

TRENDS IN CHANGES IN FINANCIAL REPORTING IN UZBEKISTAN

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Abstract. *Currently, Uzbekistan is undergoing a phased reform of the accounting system, the goal of which is to bring the national accounting system into compliance with the requirements of international financial reporting standards. In this regard, the article discusses the improvement of financial reporting associated with the processes of market regulation of the economy, integration into the world economic society and the transition to international standards of financial reporting and auditing. and its future prospects.*

Keywords: *corporate reporting, capital, audit, international standards, information, users.*

The integration of the national economy into a market economy of the international level has determined the orientation of accounting reporting on the recommendations of international standards. Currently, Uzbekistan is undergoing a phased reform of the accounting system, the goal of which is to bring the national accounting system into compliance with the requirements of international financial reporting standards.

The objectives of the reform are to create a system of accounting and reporting standards that could provide useful information to users, including shareholders; create a link between accounting reform in Uzbekistan and the main trends in the harmonization of standards at the international level; provide methodological assistance to organizations in understanding and implementing the reformed accounting model.

To bring the national accounting system into line with the requirements of a market economy and international financial reporting standards, the reform is carried out in the direction of improving legal regulation; methodological support for employees responsible for maintaining accounting records at enterprises; training of qualified accounting personnel; expanding international cooperation; interaction with national organizations responsible for developing accounting standards.

The main objective of the ongoing reforms is to create acceptable conditions for the consistent, rational and successful performance by the accounting system of its inherent functions in a specific economic environment.

It is necessary to ensure compliance of the national accounting system with generally accepted approaches to accounting in the world, introduce a mechanism for adjusting financial statements in accordance with the level of inflation, formulate acceptable methods for assessing property and liabilities, and ensure openness (publicity) of financial statements.

To solve the set tasks, it was necessary to make appropriate changes and additions to the law of the Republic of Uzbekistan "On Accounting" (No. 404-ZRUz dated April 13, 2016) and other regulatory legal acts; develop a procedure for mandatory certification of accountants; approve accounting regulations that meet the requirements of international standards.

A significant number of people interested in studying accounting (financial) statements determine its purpose. In Art. 22 of the Law of the Republic of Uzbekistan "On Accounting" states

that “Financial statements represent systematic information on the financial position of the accounting entity as of the reporting date, the financial result of its activities and cash flows for the reporting period.” However, in this legislative act there is no verbatim formulation of the purpose of corporate financial reporting.

In our opinion, in accordance with international financial reporting standards, a legislative act such as the Law of the Republic of Uzbekistan “On Accounting” should provide a literal formulation of the goal and disclose the meaning of the concept “results of its economic activities.”

International Financial Reporting Standards define the objective of accounting statements as follows: “The objective of financial statements is to present information about the financial position, results of operations and changes in the financial position of an enterprise to meet the general needs of the majority of users.”

And in section 1 “General provisions”, Art. 2, paragraph 3 (Fourth EU Council Directive of 25.07.1978, based on Article 54 (3) (e) of the Treaty on the annual reporting of companies of a certain type (78/660/EEC), it means that “the annual reporting must give a true and fair view of the assets, liabilities, financial position, profit and loss of the company.”

The Accounting Concept of the Republic of Uzbekistan, approved by the methodological council on accounting under the Ministry of Economy and Finance of the Republic of Uzbekistan, taking into account the practical activities of accounting standards, gives the following formulation: “... the purpose of financial reporting is to present information on the financial position of the accounting entity for the reporting period. date, the financial result of its activities and cash flows for the reporting period.

However, financial statements do not include all the information that users need to make economic decisions because the report primarily reflects the results of past events.”

In the Law “On Accounting” of the Republic of Uzbekistan dated April 13, 2016, No. 404, Art. 3 states that the basic principles of accounting are: continuity, reliability, comparability of indicators.

And also Art. 5. state that accounting information is processed data about accounting objects based on primary accounting documents that are reflected in accounting registers, financial statements, explanations and other documents related to the organization and maintenance of accounting.

