

China's Capital Market and Corporate Financial Environment

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1. Introduction

After modernization, the 'globalization' led the development of the entire society around the world. Economic barriers among countries were removed with introduction of capitalist economic system and limitless market competition. Moreover advancements in information technology accelerated financial globalization.

The globalization of financial market, at first, was led by developed countries including USA, Japan, UK and France. However, they were classified as 'red ocean' with 'large scale, low-growth' economy.

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Therefore the main agents of economic activity wanted to find a new market, and Asia was nominated as the next 'blue ocean'.

China maintained closed market economy system in accordance with socialism ideology. After joining the WTO in 2001, however, it entirely opened its economy to achieve economic development and stability, and this drew attention from all outdoors. Considering just two factors of vast territory and large population, it is evident that China has boundless potential, and considerable research on China's economy is inevitable. 'Corporation' is an agent that creates a great amount of profit under the capitalist system. During the process, a corporation is influenced by a lot of external factors. Focusing on China as a state, here is an analysis of the capital market and accounting system which are influential to corporate financial environment.

2. China's Capital Market

2.1 The flow of China's economic development

Since Mao Zedong established the People's Republic of China, China achieved great economic, but the main agenda of the regime was to establish a foundation for socialism. In fact, it was the regime of Deng Xiaoping that adopted capitalist economic system in pursuit of economic development as the country's top priority. In 1978, China announced its reform and opening-up policy. It maintained the Chinese

community party system while adopting capitalistic market economy. With the new policy, China achieved rapid economic growth in the last 30 years.

The inefficiency of planned economy rooted in socialism hindered China's economic development and made it to be remained as an agricultural country. In economic perspective at that time, the two key points of reform and opening policy were a switch from planned economy of centralism to market economy of the decentralization system, and from economic management based on centrally-directed administrative measurements to macro-economic measurements. Moreover, Deng Xiaoping pushed ahead with modernization of agriculture, industry, technology and economy through the reform and opening policy. He also insisted on China's own socialism which brought forth tremendous development such as the 4 modernizations, concentration on construction, entire opening to the world. The outcomes stood out that the gross agricultural output from 1979 to 1984 increased by 14.9%. As a result, the standard of living was elevated with increased farming income. Chinese government allowed autonomy to foreign investors, thus foreign direct investment also constantly increased, contributing to the economic development of China. After 1995, reformation on financial system was accelerated, and a lot of new policies were made, including reinforcement of the central bank, commercialization of state-owned banks, marketization of interest and promotion of stock market and short-term capital market. These policies diversified China's financial system by breaking down a single bank system which

allowed the People's bank of China to monopolize. As for financial and tax system, Deng established national tax system in 1994 and transfer tax system(流通稅制), and he also standardized local financial management. In addition, a number of actions were made to increase the efficiency in foreign trades. Trade management control was transferred and distributed so that local governments can work autonomously, and the open door policy helped achieve economic development with diversification of forms of trading companies, management rights and trading methods. With such efforts, China's GDP growth rate reached up to 9% after the reform and opening policy. At the first reform and opening policy, the people participated voluntarily. After the second reform and opening policy which was lead by the regime of Hu Jintao in 2002, they adopted the market economy actively, and the range of recognizing private economy was widened. China's economy has been growing much bigger since then, and it is now threatening the USA, which has the world's strongest economic power.(S. Cho, 2004)

However, China has some weaknesses as a country with vast territory and 56 ethnic groups. Ethnic minorities are constantly asking for independence, and the considerable gaps among different regions in terms of economy, education, society and politics are causing inequality and threatening the peace. There are various differences between the coastal and the inland regions, the north and the south, the east and the west, because the economic development influences each region at a different rate. These internal conflicts should be solved in order to

achieve continuous economic development.

China's economic development can be expected by looking at the related countries such as Cuba, Korea, Taiwan and Russia. Cuba has the same political system with China, but hasn't yet achieved economic development; Korea and Taiwan are Far East Asian countries like China, and achieved economic development in 1960s to 1970s, earlier than China; Russia and China both have vast land and many ethnic groups, and they both promoted socialism. The development of each country involved adopting and invigorating the market economy.

