g. Haller and Park, 1994). Overviews
of accounting regulation in various countries have been and continue to be published for profes-
sional purposes, but this type of descriptive writing has become rare in the academic literature.
Other materials may be found in empirical literature assessing, for instance, market reactions to
specific accounting treatments in different countries. Yet neither this type of empirical research nor
descriptions of current regulations substitute for a historical understanding of how evolving
approaches to financial reporting regulation have been worked out in actual requirements for spe-
cific reporting issues. More research efforts could be devoted to exploring this interaction between
corporate activities and reporting practices, on the one hand, and regulation, on the other hand. For
example, research could study how the disentangling of the complex corporate networks that char-
acterized the corporate landscape of Germany for a long time changed the information needs of
financial statement users, affected corporate financial reporting, and by extension had an impact on
financial reporting regulation.

A factor recurring in several of the four countries is the relationship, or the tension, between
financial reporting and tax accounting. It has been long accepted in the international accounting
literature that the influence of taxation has tended to make financial reporting in “non-Anglo”
countries different from that in Anglo-American countries (see Eberhartinger, 1999, who identifies
many parallels between France and Germany, as compared to the United Kingdom), but it does not
necessarily follow that the tax link operated in the same way in different countries or in the same
way over time in single countries. The literature reviewed for this article offers little more than
glimpses of how the financial reporting–tax accounting links evolved, with, for instance, little
reflection on the consequences of taxes on corporate income versus taxes on corporate dividend
distributions. And while the significance of Maßgeblichkeit for German accounting is well estab-
lished in the literature, exploring possible parallels in, say, Japan has not attracted the attention of
accounting historians.

Also, the literature we have surveyed tends to concentrate on the level of institutional actors.25
In other words, there is little attention for the role of individuals or for the decision-making pro-
cesses within organizations. This is most apparent for China where virtually all of the “actors”
appearing in historical analysis of the post-1949 period are organizations. That is true in particular
for the Ministry of Finance and its various specialized departments or agencies dealing with accounting matters. That the Ministry has dominated the regulation of financial reporting is made abundantly clear, but rarely if ever is a glimpse given of people developing the various policies (e.g. Camfferman and Zeff, 2015). But even at the level of organizational actors, it is not easy to obtain an understanding of how, over time, the Ministry of Finance has consulted or cooperated with other organizations or government agencies in developing norms for financial reporting. For example, from much of the English-language literature one would not even know that since 1998 a body called the Chinese Accounting Standards Committee exists, and to the extent that it is mentioned as a “consultative body largely controlled by the Ministry of Finance” (Xiao et al., 2004: 207), it is not easy to assess what role it plays. A similar remark can be made about the China Securities Regulatory Commission. The potential for more insightful analysis is illustrated by Ezzamel and Xiao (2015) who not only explain the role of the notion of “Chinese characteristics” as a discursive devise in accommodating the interests of regulatory actors in debates about accounting regulation from the 1980s onward but also bring various individual actors into relief.

Up to a point, the same comment can be made for Japan, where the Ministry of Finance has also been a leading actor, but there we see some more evidence that regulatory bodies are not monolithic. Japan has long had a kind of standard-setting body in the form of the BADC, but, apart from some promising work on recent events, much remains to be done to make the historical evolution of the deliberative processes centering on the BADC intelligible to an international audience. This would include a better understanding of the role that other organizations, in particular the powerful business association Keidanren, have played in shaping the regulatory framework for financial reporting.

Important German institutions are of a much younger date, so that the absence of historical research on their functioning is understandable. But it would be useful to add to Ballwieser’s (2010) and Fülbier and Klein’s (2015) brief assessment of the DRSC and to consider other recently established institutions, including the FREP and the BaFin. The work by Colasse and Standish (1998) is an important contribution on the history of the French CNC, yet one would look for further assessments of how standard-setting debates have changed over time, exploring, for instance, how the regulatory dialogue has changed since the CNC gave place to the more technical ANC. A clear explication of the workings of the ANC, perhaps along the lines of Dao’s (2005) study of the AMF, would be useful to assess whether the national accounting body in fact mirrors the work of international accounting standard setters and has itself become more internationalized. Further efforts would also be useful on the delineation of accounting work between the ANC and the AMF, including their interactions and coordination activities, both to represent France on a European stage, but also in the national arena. As for previously outlined aspects, researchers would require access to these institutions, which may or may not be a hindrance to such examinations.

