



THE IMPORTANCE AND NECESSITY OF TRANSITION TO SPECIALISTS IN ORDER TO FURTHER IMPROVE THE ACCOUNTING SYSTEM IN UZBEKISTAN

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Abstract. In the article, the author considered the importance of preparing and presenting financial reporting information, which is considered an important factor in conducting business and further expanding cooperation with foreign countries and investors. The work carried out in the field of accounting and auditing in our republic has been highlighted recently, including the importance, necessity and procedure of transition of economic entities to financial reporting standards.

Key words. Accounting account, audit, financial reporting, standard reporting, accounting account, tax account, financial information, clean account.

Introduction. Currently, financial statements prepared for shareholders and other users use accounting principles and rules that vary from country to country, and in some cases, are used only in one country. Thus, comparability of financial statements may be lacking. The disadvantage of this situation is that investment analysts and other users who use financial statements have to incur additional costs in the process of analyzing the statements due to their preparation according to different standards. They may also encounter confusion in interpreting the statements. In connection with this process, effective competition in the world capital market deteriorates, and companies have to bear high costs of maintaining capital.

The preparation and presentation of complete, transparent, and understandable financial reporting information, which is an important factor in conducting business, further expanding cooperation with foreign countries and investors, is one of the main tasks of the current situation. In order to implement this task, special attention is paid to the field of accounting and auditing in our Republic, and a number of positive works have been carried out in this direction in recent years.

The Resolution of the President of the Republic of Uzbekistan “On additional measures for the transition to international financial reporting standards” No. PP-4611 dated February 24, 2020 opened a new page in accounting policy in our country. In accordance with the Resolution, from January 1, 2021, the following entities will organize accounting based on IFRS:

- joint-stock companies
- commercial banks



- insurance organizations

- legal entities included in the category of large taxpayers [1].

At the same time, the transition to international standards during this time concerns not only individual companies conducting business, but also the entire internal accounting system. Because the harmonization of systems was carried out by introducing new accounting regulations and changing existing ones, which ultimately allowed many Uzbek enterprises and companies to fully apply a number of IFRS rules in their internal accounting systems without significant disruptions.

- Accounting standards are a vital document that has emerged in the course of the development of accounting. The need to develop and adhere to accounting standards arises from the following factors:

- In a market economy, the number of users of financial information is increasing sharply. Each of them has different requirements for the composition, quantity and quality of the financial information provided. The generalization of the interests of all information users and the achievement of a uniform reporting format for all of them is possible as a result of general adherence to accounting standards.

- External and internal information users familiarize themselves with the financial statements of several companies of interest to them in order to make informed decisions about the financial and economic activities of their companies or the effective use of funds. The fact that companies with different forms of ownership and engaged in various activities achieve comparability of financial statements is also a result of general compliance with accounting standards.

- Financial accounting standards create opportunities for the regulation, management and implementation of a single accounting policy on a national scale. Standards are the result of achieving the implementation of conceptual accounting rules in practice.

Methodology. The deepening of international relations, the emergence of multinational corporations and enterprises with foreign investment make it necessary to generalize international accounting rules. The generalization of generally accepted accounting rules in the international sphere is recognized by the world community through the development of international accounting standards. To accounting in international accounting

standards are divided into three categories:

- International Accounting Standards (IAS or IAS);
- International Financial Reporting Standards (IFRS or IFRS);
- National Accounting Standards (NAS or NAS).

Ensuring the reliability of reporting can be achieved in accordance with a number of principles:

- Transparency;
- Consistency;
- Reliability;
- Comparability [2].

As is known, the lack of mutual recognition of the goals of the state and owners of financial information is a common situation in all countries of the world. As a result, accounting is carried out on the basis of two different rules: one is tax accounting, the other is financial. According to international financial reporting standards, the difference between net profit



calculated for income tax purposes and business profit calculated for financial information must be presented and explained to users, and all significant risks of possible additional taxes and penalties must be reflected in the report.

Result. In Uzbek accounting, special attention is paid to the interpretation and reflection of the facts of economic life in strict accordance with the requirements of the developed regulatory and legal framework aimed at tax and civil legislation. However, this approach is fundamentally different from the principles of interpreting accounting in the system of international financial reporting standards. The economic meaning introduced by the legislator when determining the same indicators may differ between countries. However, in the system of international financial reporting standards, these differences are eliminated by regulating single, generally accepted definitions for the reports of all countries using this account, thereby ensuring the consistency and transparency of reporting data. The information provided in accordance with the requirements of international financial reporting standards reflects the fair value of the objects being accounted for. The most problematic issue for representatives of local accounting is the reflection of assets and liabilities in a fair valuation, since this practice is new for the local accounting system [2].