Cuba showed signs of reformation in around 1993, and it was vitalized after 1994. Cuba's reformation policies after 1994 included market and distribution reformation, financial and price reformation, expansion on foreign investment, establishment of Free Trade Zone and expansion on corporate reformation. The policies brought additional income apart from distribution for the people by allowing the Farmers market, and invigorating distribution. Moreover, Cuba decreased its fiscal deficit for financial stability, established various tax systems to lower money supply, started charging for free services and goods, and promoted financial normalization of the country by realization of prices of goods. In 1995, foreign investors were able to invest in most of economic sectors, and Cuba led active foreign investment by passing a bill allowing property acquisition. Regarding foreign investment law, the country built up Free Trade Zones and industrial complexes so that state enterprises in the zones can adopt the advanced techniques of foreign investment firms. At the same time, national enterprises were

allowed to apply the complete management system belonged to the military authorities, and this stimulated active economic activities with autonomy. Despite such efforts, Cuba is still lagged behind as a developing country due to political corruption and attempt to adopt the failed reformation policies of Russia.(S. Shin, 2008)

Korea and Taiwan, once referred as dragons of east, were newly industrialized countries which made rapid economic development in 1960s to 1970s. They both started developing the economy around the same time, and their domestic situations were very poor. National resources and capital were scarce, and the aftermath of Korean War and conflict in construction process of China were tasks to solve on hands. Therefore, the unemployment rate was very high and industrial development was hardly making the progress. The two countries both chose to achieve economic development through export-oriented industrialization, and got helped by the USA. The difference between the two countries is that Korea insisted on exports for private conglomerates while Taiwan promoted exports for small businesses and state owned enterprises. Since Korea and Taiwan concentrated on economic development strategies, they continued achieving dramatic economic growth.(M. Yang, 2003)

The reform and opening policy of Russia, which was called as Perestroika or Glasnost, adopted the liberal market economy system, abandoning the socialistic political system. Russia's movement toward the market economy included privatization and encouragement of competition, changes in financial and credit policy, changes in pricing

policy and foreign economic policy. Russia gave up on the monopolistic state power for entrepreneurship, and attempted for denationalization through allowing autonomy on the right of lease, private ownership, union ownership and stock ownership for economic development. It also unified currency and maintained the central monetary policy to modify the banking system, controlled inflation by establishing a monitoring organization. Moreover, it promoted financial stability, cut national spending and lowered financial deficit by increasing tax. In terms of pricing policy, Russia adopted the open price system to maintain a balance between demand and supply, avoided tight controls to prevent the acceleration of inflation, and managed with financial monetary policy. In labor market as well, laws that protect the rights of labors were enacted, and this got rid of irrationality in wages and working environment in labor market. For foreign policy, Russia opened its economy and adopted market economy. The development of reformation contributed in national economic development, as Russian currency problems were solved and it raised active international participation. In other word, allowing foreign capital and participating to foreign affairs, the country finally opened its economy. With such development, Russia could gradually overcome the economic crisis in 1990 and has been developing steadily until today.(G. Yavlinski, 1991)

2.2 The structure and characteristics of china's capital market

China's financial system is divided into the primary financial institution and the secondary financial institution under the People's Bank, the central bank of China. The primary financial institution is divided into Chinese central bank, state-owned industrial banks and stock-oriented industrial banks, and other industrial banks including foreign capital banks. The secondary financial institution consists of securities companies, insurance companies and non-bank financial institutions including trust & investment companies, finance companies, leasing companies and credit unions. In the sense that the primary financial institution is in dominant position in financial activities of Chinese economy, the current China's economic system is regarded as the typical bank-bases financial system. The ratio of direct financing amount rose from 9.5% in 2001 to 21.95% in 2007 compared to the increase in bank loan, but the direct financing is still low.

