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## PROBLEMATIC ASPECTS OF ACCOUNTING AND TAXATION OF SETTLEMENTS WITH SUPPLIERS AND CONTRACTORS

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**Abstract.** *A critical review of the literature and the regulatory framework on approaches to determining the economic essence of obligations in general and accounts payable in particular is carried out. The problematic aspects of accounting and taxation of settlements with suppliers and contractors are highlighted and proposals for their improvement are presented.*

**Keywords:** *calculations, liabilities, debt, accounts payable, terms of repayment of accounts payable, limitation periods.*

In an unstable market economy, the risk of non-payment or late payment of bills increases, which leads to the emergence of accounts payable. The dynamics of changes in accounts payable, its composition, structure, as well as the intensity of increase or decrease significantly affect the turnover of capital invested in current assets, and, consequently, the financial condition of the enterprise. A significant excess of receivables over accounts payable can lead to so-called technical bankruptcy.

The terms "settlements" and "arrears" are related to the notion of "liabilities": settlements arise on liabilities or liabilities arise from settlements, arrears are liabilities or vice versa.

Liabilities are the consequences (results) of financial and economic activities that arise due to the fact that the incurrance of costs and their payment do not coincide in time. In essence, settlements with suppliers and contractors are current liabilities of the enterprise that arise during settlements as a result of the supply of products or services under purchase and sale agreements. Accounts payable in enterprises most often arise due to non-fulfillment of obligations by enterprises. The presence of overdue accounts payable can lead to a deterioration of the company's image.

A review of the literature on the essence of the concepts of "accounts payable" and "liabilities" revealed a lack of

unity among scholars in their understanding. With this in mind, the definitions of the studied categories have been improved in this study.

In the practice of enterprises, the most common feature of the classification of its debt is the term of its repayment, which is important for its management. It is proposed that the working Chart of Accounts of enterprises provide for the

use of appropriate sub-accounts, taking into account the maturities of accounts payable to domestic and foreign suppliers and contractors.

For the purposes of controlling the status of settlements with suppliers and contractors, it is proposed to use a special analytical statement, which takes into account the grouping of accounts payable by maturity.

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