It is not a novel observation that accounting academics have played significant roles in Germany. While scoped out of our review, scholars from the time of Schmalenbach onward have always had a dual role not only just as academics but also as scholarly authorities on accounting issues, as evidenced by their impact on the development of the GoB and the accompanying literature. The very notion of GoB as something not residing in clearly delineated regulatory texts, but in a much more diffuse literature, may not have exact parallels in other countries. Yet Japanese academics have for decades been accorded a place at the tables where accounting guidance was discussed. With respect to China in the pre-1949 period, the comments by Yang et al. (2014: 7) on the role of Pan Xulun, the “pioneer of modern Chinese accounting” during the 1920s–1940s, and the discussion of the authors of the first Chinese textbooks to introduce double-entry bookkeeping (Auyeung and Ivory, 2003), at least give some insight as to who some of the people were behind the abstract notion of “the development of financial reporting.”
Finally, we did not find even the beginnings of shared theoretical frameworks for researching
the history of financial reporting regulation. While Puxty et al. (1987) employed a theoretical
framework, developed by Streeck and Schmitter (1985), for the comparative study of financial
reporting regulation and applied it also to Germany, they considered it inadequate to explain different
approaches to regulation. A majority of the papers we reviewed do not apply a theoretical
framework, in particular those whose objective is limited to giving relatively brief and factual
historical overviews. As to France, Touron (2005) uses institutional theory to contextualize compa-
nies’ reporting decisions, while Colasse and Pochet (2009) draw on institutional theory in their
analysis of the standard-setting process. As both papers are concerned with international influence
on France, both draw on the notion of isomorphism, including distinctions between coercive and
mimetic isomorphism. While this may be useful in providing structure and analytical vocabulary,
both studies provide sufficiently rich descriptions to highlight that historical narratives are not easily
summarized in terms of general theoretical concepts. Critical interpretive studies also remain an
infrequent feature of the literature on Germany. While Gallhofer and Haslam’s (1991) study of the
changing accounting aura surrounding the First World War is much cited, the interest in this article
likely stems from its theoretical, rather than regulatory, insights. Volmer et al. (2007) have exam-
ined changes to the German regulatory framework since the 1980s, embedding them in the socio-
economic context with the help of a governance framework on disclosure and enforcement.
Heidhues and Patel (2011) use the case of Germany as a direct challenge to Gray’s classification of
international accounting systems. Examining political, legal, social, and historical contextual fac-
tors, the authors question some of the framework’s assumptions and show a more nuanced picture
of German accounting regulation. Most recently, Hoffmann and Zülch (2014) have assessed the
parliamentary debates surrounding the 2009 reform of the HGB against a framework of lobbying
and expertise.

With respect to Japan, McKinnon (1986) and Suzuki (2007a, 2007b) have made notable attempts
to bring general concepts from the social and political sciences to bear on this topic. Harrison and
McKinnon (1986) present the analytical framework used by McKinnon (1986) as a more generally
applicable methodological framework for studying corporate reporting regulation and accounting
policy formulation at the nation-specific level. This framework of “modified exogenism” is pre-
sented as a specific application to accounting change of more general models of social systems
change. In turn, the uniqueness of Japan has been used as a lens through which to view the histori-
cal developments (e.g. Cooke, 1991). Regarding China, the works of Ezzamel et al. (2007),
Ezzamel and Xiao (2015), and Xu et al. (2014) are notable instances of theory-driven historical
research, but again not triggering a dialogue on the transferability of the approach to other settings.
Overall, the relative paucity of theory-based research on financial reporting regulation is evident,
when it is compared with research on the audit profession where studies in many different coun-
tries draw on shared frameworks from institutional theory and the sociological literature on the
professions.

Relevance and incentives for further research

At this point, we need to come back to some of the questions we raised in the introduction: why
should a world of global accounting standards invest resources in documenting the histories of
national GAAPs? And, provided that such efforts are worthwhile and relevant, what are the incen-
tives to undertake it and publish it in English?