〈table 1〉 The direct financing compared to bank loan

Year	2001	2002	2003	2004	2005	2006	2007
Ratio	9.5%	4.11%	2.97%	4.49%	2.05%	8.38%	21.95%

Reference: KSDA's 「Report of China's capital market」, 2008

Although the stock market started to develop in earnest with opening of the stock exchange in early 1990s, the secondary financial institution is relatively weak that the total asset of securities business

and insurance business is less than 1% of total financial asset. The insurance business, especially, is regarded as vulnerable on account of the fact that its agency's social security system was relatively strong under the planned economy in the past.

〈table 2〉 The weight of financial assets(Unit: 100billion RMB, %)

Section	2004	2005	2006	2007
Total financial assets	3,176	3,758	4,416	5,306
% of banking business assets	99.5%	99.5%	99.4%	99.1%
% of insurance business assets	0.3%	0.4%	0.5%	0.5%
% of securities business assets	0.1%	0.1%	0.1%	0.4%

Reference: China Banking Regulatory Commission 2007 Report

After joining WTO in 2001, China's major financial sectors such as bank, insurance, and securities business developed more than 2 times. Although there weren't many changes in the financial assets, it is evident that the volumes of insurance and securities business have been increased considerably as the total financial scale has grown about 2.5 times. China's financial market is maintaining the division of labor system in principle and by laws. Since 1994, as for a financial market stabilization measure to prevent financial risk and protect consume interest, there was the division of labor system which forbade financial institutions to advance into the different type of business. Therefore, the financial supervisory agency is separated, and each financial market was regulated by the separated agencies. However, as the recent trend is integration of financial markets and foreign financial

institutions are running in a form of mixed business such as a joint-venture business, joint-stock companies and acquisition of equity, Chinese authorities promoted financial mixed business and are conducting most of the promotion now.

2.3 Limitations of China's current capital market¹⁾

- 1) Small capital market, low rate of direct finance, imbalanced stock and bond ratio

In late 2007, China's stock market capitalization was 32.7 RMB, reaching 155% of GDP in 2006, but circulated stocks were only 28.4% of total shareholder's equity.²⁾ On the other hand, the volume of bond market was only 26.7% of stock market, and corporate bond market was not developed much. Bond market is based on short-term loan, but the real corporate bonds such as convertible bonds, separately traded corporate bonds, listed corporate bonds reached only 41%.

- 2) Excessive administrative requirements and complicated approval procedure in issuing shares

In China, the procedures of issuing stocks are much complicated including lots of requirements from administrative agency, as follows:

- International standard stock exchange adopted registration system

1) based on KSDA's 「Report of China's capital market」, 2008

2) Some stocks are not circulated because the shareholders promised not to sell their shares in the market before the initial public offering. But in 2005, reformation of non-circulated stocks were enacted.

while China adopted auditing system.

- Weak functions of brokerage organizations and specialty organizations, inconstant approval standard of bonds, and maintaining the ceiling amount of administrative approval are hindering the development.
- Excessive costs due to lack of flexibility in government bond trade market and instability in yield curve resulted in deficient interest standard in issuing bonds and transaction.
- Separation and independence of registration technology between Shanghai and Shenzhen stock exchange lowers the efficiency of China's whole stock exchange.
- The separation of market into A stock, B stock, H stock lowers the efficiency of capital market, and weak motives in arbitrage transaction due to the division of a bond market into a bond market between banks, bond exchange market and bank windows exchange market causes lack of motive for market participation.

3) Incompleteness in listed companies' internal management and external constraint system

True corporation system is hardly found in China on account of problems caused by interference of insiders such as owner-manager in internal management of listed companies and formalization of general meetings for shareholders, board of directors and auditing committees.

And it is hard to compete in international standard with lack of flexibility in market liquidation system. (Lack of market liquidation system, domination of state owned enterprises, M&A, strong

administrative interference toward company revival) This causes lots of illegal acts during mergers of listed companies.