Considerable attention to the disclosure of significant aspects of data on the main elements of reporting of any business entity - assets, liabilities, capital, income, expenses and profits - is given in the works of professors I.K. Ibragimov, S.N. Tashnazarov, I. Betge, A.N. . Khorina, V.F. Palia. According to A.N. Khorin, in the balance sheet compiled in the financial reporting format, the assets of the organization are proposed to be characterized in the amount of the minimum requirements prescribed by legislative and regulatory acts, as well as in the form of additional information provided by the management of the organization on its own initiative.

In particular, the minimum required data option means disclosure of information about assets that support operating, financial and investing activities.

The advisability of reflecting such information in the balance sheet is dictated by the need to control compliance with parity in the level of return on assets, the importance of monitoring the risk of capital return, and the comparative characteristics of the profitability of the organization’s business with the profitability of organizations included in the immediate economic space (immediate market environment).

Modern accounting (financial) reporting should be distinguished by transparency and interpretability of information about equity capital, which is ensured, in our opinion, by an item-by-item breakdown of the main components: authorized capital, share premium, reserve capital, retained (reinvested) earnings.

Differentiated information about the actually paid capital allows the founders to calculate the price of equity capital, assess the measure of financial risks and financial leverage.

An additional increase in indicators requires not only the balance sheet, statement of financial position, but also the statement of changes in capital (for example, accrued dividends on ordinary and preferred shares).

Additional information on the owner's capital is expected to be presented in accordance with the requirements of international financial reporting standards.

In accordance with international standards, the main tasks for reforming financial statements can be identified:

- create a system of provisions (standards) for accounting and reporting that will facilitate the presentation of useful information;
- ensure the linkage of accounting and reporting reform in Russia with the main trends in the harmonization of standards at the international level;
- provide assistance to business entities in studying and implementing a reformed model of accounting and reporting.

At the beginning of the 20th century, the original regulations concerning the balance sheet began to be supplemented by new rules relating to methods for assessing individual balance sheet items and to the public presentation of the balance sheet for persons with a certain economic interest to familiarize themselves with it. It is no coincidence that during this period many prominent scientists, such as B.A. Khasanov, A.A. Khoshimov, A. Pardaev, B.A. Khashimov, N.S. Arinushkin, N.A. Blatov, N.R. Weizman, N.A. Kiparisov, A.K. Roshchakhovsky and others began to address the issue of balance sheet structuring. The main problem of structuring the balance sheet has always been to determine the minimum number of items that most comprehensively disclose information about the “real state of the economy.”

Thus, Professor N.R. Weizman, when determining the number of items in the balance sheet, proposed to be guided by the following rule: the smaller the number of common features that are considered sufficient to link together several individual items of the property mass, the greater the number of items will be, since each balance sheet item covers categories of property and liabilities associated general economic and legal laws.

During the same period, he offers two options for the arrangement of items in the assets and liabilities of the balance sheet:

- in order of their decreasing liquidity and urgency;
- in order of their increasing liquidity and urgency.

The advantage of the proposed options for structuring the balance sheet is, in our opinion, that such a balance sheet allows users of reporting, without rearranging items, to calculate the liquidity of the analyzed balance sheet, showing all its significant items.

One of the most important tasks of improving the profit and loss statement, in our opinion, is the direct reflection of settlements with personnel for wages, rent, interest, and discounts of the organization.

Not only shareholders, but also foreign investors, stock exchanges, investment institutions, etc. are interested in obtaining such information.

From the perspective of the financial concept of this report, it is assumed that the data that the interested party receives within the organization should be subject to disclosure: owners - net profit, dividends; business partners - interest, rent, etc.; government bodies - fiscal payments; personnel - wages, bonuses, etc.

Changes in the authorized capital of a joint stock company from the moment of its establishment until the preparation of the report on the current reporting date, reflection of the movement of equity capital within a specific reporting period at the expense of profits reinvested in the business turnover of the organization in the form of reserve capital, valuation reserves, as well as dividend payments for Shareholders are shown a statement of capital flows.

Since January 24, 2003, this report has been included in the annual financial statements.

At the moment, this report is called the “Equity Report” and shows the state and movement of the enterprise’s equity capital for the reporting year, broken down by the sources of its formation.

The main accounting forms (balance sheet, income statement, capital flow statement, cash flow statement) provide general data expressing the results of the enterprise's activities.

To fully understand these forms, reporting users need to be aware of significant additions.

Such additions, at the initiative of management, may be included in the explanations and notes to the financial statements.

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