With respect to the relevance of such writing, we begin by pointing to the metaphor of genetic
diversity. Arguably, a better set of global accounting standards may emerge if knowledge is pre-
served of a variety of national approaches and experiences. This is the broadest possible argument
for researching and documenting national GAAP history: any aspect may turn out to be relevant to a future debate. To be valid, this would require more work on the history of the actual content of national GAAP, as embedded in its institutional setting. More specifically, there is a recurring argument, across countries, in debates over IFRS that IFRS should respect national circumstances, broadly defined, and that it often fails to do so. Arguably, it takes historical research to provide understanding of what such circumstances might be and how in the past they affected the development of national GAAP before arguments based on “national circumstances” can be properly deployed in current policy debates at the international stage. As such arguments may also be used selectively simply to defend the status quo, we believe that the onus is on the critics of the IASB to demonstrate and clarify the existence of deeply rooted national features that should be considered in setting global standards. However, national traditions of financial reporting are hardly constant, so it may not be easy to bring persuasive historical arguments to bear on current standard-setting issues.

While the preceding argument relates mainly to “designing better standards,” there is also the question of “designing a better standard setter.” Accounting regulation involves the question of who has the power to set or influence accounting standards. This is a significant issue as has been made clear by the continued debate about the governance of the IASB. The worldwide adoption of IFRS has led to significant shifts of power. A better understanding of where, across different countries, power resided prior to the adoption of IFRS, and how this was affected by the adoption of IFRS may provide significant insights into the issues involved in setting international standards as well as in designing national regulatory mechanisms and environments. Also, exploring how the local, or national, sites of regulation have changed in response to power struggles might provide ample opportunities to contribute to the (theory-driven) literature.

Yet we note that writing about national GAAP history is not something that easily yields high numbers of citations. In a few cases, this may perhaps be ascribed to native authors paying insufficient attention to communicating in ways suited to an international audience. Publication in the form of book chapters, which is not uncommon in this literature, is also not conducive to high citations. But we note that even thoughtfully written and carefully researched papers published in academic journals can languish in obscurity and do well if they attract more than a dozen references over 10 years or more. Native authors easily predominate, even though the literature on China contains relatively many co-authored articles with a non-Chinese author. International co-authorships would seem a natural way to produce papers with a greater potential to speak to an international audience. Perhaps, as importantly, such co-authorships might help to form a coherent cross-border community of researchers around the histories of national GAAPs. So far, though, we do not see much evidence of such a community forming.

It might also be thought that language barriers condemn studies on non-English countries to obscurity. Language does create practical difficulties because names, concepts, and citations need to be translated and an inability to access source materials directly makes it more difficult for non-native researchers to participate, while native researchers need to accustom themselves with the demands and requirements of publishing in English (Komori, 2015). Yet, as we have noted, language does not by itself preclude the publication of well-written contributions that can be appreciated by an international audience. The question is whether they will be read or cited. This would seem to be more likely for studies with an ability to explain how local events relate to more general issues or research debates on regulating financial reporting in other countries. For recent history, this is relatively easy in that regulatory events and developments in Anglo-American countries, and related developments around IAS, can be, and are often, taken as a benchmark to which local regulatory events and developments are related. While this might be criticized as an “Anglo-centrism” of accounting history research (Zan, 2016), one might also say that it simply
reflects the contingency of recent history. If the Anglo-American countries have been important, one can hardly ignore them when writing about recent decades. But for earlier history, such points of reference that can be used to bring out the significance of local histories are less easily available, and it is here in particular that researchers need to carefully consider the contribution of their works, and whether their main aim is to document a particular regulatory episode in a country’s reporting history, or how they contribute to prior work in the accounting literature. It is this latter connection to existing research debates that, in our view, would make historical works on national GAAPs more visible and relevant.

To that end, one would also welcome research communities around, say, the historical relation between company law and financial reporting. To facilitate the growth of such communities, it is useful to have easy access to reference works, such as the commissioned overview studies included in the Previts, Walton, and Wolnizer volumes, even though they may not provide authors with many academic credits. A periodical update of such studies helps to establish the “bare bones” in the literature so that researchers can identify gaps and position more detailed papers, both in terms of the contribution and the features of the national regulatory environment applicable at the time of such in-depth studies.