- 4) Irrationality in structure of investors, decrease in volume of institutional investors

In China, there are excessive private investors, and lack of long-term investors. And the number of products of securities investment funds is limited, and management system of securities investment funds is rather simple. Due to lack of participation from other types of institutional investors toward insurance companies, social insurance funds and corporate pensions, the volume is limited.

Various kinds of supervisory auditing regulations are not unified. The exit route for private equity investment funds is incomplete, because non-public investment funds development is not standardized.

3. China's corporate financial environment

3.1 The development of corporate financial accounting system³⁾

Since 1949 when new China was established, the country achieved dazzling development in politics, economy and also its accounting

3) based on H. Wang's "Comparative studies of accounting system of Korea and China" (2009)

system. China's accounting system after the establishment of new China can be divided into the planned economic system of socialism and market competition accounting system. In order to contemplate China's financial system, we will look at the accounting system before and after of the economic reformation on December, 1978.

1) Before the economic reformation

Before the economic reformation, Chinese politics controlled its economy, so systems related to accounting were strongly influenced by politics. The period is divided into 4 sections: nation's founding (1949~1957), accounting system in Great Leap Forward (1958~1961), economic adjustment period (1961~1965), Great Cultural Revolution period (1966~1976).

① Stage 1: Nation's founding (1949~1957)

On the new China's founding, the state owned corporations adopted economic management system and accounting system of Soviet Russia, but many private enterprises continued to use the old China's capitalist accounting system. On March, 1950, the central government announced 「Decision on unity of national financial management」 and 「Preparation on financial system」, and soon after, it established an office for accounting system to instruct accounting work of the whole country. The office for accounting system later changed into 'the administration for accounting system', and it contribute in preventing waste of asset and distribution through profit, supplies and cash

management. Moreover, the establishment of accounting systems started with enactment of 「Unified accounting system of heavy industry corporations」 on April, 1950. During the first 5 year planning period which started from 1953, the administration continued improving systems related to plan, finance and statistics. On December 1954, the finance ministry officially announced 「The united accounting subject of state-operated industry」 and 「The united financial statement and style of state-operated industry」. On the other hand, with the economic development, the two announcements became inappropriate for the demand on national grand economic construction. Therefore, on November 1955, the finance ministry adjusted the two regulations and republished them as 「The standard account plan for the fundamentals of state-operated industry」 and 「The unified financial statement for the fundamentals of state-operated industry and its instruction」, and they were enacted on January the first, 1965. These regulations adopted Soviet Russia's system intact.

② Stage 2: Accounting system in Great Leap Forward (1958~1961)

After the establishment of new China, the country maintained the accounting system of Soviet Russia for 8 years. In the time of Great Leap Forward, China adopted ledger-less accounting system, and promoted financial management by the public and abridged accounting process. Also, a lot of accounting systems were abolished in the period, so it was unable to use the independent profit system, and couldn't conduct the national comprehensive plan.

③ Stage 3: Economic adjustment period (1961~1965)

Due to the loss caused by policies and actual businesses during Great Leap Forward, China went through the first adjustment in late 1960. On November 1961, a comprehensive accounting system was established, and announced 「Ordinance for accountants」 on January 1963. This ordinance regulated job responsibilities, authorities, occupations, reward and punishment, appointment and dismissal. It contributed in the development of national economy as each part of financial business was reinforced and financial systems were strengthened.

④ Stage 4: Great Cultural Revolution period (1966~1976)

During the Great Cultural Revolution period, ideology and politics were priority over economic management and accounting. No reformation was accomplished and accounting systems were, again, abolished. Gang of Four believed that 「Ordinance for accountants」 is only restraining the accounting staffs, and criticized that it is a rule by interest and the auteur theory.⁴⁾ Therefore considerable amount of accounting were decreased, and the accounting staffs were transferred.

