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INTERNATIONAL FINANCIAL ACCOUNTING STANDARDS IN UZBEKISTAN

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ABSTRACT

The organization of financial accounting and reporting through the principles of IFRS, which is not carried out within the framework of special government programs, is not supported by the state, will not allow to solve the main tasks of the transition in the coming years.

KEYWORDS: *According To The Resolution.IFRS. Digitization Of The Economy.Acquiring And Mastering.New Uzbekistan.Our Main Goal Is To Please The People.*

INTRODUCTION

In today's global economy, our country pursues global accounting policies and adopts standards. Because the accounting policy and transparency are clear to any user of information and allow a potential investor to make qualified financial decisions.

Resolution of the President of the Republic of Uzbekistan "On additional measures for the transition to international financial reporting standards" PQ-4611 dated February 24, 2020 oopened a new page in the accounting policy in our country. (1)

According to the resolution, from January 1, 2021, accounting will be conducted on the basis of IFRS:

- joint stock companies
- commercial banks
- insurance organizations
- legal entities included in the category of large taxpayers.

In particular, this decision is another step for our Republic, which has a new look at the world, to abandon the closed economy as much as possible and create an open, transparent and new economy.

In our opinion, the need to conduct financial reporting in accordance with international standards is based on:

First, the countries of the world should be able to formulate on the basis of national requirements for financial accounting and reporting, not to fail to provide an opportunity to determine, compare and contrast the financial condition of the object of study;

Second, the use of IFRS requirements as a benchmark for accounts and reports serves to increase the country's investment attractiveness and meet the information needs of domestic owners;

Third, the national securities market will be able to sell on world stock exchanges and increase foreign exchange inflows:

Fourth, it serves to increase the number and expand the activities of international companies in the national economy;

Fifth, the preparation of a single, recognized financial statement in accordance with IFRS requirements increases its efficiency and reduces the cost of preparation;

Well, the transition to IFRS gives so many opportunities, and there are several reasons why this process has dragged until this day:

- Before the beginning of the new history of Uzbekistan, the authorities of the republic were interested in the fact that the economy of our country was closed for the world economy.
- the state becomes a provider of financial information and at the same time a user of financial information. This, in turn, has led to a one-sided view of the value and formation of financial information.
- The low level of digitization of the economy in our country and the fact that it is not technically well established.
- lack of qualified specialists and lack of textbooks, as well as low level of knowledge of foreign languages.
- the high share of our country in the shadow economy.

The success and timing of the transition to a full financial reporting system in accordance with IFRS requirements can be predetermined by the fact that the idea of transition is directly understood by companies and organizations as the basis for effective management.

The organization of financial accounting and reporting through the principles of IFRS, which is not carried out within the framework of special government programs, is not supported by the state, will not allow to solve the main tasks of the transition in the coming years.

One of the most pressing issues is the misinterpretation of certain actions and the task of translating the content of international standards into Uzbek in a correct, competent and readable manner. Therefore, it is necessary to translate the existing IFRS standards into Uzbek, to republish and adopt new ones, as well as to provide free access to these materials, taking into

account the structure of the IFRS Board and the changes, comments and standards made through it.

The president's decision requires this new economic knowledge. For this reason, dissatisfaction and grievances can be expressed by accountants in a number of Internet networks. Acquiring and mastering new knowledge, learning a new way of working takes effort and hard work. But the real situation in the world economy today is that the basis of the activity of an accountant is the interests of the user of financial information, that is, investors and decision-makers, no different. Unfortunately, many businesses and organizations do not understand that the role of accountants is to ensure that tax returns are accurate and timely, or that they are accountable for control and audit.

