

VALIDITY AND SIGNIFICANCE OF TRANSITION TO INTERNATIONAL STANDARDS OF FINANCIAL REPORTING IN UZBEKISTAN

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Abstract. The topic of creating accounting procedures that adhere to international financial reporting standards is covered in this article. The study makes clear the variables influencing accounting practices. Additionally, the processes of how accounting policies are formed in corporate entities have been developed.

Key words: accounting policy, financial reporting, international financial reporting standards, going concern, assets, capital.

Introduction

In order to ensure the financial stability of society, those who are interested in the operations of joint stock companies operating in our nation and who utilise their financial reports should first take note of the fact that these reports are prepared in accordance with international standards. The accounting policy is a crucial component of a financial report that follows the International Financial Reporting Standards (IFRS). It guarantees that the reports comply with legal and regulatory requirements, as well as the organisational aspects of their preparation and document distribution.

Materials and methods

However, the strategies and techniques outlined in the accounting policy for joint-stock companies in our nation to prepare financial reports in compliance with national standards are insufficient for joint-stock companies to independently prepare financial reports in compliance with International Standards of Financial Reporting. The development of accounting policies that adhere to International Financial Reporting Standards (IFRS) is primarily influenced by theoretical and practical issues.

Table 1

International standards of preliminary financial reporting

| IFRS | Names | Issued |
|---------|--|--------|
| IFRS 1 | First-time Adoption of International Financial Reporting Standards | 2008 |
| IFRS 2 | Share-based Payment | 2004 |
| IFRS 3 | Business Combinations | 2008 |
| IFRS 4 | Insurance Contracts | 2004 |
| IFRS 5 | Non-current Assets Held for Sale and Discontinued Operations | 2004 |
| IFRS 6 | Exploration for and Evaluation of Mineral Resources | 2004 |
| IFRS 7 | Financial Instruments: Disclosures | 2005 |
| IFRS 8 | Operating Segments | 2006 |
| IFRS 9 | Financial Instruments | 2014 |
| IFRS 10 | Consolidated Financial Statements | 2011 |

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|---------|---|------|
| IFRS 11 | Joint Arrangements | 2011 |
| IFRS 12 | Disclosure of Interests in Other Entities | 2011 |
| IFRS 13 | Fair Value Measurement | 2011 |
| IFRS 14 | Regulatory Deferral Accounts | 2014 |
| IFRS 15 | Revenue from Contracts with Customers | 2014 |
| IFRS 16 | Leases | 2016 |
| IFRS 17 | Insurance Contracts | 2017 |

IFRS – International Financial Reporting Standards) These are the standards that have been developed by the IFRS Council since April 2001 and are being used in practice.

This approach foresees the need to update the standards for the creation of financial statements and reporting data, as well as to precisely describe the components of financial statements, ascertain how they relate to one another, and establish the protocols for their identification and assessment. Joint stock companies must regulate accounting and reporting information, which includes accounting principles, financial reporting and information disclosure, the accounting system as a whole, and the selection of certain specific accounting objects, in order to implement IFRS (international standards of financial reporting). This can be explained by the pressing need to figure out how to quickly adapt our nation's joint-stock enterprises' accounting practices to the International Standards of Financial Reporting. enhancement of accounting's organisational, legal, methodological, and regulatory facets. Explanations, explanations prepared by the Committee on IFRS clarifications of IFRS on IFRS.

In recent years, several works have been carried out in our country to solve the problem of business development and its effective management. The development of services such as internal and external audit is also of urgent importance in business development, and in the audit process, collection of audit evidence, analytical processing of it, and preparation of audit reports are important issues.

Literature review

The issue of accounting policy has been widely discussed in normative-legal documents and works of economists. In particular, according to IFRS No. 8 entitled "Accounting policies, changes and errors in accounting estimates", accounting policies are specific principles, bases, generally accepted rules and practical approaches used in the process of preparing and presenting financial statements.

Economists Z.I. Kruglyak and M.V. Kalinskaya commented on the importance of accounting policy in the enterprise as follows: "The purpose of accounting policy is to reduce costs for accounting work, rationally manage cash flows, bring it closer to International Financial Reporting Standards (IFRS) and ensure investment attractiveness."

