



ISSUES OF PRACTICAL APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS IN THE REPUBLIC OF UZBEKISTAN

Alimov Alisher Ulashevich
Graduate Student of Termez State University

A B S T R A C T	KEY WORDS
The article is devoted to the need of international financial reporting standards of enterprises in Uzbekistan, it describes the specific features of the national economy, the reform of national accounting, the increasing role of the Republic of Uzbekistan in the world economic integration.	International financial reporting standards; economic integration; economic strategy; investment attractiveness; national financial reporting standards.

Introduction

The integration of our country's economy with the world economy is being observed. We develop our economy stably by producing competitive products and exporting products to foreign countries. For this purpose, on June 2, 2023, the decision of the President of the Republic of Uzbekistan No. PQ-181 "On additional measures to accelerate the process of becoming a member of the World Trade Organization of the Republic of Uzbekistan" was adopted. Also On February 24, 2020, the President of the Republic of Uzbekistan signed the decision No. PQ-4611 "On additional measures for the transition to international standards of financial reporting".

In order to achieve economic and financial stability in our republic, the production of high-value and import-substitute goods by enterprises, as well as the increase of exportable goods, is closely related to the organization of effective management of economic entities. Because every economic entity, while making a profit, certainly seeks to expand its activities and get more profit, which will directly lead to the growth of the country's economy and reduce the need for imported products, as well as to foreign countries. It also creates an opportunity to export. By accelerating the transition to the International Financial Reporting Standards (IFRS), the opportunities to provide foreign investors with the necessary information environment and access to international financial markets will be expanded.

IFRS is a universal accounting language that reduces the differences between different national accounting systems by harmonizing regulations, standards and the procedure for compiling and presenting reports, as well as building a tax base taking into account all the information disclosed in it. In addition, IFRS is an ideal instrument of market relations that ensures the investment attractiveness of any organization.

IFRS serve as an important tool for developing cooperation between countries, including economic relations, and improving the investment environment in countries. That is why the number of countries that recognize international standards is increasing day by day. Companies entering international markets must provide their foreign partners with reliable and open information about the company's activities. In particular, it makes it necessary to organize accounting on the basis of international standards of financial reporting using international experience. It was this problem that determined the relevance of the topic of the dissertation research.

The issues of adapting national legislation and law enforcement practices to the rules, norms and agreements of the World Trade Organization are also specified in the priority areas defined in the "Uzbekistan - 2030" strategy. One of the objectives of the strategy is strengthening the export potential of the national economy and sharply increasing the share of products with high added value in its structure is considered as one of the important tasks:

- To double the export volume to 45 billion dollars, increase the number of exporting enterprises from 6,500 to 15,000;
- To increase the volume of finished and semi-finished products in export by 3.3 times, expand the export of finished and technological products to European countries within the framework of GSP+ and other systems;
- To increase the number of enterprises with international standards by 10 times and increase their number to 5 thousand;
- Organization of special economic zones with 50 prestigious brands of the world;
- Based on the idea of "New Uzbekistan - the country of competitive products", full support is provided to exporters who bring national brands to foreign markets.

All of the above is largely dependent on the transition to international standards of financial reporting in national enterprises and the application of profit tax in accordance with international standards. It is based on the international norms, criteria and standards used by the leading international rating companies today, and is based on the introduction of a modern system of evaluation and analysis, which allows to objectively assess the progress of the financial condition of enterprises to the level of higher evaluation indicators accepted throughout the world.

Currently, the Republic of Uzbekistan is carrying out intensive work on the gradual transition of enterprises to international financial reporting standards. New accounting provisions are being developed and previously approved ones are being clarified, and they are being put into practice; the quality of adopted standards, as well as their use in the form of tools for managing organizations, interacting with external partners and obtaining loans plays an important role.

Also, a new contract was signed with the IFRS Fund in order to develop a National Financial Reporting Standards (NFRS) harmonized with international standards by summarizing the 24 current national accounting standards. As a result, the Asian Development Bank (ADB) supported the Ministry of Finance of Uzbekistan within the framework of the small and medium business development program, which is being implemented in order to increase the ability of Uzbekistan's small and medium business entities to prepare financial reports on the basis of IFRS.

National financial reporting standards (NFRS) project developed by the Ministry of Finance on the basis of IFRS for Small and Medium-sized Enterprises (SME)s based on the contract with the IFRS Fund.

However, the main difficulty today is the formation of a mechanism for quality control of reporting and its audit, the construction of a system for training and advanced training of IFRS specialists, and the improvement of economic education in terms of focusing on in-depth study of international standards.

As for the IFRS methodology, in this case the most difficult area is the application of various types of accounting valuation of assets and liabilities, calculating the amounts of impairment and present value. This point is very important in accounting. Discounting is an essential tool for providing a reliable representation of a company's financial position, and is considered one of the most difficult technical issues an accountant faces when preparing financial statements under IFRS.

Based on the above, it should be noted that the transition to international standards in the Republic of Uzbekistan contains important economic and political significance. Since, the preparation of reporting in accordance with IFRS opens up the opportunity for Uzbek organizations to join international capital markets, and reporting indicators constructed in accordance with IFRS make the reporting understandable and reliable for foreign investors. This reinforces the conviction of Western investors that investments in organizations that keep records and prepare reports in accordance with international standards reflecting the real financial position of the organizations.

References

1. Lambert R., Leuz, Chr., Verrecchia, R.E. [2007]. Accounting Information, Disclosure, and the Cost of Capital. *Journal of Accounting Research* 45: (issue 2)
2. Dan Dhaliwal, Wen He, Yan Li, Raynolde Pereira. Accounting Standards Harmonization and Financial Integration. *Contemporary Accounting Research*. First Published: 28 March 2019.
3. Rizaev N. Kadirov S. Adjusting national accounting standards in compliance with international standards in Uzbekistan (as exemplified by intangible assets). *PEDAGOGICAL SCIENCES AND TEACHING METHODS. VOLUME 2, ISSUE 19 JANUARY 2023*. Collection of Scientific Works. Berlin 11 January 2023 Interonconf.com.
4. Jumaev Nadir Hosiyatovich, Rizaev Nurbek Kadirovich, & Isaev Fakhridin Ikromovich. (2023). ORGANIZATION OF TURKIC STATES: INTEROPERATION AND ACCOUNTING SYSTEM. *British Journal of Global Ecology and Sustainable Development*, 13, 116–129. Retrieved from <https://journalzone.org/index.php/bjgesd/article/view/245>.