

CURRENT ISSUES OF TRANSITION OF FINANCIAL REPORTING TO INTERNATIONAL STANDARDS IN THE REPUBLIC OF UZBEKISTAN

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Annotation: It is important for all businesses, regardless of ownership or industry, to prepare financial statements from national to international standards, to have access to foreign investors' financial statements based on international standards, and to be able to invest. Accounting is the process of identifying, processing, and reporting financial information about a particular business entity is an information system that provides information to users interested in the financial condition of the entity. The purpose of accounting is to meet the needs of different users for information is to satisfy with the lowest cost to obtain. The economic benefits that can be gained from using an information system to make informed decisions must outweigh the costs to that system.

Keywords: Monetary system, banking, digital economy, transformation, banking services, innovation, remote banking services.

International Financial Reporting Standards have played an important role in converging, agreeing and improving financial reporting standards around the world. They are used for the following purposes:

- ✚ serve as the basis for national accounting and reporting requirements in most countries;
- ✚ be used as an international benchmark for individual countries developing their own accounting and reporting requirements (including for industrialized countries and emerging markets such as China, other Asian countries and the former Soviet Union);
- ✚ in cases when stock exchanges and regulators require that financial statements be prepared in accordance with International Financial Reporting Standards;
- ✚ to be used by national bodies such as the European Commission, which has decided to rely entirely on International Financial Reporting Standards in the development of standards for capital markets;
- ✚ International financial reporting standards are not required countries due to the increase in the number of companies. As a result, International Financial Reporting Standards are becoming more widely used and recognized around the world.

Some countries even use the International Financial Reporting Standards (IFRSs) as their own standards, while others use them on a country-by-country basis are making some changes. Large multinational companies, on the other hand, say it is easier for them to use International Financial Reporting Standards.

One of the most important developments proving the recognition and increasing use of International Financial Reporting Standards is the adoption by the International Organization of Securities and Exchange Commissions of International Financial Reporting Standards as the basis for international quotations.

The European Commission, on the other hand, is committed to the harmonization of reporting and accounting in general with International Financial Reporting Standards. It recognizes the importance of maintaining a fair and effective competitive environment in the EU.

Currently for shareholders and other users the financial statements that are being prepared use accounting principles and rules that are passed from country to country, in some cases only in one country. Thus, there may be a lack of comparability in the accounting reports.

The disadvantage of this situation is that investment analysts and other users who use financial reporting have to incur additional costs in the process of analyzing the report because it is structured according to different standards. They may also encounter confusion in the interpretation of reports.

As a result of this process, effective competition in the global capital market will deteriorate, and companies will have to bear the high cost of maintaining capital and most importantly, the presentation of

different amounts of profit for different countries leads to a loss of confidence in the financial statements. The diversity of reports at the international level leads to:

- ✚ Excessive financial reporting costs - as transnational corporations are required to prepare different financial statements for different countries;

- ✚ Commercial companies need to have a single system for evaluating the financial results of their activities in different countries. Companies also want their external reports to be consistent with internal evaluations of performance appraisals. Achieving these two goals in different countries is very difficult when the reports are different.

International Financial Reporting Standards are also accounting it is also very useful for developing countries, which do not yet have standards-setting bodies or do not have sufficient resources to develop standards. Developing Financial Reporting Standards is costly the development of standards for a particular country is inefficient in terms of cost.

In order to support foreign economic financial decisions, of course, a set of uniform, generally accepted and mandatory standards for financial accounting and reporting is needed for the whole world. This is exactly the task assigned to the ICRC.

Specific determination of cost means the transfer of specific costs to separately identified items of inventories. This is the right approach when considering the TMZs allocated for a particular project, whether they are purchased or manufactured.

However, in the presence of a large number of, usually substitutable, TMZ items, it is inappropriate to specify costs. In such cases, the method of selecting items that remain in inventories can be used to achieve predetermined results in the formation of profit or loss.

The cost of inventories is the first-in, first-out (FIFO) method or should be determined by the weighted average formula. An entity must use the same costing formula for all inventories that have the same characteristics and are used in the same way. Different costing formulas can be used for inventories that have different properties and are used in different directions.