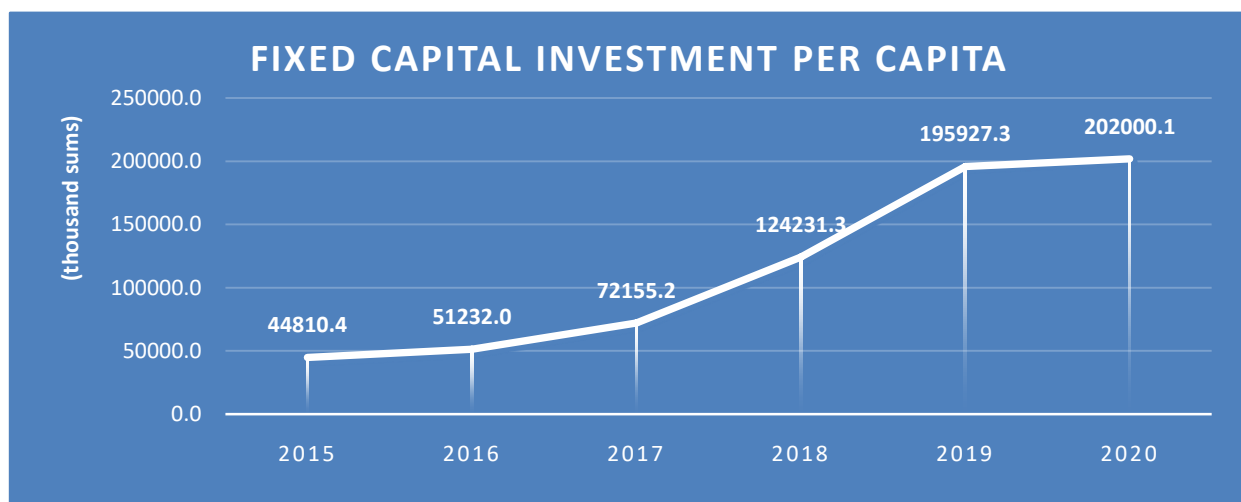
It can be observed that accountants accustomed to thinking and working in the old way accuse IFRS principles of ambiguity and over-abstraction. One of the main reasons for this is that the new rules force the chief accountant to understand the business of the organization in which he works as an economist and financier.

At the same time, there is no doubt that the introduction of international reporting standards will enter a new stage in the development of the country's economy. The IFRS report reflects the real processes in the activities of Uzbek enterprises, organizations and companies. If the assets are measured at market value, and the reserves are calculated correctly, it will be understandable to external users in most countries of the world. As a result, the introduction of IFRS will not only help Uzbek enterprises, companies and banks to reach the international level, but also attract investment.

With this in mind, the President's decision is aimed at creating conditions for the formation of an investment climate in the country and accelerating its work.

Thus, the established legal framework creates favorable conditions for a wide range of investment activities of foreign partners, serves to meet their information needs and protects their investments.

For example, the dynamics of the volume of investments in fixed assets in 2015-2020 can be seen in the fact that further intensification of the work on the transition to IFRS from 2016 will have a significant impact on the economy of the country. (3)

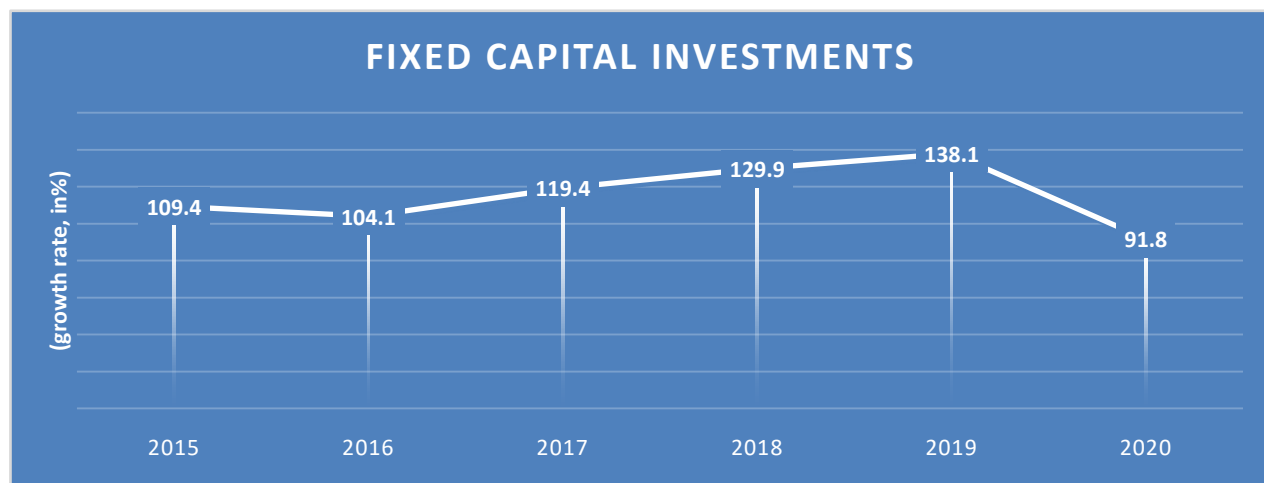
Table 1

Foreign investment is the investment of capital-exporting countries in the real and financial assets of economic entities of importing countries and joint ventures. (2)

Investment means the flow of capital from one economy to another, allocating resources on more favorable terms.