For a variety of reasons, including language issues and publication incentives, publishing in English on non-English GAAP histories will remain challenging at the level of individual researchers. Yet we note that the explication of alternative regulatory mechanisms across a range of countries holds great rewards for the research community as a whole and our survey shows promising examples of what may be achieved here.

**Concluding remarks**

In this article, we have surveyed the English-language literature on the histories of financial reporting regulation in France, Germany, Japan, and China. Our selection of these countries was based on the availability of a comparatively large body of such literature, allowing us to review the development of financial reporting regulation in these countries in some detail and to make meaningful comparative comments on the state of the research literature. We acknowledge that we have no final answer on the question of how to define “historical research on financial reporting regulation” and to separate it, if only for historiographical purposes, from contemporary analysis and historical research on related topics, such as the audit profession or the development of accounting thought. Instead, we suggest that such an understanding needs to be embedded in local contexts that include the legal, political, and societal backgrounds to regulatory developments. Nonetheless, we are confident that what we present in this article is a reasonably complete overview of what is available to non-native speakers who have to rely on the English-language materials. We are also confident in noting the relative paucity of such historical writings, both in comparison with the literature available on English-speaking countries and in the countries’ national languages. This will apply a fortiori to the multitude of other non-English-speaking countries. Yet, even in its current state, the literature provides ample evidence that the countries surveyed have intricate histories of financial reporting regulation, with a significant underexploited potential to move beyond high-level overviews of changes in the formal regulatory mechanisms to rich case studies and in-depth descriptions of regulatory change. We note some of the challenges researchers face in publishing on these histories in English, yet we have also argued for the relevance of such research. In our view, the widespread adoption of IFRS does not imply that histories of national GAAP are no longer of interest. Rather, it implies that it is more than ever necessary to share understanding of the rich variety of national regulatory contexts in which IFRS functions and continues to develop.
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Notes

1. We refer in particular to the countries whose national standard setters formed the so-called G4+1 group of standard setters in the 1990s: Australia, Canada, New Zealand, the United Kingdom, and the United States (see Street, 2005). We refer to these countries and their accounting traditions as “Anglo-American” as a matter of convenience, rather than taking a position in more wide-ranging debates about the prevalence of “Anglo-Saxon” accounting.

2. Exact numbers depend on selection criteria, as well as on the counting, or not, of publications covering more than one country. Simple counts of publications do not, of course, reflect differences in size or quality. Yet, based on simple counts, the runners-up would be, in decreasing order of number of publications, the Netherlands, Poland, Spain, Italy, and Russia/the Soviet Union with 12–18 publications per country.

3. In her comparative study, Eberhartinger (1999) considers the French tax–financial reporting link as the “moderate approach,” situated between the strong influence in Germany (see next sub-section) and the minimal influence in the United Kingdom.

4. There is a vast literature on the European harmonization, mostly written from a UK (or comparative) perspective. It is beyond the scope of our article to review this literature. Yet some examples include the works by Alexander (1993), Diggle and Nobes (1994), and Evans and Nobes (1996).

5. Some 1990s literature studied specific accounting issues, with some attention to the evolution of requirements as well as comparisons to UK requirements, for example, on funds flow and cash flow statements (Boussard and Colasse, 1992), concession accounting (Heald, 1995), or provisions and contingencies (Alexander et al., 1996).

6. Richard (1995) offers some more detail on the 1937 version as well as other European charts between 1900 and 1945. While he follows in the footsteps of Käfer (1965), he did not seem to be aware of this earlier work.

7. Bechtel (1995) reviews the contemporary role of charts of accounts in Germany, only drawing brief comparisons to the situation in France.

8. Radebaugh et al. (1995) also point to the role of banks in the German economy, where, for example, the CEO of Deutsche Bank was chairman of the board of directors at Daimler-Benz. As a result, creditors were often able to obtain financial information by other means than financial statements (Fülbier and Klein, 2015). Radebaugh et al. (1995) also provide some detail on specific accounting rules in Germany versus those applicable in the United States.