2) After the economic reformation (1977~)

China opened its accounting system and it is related to the

4) The Gang of Four effectively controlled the power organs of the Communist Party of China through the latter stages of the Cultural Revolution, although it remains unclear which major decisions were made through Mao Zedong and carried out by the Gang, and which were the result of the Gang of Four's own planning.

reformation of state-operated enterprises (SOE), Chinese government's main business. The development of China's accounting system was resulted from the reformation of SOE. The development of China's accounting system divided into before and after 1992, because the finance ministry established 「The corporate accounting regulation」in 1992. This is regarded as very important incident as it symbolizes the change from the conventional accounting system from Soviet Russia to the one of the US and UK.

① Stage 1: From the opening to 1992

Before the opening, China's financial system came from Soviet Russia, so it was appropriate for central-controlled planned economic system, and the main functions of accounting is limited to providing the needed information to the central government.

SOE's main objectives were to reach the assigned output given by the government and that it was only used as means of production. There was no chance for the development of corporate accounting for various external people concerned. However after the opening, as China gave up on the planned economic system and adopted market economy, the country attracted capitalist market participators (e.g. investors, corporate managers, financial brokers, information brokers, etc.). In order to satisfy the demands, China attempted to adjust the conventional accounting systems from Soviet Russia and use it, but soon realized that such approach is invalid. Therefore it adopted the accounting systems from the US and UK under the capitalist market

economy.

In fact, China established 「Accounting Regulations for Joint Ventures; ARJV」 in 1985, and this regulation was the first example of using accounting system from the US and UK, although it was obligated only to foreign joint ventures. This financial regulation was established, because there was sudden surge of FDI, and an accounting standard was needed for such foreign enterprises. In 1993, the finance ministry established two accounting regulations, and one of them was 「Regulation on foreign investment」 which was applied not only to foreign joint ventures but also foreign investment firms. Therefore this new regulation substituted ARJV, and the regulations applied to foreign investment companies got closer to the international accounting standard. Another regulation made by the finance ministry in 1992 is 「Rules for Experimental Share holding Corporations; RESC」, and this is applied to all corporations including listed companies.

RESC was aimed for SOEs which transferred into corporations, and it was the first instance that the accounting systems from the US and UK were applied to domestic companies. Before RESC was established, all of SOEs used 「Accounting Regulations for State Industrial Enterprises」. This accounting regulation was established in 1989, but couldn't shed the accounting system of Soviet Russia. The establishment of RESC in 1992 decreased the differences in the accounting regulations applied to foreign investment companies and domestic companies. However the accounting regulations were applied differently to every other type of companies, thus there was no unified

accounting system.

② Stage 2: After 1992 until now

It was after 1988 that the finance ministry started to establish actual accounting standards as such 「The corporate accounting regulations」. What is notable is the fact that it took almost a decade for China to realize that the accounting infrastructure from the US and UK is important for the development of capitalist market. It was early 1990s that Korean stock market was opened to foreigners, but it was actually early 2000s that Korea realized the importance of advanced accounting infrastructure. It is interesting that Korea also took almost a decade to accept the importance. As China's finance ministry begun to establish accounting standards, the first thing it did was to establish corporate accounting standards that are relevant to Korean concept. Established in 1992 and became valid on July the first 1992, the corporate accounting regulations were crucial as they showed that China officially adopted advanced accounting system. The corporate accounting regulations included a lot of international accounting, and were applied all domestic companies. With the establishment of the corporate accounting regulations, an accounting system that transferred SOEs to corporations was introduced, and all companies in China had to follow the standardized accounting systems. However, the purpose of the corporate accounting regulations did not suggest specific accounting treatment measures as they are based on a concept.

Therefore on February 1993, the finance ministry embarked on a 32

year project to establish concrete accounting standards. However companies required an accounting treatment measure while processing the project, so the ministry established and announced 13 accounting regulations for each industry with corporate accounting regulations. The industrial accounting regulations were for transitional purpose, before concrete regulations are established.

