
Fundamentals of Improving Accounting in Uzbekistan on the Basis of International Financial Reporting Standards

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Annotation: In this article, the organization and improvement of accounting in the Republic on the basis of International Financial Reporting Standards (IFRS). The urgency of the transition to IFRS and the problems and solutions are reflected.

Key Words: Accounting. International Financial Reporting Standards, National Accounting Standards, Financial Reporting. reforming accounting.

Such an opportunity can only be achieved through the recognition of International Financial Reporting Standards (IFRSs) and the preparation of reports in accordance with them. The new version of the Law on Accounting also recognizes that accounting entities may apply IFRSs in the prescribed manner. The need to apply IFRS is determined by the following factors:

- Investors and shareholders in different countries will be able to better analyze the financial statements of potential companies based on the same principles, ie comparability; - It is more appropriate for different stock exchanges in different countries to prepare a single financial statement for each of them, rather than a financial statement based on the standards of that country. As a result, reporting costs are reduced and capital mobilization opportunities are expanded.
- International financial reporting refers to financial statements prepared in accordance with IFRS or GAAP standards in the United States. These two types of standards regulate the preparation and submission of financial statements for all stock exchanges around the world and are recognized by these exchanges. IFRS-based financial statements improve the investment climate. It allows large companies to invest in the country. IFRSs are developed by the International Accounting Standards Committee.

The International Accounting Standards Committee (IASC) is a non-governmental international accounting organization comprising members from all over the world in the field of accounting, whose main purpose is to develop, adopt and continuously improve International Accounting Standards for the preparation of financial statements. . IASC is headquartered in London. The Council of this international organization is composed of highly reputable and qualified professionals who have held senior positions in global organizations and companies, world banks. In 1975, the Committee published the first international accounting standard, Disclosure of Accounting Policies.

Currently, the course "International Financial Reporting Standards" is being studied as a separate subject in higher education institutions. In our opinion, this course should be

considered as a section that studies a certain part of the subject of “Financial Accounting and Reporting”. It is well known that financial accounting and reporting is described as a system based on financial reporting standards. International Financial Reporting Standards form the regulatory framework for financial accounting and reporting. International Financial Reporting Standards are the subject of the course "Financial

Accounting and Reporting" and are the objects that serve as a basis for the development of international standards. These items include cash, estimated liabilities, contingent liabilities, contingent assets, exchange rate fluctuations, reserves, construction contracts, property, plant and equipment, impairment of assets, intangible assets, segments, government subsidies and government assistance, receipts, borrowing costs, income tax, financial instruments, related parties, mergers, accounting policies and errors in it, interim financial reporting, financial reporting consolidation, financial reporting in the context of inflation, and other items.

One of the important objects of study of international financial reporting standards is the issues of financial reporting, accounting policy, conceptual framework. These include cash flow statements, interim financial statements, consolidated financial statements, financial statements in the context of hyperinflation, financial statements in the event of mergers and acquisitions, segment financial statements, and theoretical and methodological issues of financial reporting in joint ventures. Each of these is an object of study in separate international standards.

International Financial Reporting Standards (IFRS) No. 1 introduces the concept of “public financial reporting” in the section “Presentation of financial statements”, which defines: will not be able to require the submission of reports that fully meet their needs. ”

Such financial statements are prepared and submitted at least once a year and are intended to meet the general information needs of a wide range of users. Many users view financial reporting as the primary source of financial information. Therefore, financial statements must be prepared and submitted taking into account their needs. This document explains the purpose of public financial reporting as follows: “Financial reporting is the presentation of the financial position and financial performance of an entity in a structured manner. The purpose of public financial reporting is to provide information about an entity's financial position, operations, financial results and cash flows that will be useful to a wide range of information users in making economic decisions. The financial report also shows the results of the management of the resources entrusted to the management of the organization. To achieve this, the financial statements provide information about the following indicators of the organization: a) assets; b) liabilities; c) private capital; d) includes income and expenses, profits and losses; e) other changes in private capital; f) cash flow.

The conceptual framework for the preparation and presentation of financial statements includes potential investors, creditors, suppliers, buyers, employees and government agencies, ministries, organizations, the public and other users. IFRS 1 “Submission of Financial Statements” contains the details of the financial statements. The financial statements must include: a) the name of the reporting entity or any method of designation; b) whether the financial statements relate to an individual entity or a group of entities; (c) the end date of the reporting period or the period covered by the financial statements or in the notes; d) the currency presented in the report as defined in IFRS 21; e) currency rounding. Financial reporting must be submitted at least once a year. If the reporting date of the reporting entity changes and the annual financial statements are submitted for a period of more than one year or less, the entity is required to disclose: a) the reasons for using the increased or shortened period; b) the fact that the amounts to be compared in the profit and loss statements, changes in private equity, cash flows and the relevant notes are incompletely

comparable.

Today, the only way to bring financial accounting and reporting in Uzbekistan to the level of world standards is to study international financial reporting standards and best international practices, world literature and documents in the field and introduce them taking into account the specifics of our economy. This path is the most relevant and very important one. There can be no other way. We must not deviate from this path. In order to accelerate this process, the President of the Republic of Uzbekistan on February 24, 2020 PQ-4611 "On additional measures for the transition to International Financial Reporting Standards" was adopted. In order to ensure the implementation of the decision, to improve the quality of information reflected in the financial statements, to adjust its content to the interests of information users, to use the most advanced methods and techniques of information processing and transmission, to introduce international instruments and standards and improved standard financial reporting formats. are issues on the agenda. We believe that the following measures should be taken to ensure the implementation of the tasks set by the Presidential Decree:

Membership in the IFRS Council of Professional Organizations in Accounting and Auditing in Uzbekistan and the International Federation of Accountants, payment of membership fees, cooperation at the state level, networking of delegations, transition to IFRS in Uzbekistan should be recognized by international organizations; Official translation of IFRSs and interpretations of standards into Uzbek, achieving official recognition of the Uzbek versions of IFRSs by the IFRS Council; to create a set of Uzbek terms that meet the requirements of IFRSs in accounting, financial reporting and auditing, and for this it is necessary to adopt international terms, translate them into Uzbek or adopt the same accepted terms in other languages without changes. Without this, it will not be possible to professionally translate IFRS into Uzbek. To this end, we consider it appropriate to establish a Council of professional accountants and auditors under the competent authorities; We need to ensure that joint-stock companies, limited liability companies and other enterprises in our country voluntarily switch to financial reporting on the basis of IFRS on their own initiative.

Businesses and organizations should benefit from the transition to IFRS and feel its benefits. Ensuring the financial stability of enterprises by achieving investment attractiveness through IFRSs should be considered as a task of strategic importance; It is necessary to revise the National Accounting Standards (NAS) of Uzbekistan, which fully meet the requirements of IFRS. Differences between IFRSs and IFRSs need to be bridged. You need to coordinate as much as possible. Standards that exist in IFRSs but are not included in IFRSs should also be developed. The development of interpretations of the standards should be facilitated. Other by-laws on accounting, including the Statutes and Regulations, should be standardized. A system of national accounting standards should be formed in Uzbekistan. The study of issues related to the transfer of accounting facilities to international standards can not be solved in a single article. A series of studies should be conducted on assets, liabilities, income and expenses that are the object of accounting.

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