Due to the inefficient use of a large amount of state property in Uzbekistan, increased competition, as well as the transition to a market economy, and other reasons, large-scale privatization began in 2021. The biggest obstacle to the privatization process, or rather, one of the reasons slowing down the process, is that the accounting records of these organizations are not prepared on the basis of International Financial Reporting Standards. Reporting standards contain rules on the criteria for recognizing, evaluating, classifying, and presenting information on financial data. The full texts of the standards and their official interpretations are published on the website of the International Financial Reporting Standards Board, headquartered in London. This site contains translations of the standards in almost all languages of the world.

International financial reporting standards are regularly supplemented with new requirements, so timely monitoring of all decisions and their timely application in accounting activities will lead to positive results. To perform these tasks, experienced specialists are certainly needed, because in business activities, in addition to regularly studying the requirements of decisions, it is necessary to work in compliance with the laws in force in Uzbekistan. The prepared financial statements and the accounting process must meet all requirements.

Discussion. The application of Financial Reporting Standards in Uzbekistan is very important for managers who want to provide foreign business owners with accurate financial results. Financial reporting prepared in accordance with these standards confirms the reliability of the company and its transparent activities in strict compliance with all legal requirements.

Today, the preparation of financial statements in accordance with international financial reporting standards is of great importance for enterprises entering international markets, as well as attracting potential investors, and is becoming a vital necessity. Currently, the adoption of international financial reporting standards and the submission of reports in accordance with them create a single environment for the exchange of financial information in the global market. This process, in turn, serves to increase information transparency, accountability and economic efficiency. Also, the application of international financial reporting standards leads to improved market liquidity, the development of capital markets, an expansion of the volume



of trading in securities markets, the entry of foreign investments into the national market, and improved investor protection. To achieve these results, it is necessary to take measures to effectively implement international financial reporting standards in the national market. Studying the experience of European countries in implementing these standards and fairly assessing the problems and prospects in this process is a great opportunity for enterprises in Uzbekistan to transition to accounting and financial reporting based on international standards. The above-mentioned Resolution of the President of the Republic of Uzbekistan "On Additional Measures for the Transition to International Financial Reporting Standards" dated February 24, 2020 PP-4611 marked the beginning of a new stage of reforms in the field of accounting and the introduction of international financial reporting standards in Uzbekistan. International standards allow for an objective and realistic reflection of business, management and performance in officially published reports, as well as a clear understanding of the continuity of business, important trends in development and progress. This creates the basis for increasing the volume of attracted foreign investments, strengthening international relations, forming a group of potential buyers, and generally increasing influence in the international arena.

To ensure the implementation of the tasks set by the Presidential Decree, it is necessary to carry out a number of works, including popularizing successful world experiences in training specialists in this field for the qualitative application of international financial reporting standards, including expanding cooperation with non-governmental educational organizations (International Association of Certified Chartered Accountants - ACCA) and others for retraining and advanced training in the field of accounting and auditing. In order to accelerate the transition to international financial reporting standards, it is necessary to ensure the participation of accountants who have a document confirming the successful completion of the subject "Financial Reporting under International Financial Reporting Standards" or one of the following certificates: "Certified International Professional Accountant (CIPA)", "Certified Chartered Accountant (ACCA)", "Certified Public Accountant (CPA)" and "Diploma in International Financial Reporting (DipIFR)" in the implementation of each financial transaction in our country [3].

In order to ensure the implementation of the resolution, it is necessary to improve the quality of information reflected in financial statements by aligning its structure and content with the interests of information users, using the most advanced methods and techniques in processing and transmitting information, and introducing improved model financial reporting formats that fully comply with international instruments and standards and IFRS requirements.

At the same time, enterprises and organizations themselves should benefit from the transition to IFRS and feel its advantages. In Uzbekistan, ensuring the financial stability of enterprises by achieving investment attractiveness of the transition to IFRS should be considered as a task of strategic importance.

Conclusion. Economists working in the field of accounting have recommended developing standards that are present in IFRS but are not part of the IAS in order to further improve the accounting system. It is necessary to develop interpretations of the standards. Proposals have been made to convert other statutory regulatory legal acts on accounting, including Regulations and Rules, into standards [4].



In conclusion, it can be said that every year many Uzbek enterprises have a need to prepare and present their financial statements based on International Financial Reporting Standards (IFRS). On its basis, appropriate economic decisions can be made. Regardless of the need to prepare reports in accordance with IFRS, enterprise management must choose the most appropriate method for solving this problem.

List of used literature:

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