Table 2

Current composition of international standards of financial reporting

| № | Name | Issued |
|--------|--|--------|
| IFRS 1 | First-time Adoption of International Financial Reporting Standards | 2008* |
| IFRS 2 | Share-based Payment | 2004 |
| IFRS 3 | Business Combinations | 2008* |

| | | |
|---------|--|-------|
| IFRS 4 | Insurance Contracts Superseded in 2023 by IFRS 17 | 2004 |
| IFRS 5 | Non-current Assets Held for Sale and Discontinued Operations | 2004 |
| IFRS 6 | Exploration for and Evaluation of Mineral Resources | 2004 |
| IFRS 7 | Financial Instruments: Disclosures | 2005 |
| IFRS 8 | Operating Segments | 2006 |
| IFRS 9 | Financial Instruments | 2014* |
| IFRS 10 | Consolidated Financial Statements | 2011 |
| IFRS 11 | Joint Arrangements | 2011 |
| IFRS 12 | Disclosure of Interests in Other Entities | 2011 |
| IFRS 13 | Fair Value Measurement | 2011 |
| IFRS 14 | Regulatory Deferral Accounts | 2014 |
| IFRS 15 | Revenue from Contracts with Customers | 2014 |
| IFRS 16 | Leases | 2016 |
| IFRS 17 | Insurance Contracts | 2017 |

The accounting estimates are calculated according to the following objects:

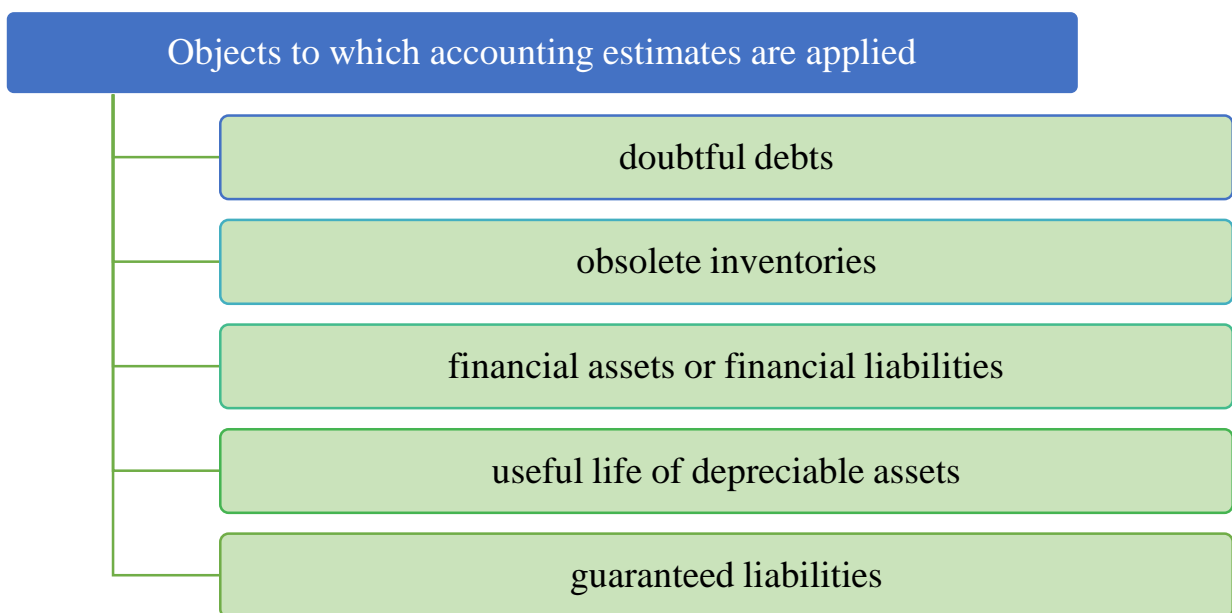


Figure 1. Objects to which accounting estimates are applied

The foundations for accounting organisation are created by accurately determining the solutions to the problems expressed in the technical and organisational parts of the accounting policy. As a result, the broad guidelines and requirements of the accounting policy are tailored to the specifics of the joint stock firm, taking into consideration factors like the company's activity, staff qualifications, and degree of management method proficiency. We believe that the technical aspect must take the accounting policy into consideration.

Conclusion

Important details regarding the company's liquidity and financial health can be found in the data gathered during the balance sheet's preparation and analysis. The balance sheet is a crucial component of the greatest financial information system available for evaluating a society's financial health. Its value stems from the fact that the balance sheet is a crucial tool for determining the majority of financial statistics, such as those pertaining to profitability, liquidity, and asset valuation.

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