For example, the use of inventories in one operating segment may differ from the use of similar inventories in another operating segment of an entity. However, differences in the geographical location of inventories (or in relation to tax rules) do not in themselves justify the use of different cost formulas.

The cost of inventories if these inventories are damaged, or may not be covered if they are fully or partially obsolete, or if their selling price has decreased. The cost of inventories, as well as the estimated cost of completion or sales may not be reimbursed even if the estimated cost of the increase increases.

The practice of reducing the cost of inventories from their fair value less cost to sales is consistent with the assumption that assets do not exceed the amount expected to be recovered from their sale or use should be taken into account in the value.

Typically, inventories are reduced item-by-item to net realizable value. However, in some cases, it may be appropriate to group the same or related substances. This applies to items of inventories that are produced for the same purpose or for the same end-users, related to the type of product produced and sold in the same geographical area, and which are practically indistinguishable from other items in that product category.

It is incorrect to reduce the cost of inventories on the basis of their classification, such as finished goods or all inventories in a particular operating segment. Service providers typically charge a fee for each service that is assigned a separate sales line. Because of this, every such service is treated as a separate item.

An estimate of net realizable value is an item of property, plant and equipment that is expected to be sold the amount of the reserves is based on the most reliable evidence available at the time of the valuation. Such an assessment takes into account changes in price or cost that are directly attributable to events that occur after the end of the period, if such events confirm the conditions that exist at the end of the period.

When inventories are sold, the carrying amount of those inventories should be recognized as an expense in the period in which the related income is recognized. The amount by which any inventory is

reduced to its net realizable value and the loss on inventories is recognized as an expense in the period in which that reduction or loss occurs.

Any recoverable amount of a reduction in inventories resulting from an increase in net realizable value should be recognized as a decrease in the amount of TMZs recognized as an expense in the period in which such recovery occurs.

The value of some inventories may be transferred to other asset accounts, for example, as part of a self-constructed fixed asset. In this way, the cost of inventories included in other assets is recognized as an expense over the useful life of the asset.

In the financial statements prepared on the basis of the initial cost, the amounts of the balance sheet that are not expressed in units of measurement effective at the reporting date are recalculated on the basis of the total valuation index. Cash is not recalculated because it is expressed in cash at the reporting date.

Assets and liabilities related to price change contracts, including index bonds and loans, are adjusted in accordance with the agreement to determine the outstanding portion at the reporting date. All other non-cash assets and liabilities are recalculated. Most non-cash items are carried at cost or depreciated at cost.

Therefore, they are expressed in the amount at the date of purchase. The recalculated result of the value of each item or depreciated value is determined by applying the total valuation index to the initial value and the accumulated depreciation.

Therefore, fixed assets, investments, stocks of raw materials and goods, business reputation, patents, trademarks and similar assets are adjusted from the date of acquisition. The cost of inventories, partially finished and finished products is recalculated from the date of acquisition and processing costs.

About the date of purchase of certain types of fixed assets in the absence of data, the determination of the value on which the revaluation is based is made through an objective professional assessment. In rare cases, changes in the reporting currency and fixed foreign exchange rates are allowed in the absence of a general price index for certain periods.

Non-monetary items are reduced when the recalculated amount exceeds the amount to be recovered from future use (sale and other disposal) of the assets in accordance with the relevant IFRS. Therefore, in these cases, the recalculated amounts of fixed assets, business reputation, patents and trademarks are reduced to the recoverable amount, the recalculated amount of inventories is reduced to the net realizable value, the recalculated amount of short-term investments is reduced to the market value.

Acquisition of assets by the enterprise on the basis of deferred payment for the purchase of assets without additional interest accrued in accordance with the agreement possible. In these cases, where it is not appropriate to record the amount of interest, these assets are recalculated from the date of payment, not from the date of acquisition.

Private equity at the beginning of the first period of application of this standard elements, retained earnings and other increased revaluation amounts are recalculated using the total valuation index for the relevant dates. The revaluation surpluses that occurred in previous periods are canceled (adjusted). The recalculated amount of retained earnings is calculated on the basis of all other recalculated items of the balance sheet.

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