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SPECIFIC ASPECTS OF THE RECOGNITION OF LIABILITIES

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ABSTRACT	KEYWORDS
This article dedicates to research the recognition and valuation of liabilities including the recognition, valuation and reflection of assessed liabilities in accounting and conclusions are formulated based on the results of the study.	Liabilities, long-term and current liabilities, explicit liabilities, indefinite liabilities, estimated liabilities, conditional liabilities.

Introduction

It is important to form accurate and reliable information about liabilities in any business entity, to form complete information about liabilities and contingent liabilities assessed in the assessment of the financial situation. Therefore, recognizing, evaluating, accounting, reflecting in financial statements and clarifying information about estimated liabilities and contingent liabilities in Uzbekistan is one of the urgent issues of today.

The Law "On Accounting" of the Republic of Uzbekistan (Law, 2016) states that economic transactions related to obligations and their movement are the object of accounting. At the same time, contingent assets and liabilities must be reflected in accordance with accounting standards. In particular, part 3 of standard No. 21 defines the accounts intended for summarizing information about the obligations of a business entity to legal entities and individuals, and methodological instructions for accounting for obligations using them are given. Also, the procedure for reflecting obligations in the passive part of the accounting balance, which is a form of financial reporting, is established (Rules, 2022). It can be seen that in our national accounting and reporting system, the procedure for separately accounting and reflecting the estimated liabilities and contingent liabilities in the financial report is not indicated.

If we look at the international standards of financial reporting, the accounting of estimated liabilities and contingent liabilities and their reflection in financial statements is regulated by the international accounting standard (IAS, 37) entitled "Estimated liabilities, contingent liabilities and contingent assets" No. 37. It states that the objective of this International Standard is to ensure that appropriate recognition criteria and valuation bases are applied to measured liabilities, contingent liabilities and contingent assets, and that sufficient disclosure is provided in the notes to enable users to understand their nature, timing and value. However, in practice, as a result of the incorrect interpretation of the rules set forth in IAS No. 37 in calculating, accounting, reflecting in the financial statement and explaining the information in the comments to the liabilities and contingent liabilities assessed by some business entities, the users of the information are not provided with enough information to understand their nature, time and value. not provided. This has a negative impact on making rational management decisions regarding their accounting and financial reporting.

Literature Review

Of course, several studies have been conducted on the recognition, measurement, accounting and financial reporting of liabilities. In particular, economists Needles B., Anderson H. and Caldwell D., dividing liabilities into long-term and current liabilities, classify current liabilities as follows:

1. Net identified liabilities: accounts payable, notes payable, interest payable, supplies, payroll, sales tax payable, current portion of long-term payables.
2. Estimated liabilities: Product Warranty Liabilities.
3. Contingent liabilities: litigation, discount on a note receivable, income tax payments due under certain conditions (Needles, Anderson and Caldwell, 2022).

This classification of current liabilities by these authors is correct if we proceed from their content. However, these three categories do not reveal the full composition of obligations.

Discussion and Analysis

Although liabilities generally appear on the balance sheet as sources of assets, each has a different economic meaning, components, and other fundamental distinguishing characteristics.

Currently, considerable attention is paid to the estimated liabilities as a liability with an uncertain performance period or an uncertain value. The issue of estimated liabilities and their composition remains controversial in the majority of research papers. Estimated liabilities are liabilities that are recognized as liabilities (believed to be reliably measurable) because there is an existing liability and it is probable that an outflow of resources embodying economic value will be required to settle the liability.

As it has been emphasized by S.N. Tashnazarov, R. Hermanson includes only liabilities related to product guarantees in the estimated liabilities (Tashnazarov, 2016), while B. Needles also includes liabilities for income tax, property tax and annual leave in this group.