On the other hand, a 3-year accounting standard regulation project of the finance ministry included 30 concrete regulations, but it was after 5 years that the regulations were enacted, and the only 16 regulations were officially announced was in 2004. Although China tried accounting reformation, it was facing more difficulties than previously expected due to immature capitalist market. The difficulties can be summarized as below.

First of all, most of China's accounting companies didn't fully understand the corporate accounting regulations, and, in fact, there were many accountants who didn't realize the need for the reformation on accounting systems. In other word, they didn't know how to change the conventional accounting to accept the new accounting standards.

The second difficulty that hindered China's accounting reformation was the different attitudes of capital market participants in adopting accounting systems of international standards. Normally, the group who is most interested in accounting of international standards is the accountants, and the finance ministry that led the reformation showed negative attitude whenever it faced difficulties. Accounting information users such as investors, as well, were not used to the new standards

and didn't know how to comprehend the financial information on new formats. This was caused by lack of advanced investor groups like institutional investors in China's capital market. What is more, a lot of executives were unfamiliar with a company's consignment liability toward external interested parties, and some of the executives actually believed that costs spent on creation of financial information and auditing exceed the efficiency.

The third difficulty was lack of independence and qualification for auditors due to immature accounting industry. China's first accounting firm was established in 1980, and after 1991 when the exam for CPA was introduced, a lot of accounting firms and accountants came forth. However, most of accounting firms were established by government organizations and they were influenced by CICPA(Chinese institute of CPA) which is also influenced by government, so the lack of independence in terms of auditors remained as a problem. Moreover accounting history was rather short, and the quality of accountants was poor due to low quality of education on accounting. With such immaturity in the accounting industry, many people related to accounting including accountants believed that adopting international accounting standards is yet inappropriate.

3.2 The changes in corporate financial accounting system after a complete opening of China's economy

The reasons why China reformed its accounting system in 2000 were

to satisfy the demand for advanced financial information and to establish a new accounting model which is appropriate for socialism market economy and demands for international standardization of accounting standards. People started to require credibility and transparency of listed companies' financial information with the development of stock market. Also it couldn't be the accurate guide as standards for different types of businesses were divided into too many sections. Regarding such situation, the finance ministry announced a corporate accounting system on December 2000, and it was applied to corporations on January 2001.

To begin with, there were 7 problems with the old accounting system. First, the country unified the regulations for a depreciation policy of fixed assets, scrap value and disposal standards, so companies couldn't depreciate fixed assets according to their own states. As a result, the balance of fixed asset was overestimated as the gap between scrap value of fixed assets and actual value increased. Second, the country unified calculation to 0.3-0.5% on the allowance for bad debts, and the already issued allowance could be handled only with the ministry's approval. This brought a problem in cash flow as companies started to leave bad debit untreated which naturally influenced net profit. Third, the profit cognition of state-owned enterprises is very simple, and couldn't satisfy the demand of socialism market economy. For instance, a company recognizes selling to a customer who won't be able to pay for the goods as sales. This increases false income and credit sales, and caused financial difficulty. Fourth, although book value of inventory

turnover is lower than market value, the book value was reflected on the balance sheet as it is. Fifth, the actual investment value was reflected on the balance sheet even though there was no benefit and even caused loss, and corporate asset was poor because the decreases investment value was not subtracted. Sixth, non-assets such as initial expenses and loss on disposal of property were classified as assets. Lastly, financial information were not allowed to share even with the same type of business, and this could'nt satisfy the demand of comparability.

To look at the main parts of new accounting system, first, it tries strict and normative institutionalization. 'Normative institutionalization' is related to regulation-based accounting, not principle-based accounting. Second, it added practical principles that it takes priority of practical economy over formal laws in financial statements of international accounting standard. Principles of "substance over form" promoted accounting treatment that is appropriate for actual economic state when accidental transactions are made. Third, the process of value estimation and treatment for non-currency transaction are unified. Regarding the international accounting standards, the originally paid asset is regarded as the fair value in exchange transactions of assets. Fourth, debit audit was standardized. Fifth, it added 4 reserve funds, and banned appropriating secret reserve funds. Moreover, asset overvaluing asset and income, and undervaluing debt and cost are banned in order to achieve reliability.