9. As in France (see note 5), some 1990s articles reviewed specific accounting issues from a contemporary viewpoint, such as segment reporting (Haller and Park, 1994), leasing (Garrod and Sieringhaus, 1995), or funds flow reporting (Haller and Jakoby, 1995).

10. The mixing of German and English words results in a peculiar name for the committee. We did not see any comments as to its origin in the literature.

11. Similar to Levant and Nikitin (2012) for France (see prior sub-section), Brandau et al. (2017) examined the separation and integration of the financial and management accounting systems, arguing that the recent reforms, along with the changing corporate reporting environment, suggest a partial re-integration of the two systems.

12. The Tokugawa period extended from 1603 to 1868. At the time, Japan was ruled by shoguns belonging to the Tokugawa clan, who were the de facto (military) rulers of the country. This period ended when Emperor Meiji was restored to the imperial throne in a reformist movement that set off the modernization of Japan.

13. See also Fujita (1966) for an article-length overview.

14. Despite minor differences in their representation of legislative events, Fujita (1991), Kudo et al. (2011), McKinnon (1986), and Someya (1989) are in agreement on the significance of the National Bank Act in the history of financial reporting regulation.

15. Yet Chiba (1996) argues that the Ministry of Finance had already assumed important powers over accounting during the war by way of regulating dividend payments.
16. For instance, Cooke (1992, 1993), Iino (1967), Jinnai (1990), Katsuyama (1976), Nakajima (1973), and Ohno et al. (1975).

17. On the relation between accounting and banking supervision, see also Sawabe (2002, 2005).

18. Yang et al. (2014) also survey a century or more but with an unusual (and unexplained) focus on the balance sheet, despite the existence of an income statement in China since the mid-nineteenth century. They also do not distinguish systematically between accounting and financial reporting, although, as will be discussed below, a considerable shift occurred in the period covered from bookkeeping to financial reporting. Zhao (1987) concentrates on Imperial China with a brief discussion of events after 1911.

19. The date of incorporation of the China Merchants’ Steam Navigation Company, apparently the first enterprise incorporated along Western lines, is variously reported, and different translations of its name are given.

20. Auyeung and Ivory (2003) mention a 1904 Company Law under which, by 1908, 227 companies had been created.

21. Ji (2001) lists 91 articles in journals and edited volumes, five of which are from before 1985.

22. In the English-language literature also referred to as “uniform accounting systems” or UASs.

23. We note that Tsumori (1995) does bring in concepts from German accounting thought to assess the Japanese regulatory framework.

24. Davis et al. (2003) have examined the origins of listing requirements at major stock exchanges in four countries, including France and Germany, but we would see this as a useful start rather than the last word on the subject. A focus on listing requirements may be another example where looking for parallels with the United States may obscure the importance of alternative regulatory mechanisms such as jurisprudence.

25. We acknowledge that this may in part reflect the limitations of our selection criteria.

26. Tsunogaya (2016) and Tsunogaya et al. (2015) have made a start along these lines by analyzing minutes of the BADC (or BAC, as it was known by then) for the period 2008–2013.

27. To be precise, we excluded studies with a focus on “accounting thinkers.” Our comments thus refer to the lacking discussion of the individuals who influenced financial reporting regulation in studies within the scope of our review.

28. Willmott et al. (1992) did apply the framework in a four-country comparison of accounting for research and development. The paper includes Germany and does offer limited historical analysis.

29. Based on citations in Google Scholar, as of July and August 2016. Of the studies referenced in this article and for which citation data were available, we found nine (France: one; Germany: five; Japan: two; China: one) with more than 100 citations. Only one (Cooke, 1992) attracted more than 200 citations, but this is presumably not for its historical content but for its methodology of measuring extent of disclosure in financial statements.

30. Presumably, it would also be helpful to have a structured online repository of historical regulatory texts and related materials from a range of countries, ideally even with translations. While such repositories might not provide, or substitute for, an in-depth analysis of the economic, legal, and social frameworks, they might well be seen as useful starting points for further research into the national histories of financial reporting regulation.

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