In his research article, D.V. Lugovskoy distinguishes the types of liabilities that form the accounting data (Lugovskoy, 2014), including:

– *estimated legal liabilities*, i.e. future probable liabilities, which are related to specific events, liabilities with a clear deadline or duration and having legal force. For example, payments that are paid when an employee is dismissed due to the fault of the employer;

– *estimated conclusive (final) - legal liabilities*, i.e. liabilities arising from the nature of regularity. An example of this is the warranty liability to the consumer;

– *estimated conclusive liabilities*, first of all, liabilities related to the specific characteristics of the company's activities, rather than the applicable statutory acts and business contracts. The author proposes to group them and classify them according to their specific characteristics so that the analytical calculation of liabilities can be carried out more accurately. We share the opinion of D.V. Lugovskoy, and we believe that the data on liability accounting should be classified according to the following areas in order to make it more clear and understandable for the users:

- liabilities in the field of production;
- liabilities in the field of service;

- liabilities in the field of work performance;
- liabilities of the financial system;
- liabilities of the insurance sector;
- liabilities arising in rental (leasing) relations;
- liabilities related to trade operations.

It should be noted that liabilities related to the specific characteristics of the company occur because of economic operations in each field of activity. Although they are essentially the same, they require a different accounting approach. More stable economic indicators can be achieved through the correct formulation of analytical accounting data for each type of liability.

As a continuation of this opinion, A. Tuychiev cites the following classification of obligations according to international standards: creditor debts related to the main activity; accrued deductions; loans and debts received; estimated liabilities (reserves); contingent liabilities (Tuychiev, 2011).

According to A. Tuychiev, the inclusion of creditor debts related to the main activity in the structure of liabilities, which is said to be in accordance with international standards, is controversial in our opinion. Because this author did not take into account obligations not related to the main activity in the list of obligations. This raises the question of whether payables that are not related to the main activity are not considered liabilities. Therefore, it would be appropriate if the author expresses his opinion on this issue.

Noting that the approaches to the classification, recognition and evaluation of liabilities in the scientific and educational works of the above economists are of both theoretical and practical importance, we would like to touch on the issues of recognition and evaluation of liabilities and contingent liabilities assessed according to the international standards of financial reporting below.

Liabilities assessed in accordance with IAS No. 37 should be recognized in the following cases:
- when the organization has legal or constructive responsibility as a result of previous events;
- when there is a possibility of requiring the outflow of resources embodying economic value in order to fulfill the responsibility;
- when the liability value can be reliably estimated (IAS, 37).

Therefore, when recognizing an estimated obligation, the existence of its liability is first assessed. After that, it is studied that there is also the possibility of the outflow of resources that embody the economic name in order to extinguish the liability. In this case, if there is no possibility of existing responsibility, if there is little possibility of outflow of resources embodying economic value, it is not recognized as an estimated obligation, but it is explained as a contingent obligation. It is necessary to determine an estimate of the liability that is sufficiently reliable to be used in recognizing liabilities that meet the above two criteria. If it is not possible to determine the accounting value of the liability, such liability should be disclosed in the financial statement as a contingent liability.

It should be noted that it is important to study whether the value of the liability can be reliably estimated, which is the third condition in the verification of compliance with the recognition criteria for estimated liabilities. For this reason, business entities are responsible for the results of economic transactions with a high probability of outflow of resources for their implementation, the experience of performing similar obligations, as well as the conclusions of independent experts, where necessary, the accounting estimates are determined based on their professional approach (judgment). In this case, the business entity can use different methods depending on the situation in order to reliably estimate the amount that should be recognized as an estimated liability. Of course, the business entity provides documentary evidence confirming the validity of such assessment.

Conclusions and Suggestions

The following conclusions were formed as a result of research on the recognition and assessment of obligations in accordance with national and international standards:

Based on studies, the recognition of obligations should be verified by sequentially fulfilling the conditions of the existence of responsibility, the possibility of the outflow of economically useful resources, and the ability to reliably estimate the value of the responsibility.

In any case, the recognition of obligations as estimated obligation or contingent obligation, the condition of existence of liability must be fulfilled.

Even when the condition for recognition of contingent liabilities is met, they should be disclosed in the appendices of the financial statements.

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