

**FORMATION OF A NEW LOCAL GOVERNMENT ACCOUNTING IN JAPAN**

**KENJI SHIBA**  
**Kansai University, Japan**

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## FORMATION OF A NEW LOCAL GOVERNMENT ACCOUNTING IN JAPAN

### Abstract

A new uniform local government accounting is going to be born soon in Japan. All local governments have been required to introduce a new uniform accounting system by the end of March 2018. This new movement of accounting reforms in local governments has started in 2006 under the direction of the central government. At that time, Ministry of Internal Affairs and Communications (MIC) has presented two sets of Accounting Models: one based on the Standard Model, and the other, a Revised MIC Model. MIC recommended these models for setting local government accounting systems. However, “unique models” were also permitted. Therefore, we Japanese have different types of local government accounting. Among these models, the Tokyo government accounting model is viewed as the most advanced system. Afterwards, from 2014 MIC moved to setting a unified new local government accounting, publishing in the next year a guideline. Now, all local governments try to present financial statements based on MIC guidelines. In the short history of Japanese local government accounting, we focused on the Liabilities of the Government at the beginning of the age of Accounting Reforms. But now, people focus on the public Assets. We will try to explain briefly the history of the Japanese Local Government Reforms.