This, in turn, allows an investor with a foreign capital to stay in a certain area for a longer period of time and resources, which is easier for the investor to understand.

For Uzbekistan, the dynamics of change in investment in fixed assets, except for 2020, which is very difficult for the world economy, continues to show growth. Table 2. (3)

Table 2

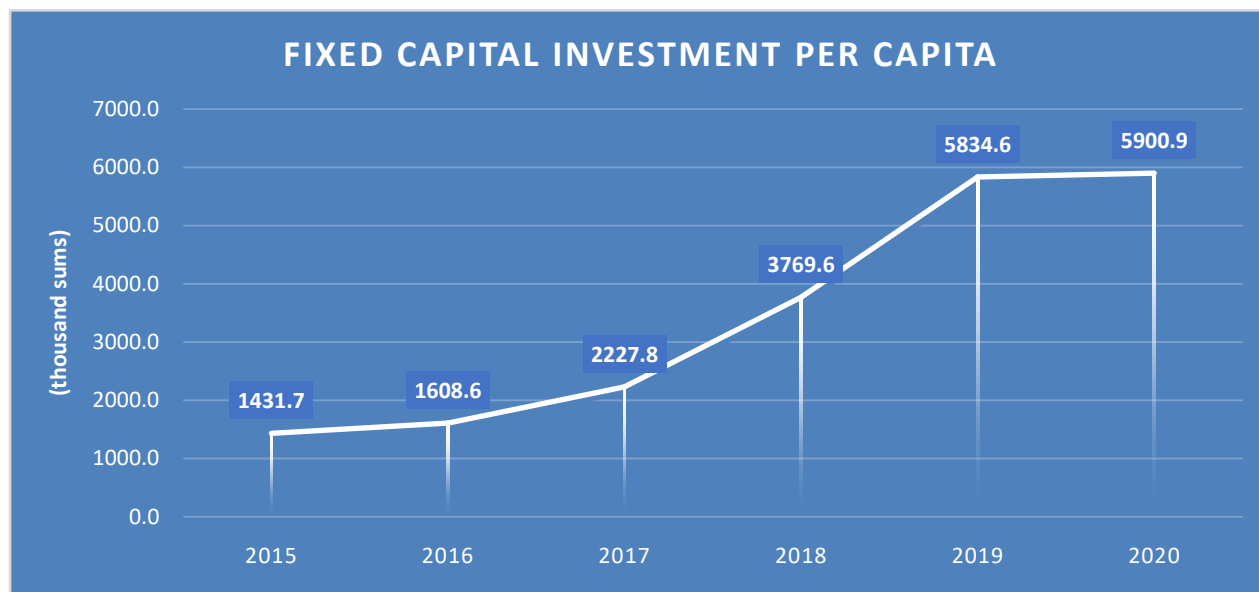
In recent years, Uzbekistan has undergone a radical change in the state's economic policy and rapid reforms.

Under the motto "New Uzbekistan" the state began radical changes, twists and turns in public policy and the economy.

A new, democratic image of our country is being created in Uzbekistan on the basis of modernization of our economy, ensuring that every decision and reform is based on human rights and freedoms, the rule of law.

Due to the fact that the basis of our reforms, dialogue with the people, the satisfaction of the people has risen to the level of public policy, the atmosphere of openness and freedom in our society is growing. The President's decision can be seen by comparing the per capita investment in fixed assets over the years. Table 3. (3)

TABLE 3



In the Republic of Uzbekistan, the transition to IFRS has chosen a unique and appropriate way for our national economy. This was a way to develop and implement national accounting standards that meet international standards.

In this regard, the President's decision has become a key document defining today's requirements and the economic future of our country. The most important issues now are how the system works, whose interests come first, and the potential of economic information and transport documents.

In conclusion, the ultimate goal of the IFRS in our country is to increase the welfare of the people, as our President said, "Our main goal is to please the people."

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