The definition of accounting element(asset, liability) in new

accounting system is things that are owned by the company or things that are expected to bring economic benefit. The new definition reinforces the importance of a trait that asset must bring the economic benefit for a company. Liability means conducting present responsibility caused by transactions in the past and losing the economic benefit. In the new definition, the responsibility on redemption of a debt reinforces the outflow of economic benefit. The both definitions of asset and liability include cognitions of elements (asset, liability) of the international accounting standard.

The introduction of the international accounting standard in China brought forth a lot of development, compared to the old accounting system. The new accounting system understands and defines the accounting elements more specifically, promoted reliability on financial information by pushing inventory turnover, fixed asset, intangible asset and other asset to the level of international standard. This can be regarded as accounting history which contributed in adopting the international accounting standard in China with socialism economic system, thus promoting development in accounting system.

4. Conclusion

I've looked over the capital market and accounting system of China. China has very different characteristics in structure of financial

industry when compared to other countries. This shows potentials of China as the blue ocean for investment, and that it also includes risks that are hard to expect. The most distinctive features of China's current capital market are the limited composition and volume of capital market, and that the operation of the market is based on socialist ideology. Chinese government calls its market economic system as a different kind of socialism market economy. In such situation, changes in the entire society is inevitable during the process adopting and establishing new accounting system. The unification of accounting system with world's leading countries means the structure of a company will also be globalized, and there will be a lot of changes in capital market. In terms of population and size of the country, China's future economic scale will become as sizeable as the US. Therefore, the structure of world's economy will also be changed, and Korea, with knowledge and capital concentrated industry and limited territory, will have to take the change as the opportunity and actively lead the new trend. However, we already know very well that there are certain limitations that analyzing the financial market and expecting the economic flow cannot overcome. Therefore, we need preceding understanding toward the entire Chinese society which has boundless potentials, but unfamiliar characteristics to democratic and capitalistic countries.

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<국문요약>

2001년 WTO가입 이후 급격한 변화를 겪고 있는 중국의 경제는 사회주의 시장경제로 대변된다. 이는 자본시장의 작동원리가 시장의 원리가 아닌 사회주의 이념으로 작동된다는 것이다. 따라서 아직도 직접금융보다는 은행 중심의 금융제도를 유지하고 있으며, 주요 금융업종의 분업화로 은행업 이외에 보험업과 증권업의 자산비중은 미약하다. 국가 경제규모에 비해 매우 제한적인 자본시장은 채권시장의 부진, 투자자 구조의 불합리, 상장회사의 내부시스템 불완전 등의 한계점을 지닌다.

경제개혁 이전의 중국의 회계제도는 정치의 영향을 강하게 받아왔으나, 1992년 재정부가 기업회계준칙을 제정하면서 구 소련의 회계제도에서 벗어나 영미식 회계제도를 받아들이는 전환점이 되었다. 그러나 회계산업의 미성숙과 감사인의 자질 미달, 자본시장

참여자들의 이해관계 다양성 등의 이유로 발전이 지연되어 왔다. 최근 중국도 국제회계 기준에 맞춘 회계기준을 적용하면서 새로운 변혁기를 거치고 있으며 세계 경제 흐름을 주도하는 국가들과의 회계 제도 통일성을 이룬다는 것은 피할 수 없는 방향이다.

향후 무한가능성이 잠재되어 있지만 민주주의, 자본주의 국가에게는 이질적이고 생소한 특수성을 가진 중국시장의 개척의 선두가 되려면 중국사회 전반에 대한 이해가 반드시 선행되어야 할 것이다.

주제어 : 중국 자본시장, 중국의 기업재무환경, 중국회계제도

원고접수일	심사일정	1차수정	게재확정	출간
2010.6.30	2010.7.30	2010.8.6	2010.8.10	2010.8.31