



FEATURES OF THE PROCESS OF TRANSITION FROM NATIONAL ACCOUNTING STANDARDS TO INTERNATIONAL STANDARDS

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Article history:	Abstract:
Received: 14 th July 2022 Accepted: 14 th August 2022 Published: 26 th September 2022	The article describes the role of International Standards of Accounting and its requirements, problems and solutions are studied in the further reform of the national accounting system of the Republic of Uzbekistan and the creation of a single, understandable, reliable and high-quality system.
Keywords: National Accounting Standards, International Accounting Standards, system, reform, IAS, principle, rule, professionalism, interpretation, account, expense, economy, amortization, liability, obligation.	

INTRODUCTION. We know that the Decision of the President of the Republic of Uzbekistan "On additional measures for the transition to international standards of financial reporting" was published in the official press in February 2020.

According to it, from January 1, 2021, joint-stock companies, commercial banks, insurance organizations and legal entities included in the category of large taxpayers will organize accounting based on International Financial Reporting Standards (IFRS), and from the end of 2021, prepares the financial report on the basis of IFRS.¹

To date, the Presidential Decree of the Republic of Uzbekistan dated February 24, 2020 No. PQ-4611 "On additional measures for the transition to international standards of financial reporting" — IFRS) by accelerating the transition to provide foreign investors with the necessary information environment and to expand access to international financial markets, as well as to improve the system of training specialists in accounting and auditing according to international standards². We would not be wrong to say that the presentation of the report is an important foundational information in attracting external factors of economic development.

International Financial Reporting Standards have played an important role in the convergence, harmonization and further improvement of financial reporting standards worldwide. They are used for the following purposes:

Firstly, to serve as the basis for national accounting and reporting requirements in most countries;

Secondly, to be used as an international announcement for individual countries developing their own accounting and reporting requirements (including industrialized countries as well as emerging markets such as China, other Asian countries, and former Soviet Union countries);

Thirdly, in cases where stock exchanges and regulatory bodies require the preparation of financial statements in accordance with international standards of financial statements;

Fourthly, it is 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;

Fifth Financial Statement due to the increase in the number of companies in countries where international standards are not required.

Due to the above, the international standards of Financial Reporting are more widely used and recognized throughout the world. Even some countries are using the International Financial Reporting Standards (IFRS) as their standards without changes, and some are making some changes depending on the country's characteristics. Large multinational companies emphasize that it is convenient for them to use international financial reporting standards.

Currently, financial statements prepared for shareholders and other users use accounting principles and rules that are transferred from country to country, and in some cases are used only in one country. Thus, accounting reports may lack comparability. The disadvantage of this situation is that investment analysts and other users who use the financial report have to incur additional costs in the process of analyzing the report due to the fact that it is compiled according to different standards. They may also face confusion in the interpretation of reports. In connection with this

¹March 9, 2020 - "On measures to transition to international standards of financial reporting" President of the Republic of Uzbekistan Sh.M. Mirziyoyev... KUN.UZ

² PQ-4611 of the President of the Republic of Uzbekistan dated February 24, 2020 "On additional measures for the transition to international standards of financial reporting" by accelerating the transition, providing foreign investors with the necessary information environment and expanding access to international financial markets, as well as improving the system of training accounting and auditing specialists according to international standards. Lex.uz

process, effective competition in the global capital market will deteriorate, and companies will have to bear higher costs of maintaining capital. Most importantly, accounting reports lose confidence due to the fact that different profit amounts are shown for different countries.

The different coverage of the reports at the international level leads to:

1. Expenditure on preparation of financial reports is higher than intended - because transnational companies have to prepare different reports about their activities for different countries;

2. There is a need to have a unified system for evaluating the financial results of commercial companies' activities in different countries. Companies also want their external reports to match their internal performance appraisals. Achieving these two goals is very difficult as the reports in different countries are different.

Based on the conceptual foundations of international accounting standards, accounting is the process of determining, processing and providing financial information to users interested in the financial status of an operating entity in the form of a financial report. is an information system that implements giving. The goal of accounting is to satisfy the needs of various users for information with the lowest costs for obtaining this information.

1. Users and their information requirements

Accounting is concerned with the volume and description of financial information used by users.

Information users can be divided into two groups: internal users, that is, enterprise managers; external users, that is, those outside the enterprise.

In turn, these groups of users of accounting information can be divided into the following categories of users:

- managers of the enterprise;
- those who are outside the entity and have a direct financial interest in it;
- those who have an indirect financial interest in the activity of the entity.
- Those outside the entity that have a direct financial interest in it include:
 - Existing and prospective investors;
 - Existing and prospective creditors;
 - Buyers.

Those who have an indirect financial interest in the activity of the entity include:

- Tax authorities;
- Regulatory bodies;
- Statistical bodies;
- Other groups (auditors, consultants, consumer groups, etc.)

The Committee on International Accounting Standards (IAS) was established in order to make the accounting principles used for the preparation of financial statements uniform at the international level. International Financial Reporting Standards (IFRS) were developed and published by this committee and recommended for implementation and compliance everywhere.^{3 4}

During the transition of accounting from national standards to international standards, several terms were created in our national system. Among them:

Professionalization of accounting is the performance of accounting work by specialists with certain professional knowledge in this field, and the activities of non-profit and non-governmental organizations dealing with the problems of accounting at the national level, including standardization, improving the professional qualifications of accountants, and improving the ethical rules of this profession.

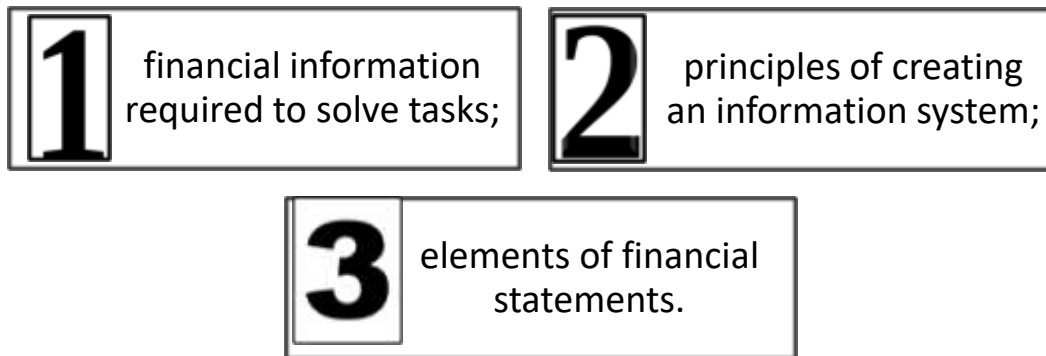
International integration of accounting. It is a process of transition to international dimensions and principles of accounting developed on the basis of incorporating common and best practices in national accounting principles and standards in order to satisfy the need of international investors, creditors and managers for information about international business activities.

International accounting organizations. Non-profit professional organizations dealing with the process of international integration of accounting, development of international standards of accounting and international problems of accounting.

In order to achieve the main objective of IAS, such as presentation of financial statements, the following should be defined

³ M. Bonham and others. Generally accepted Accounting practice under IFRS. Ernst & Young LLP, United States, 2010.- part 1. p.102-104

⁴SHaripov KA TFD professor, Tashkent State University of Economics Haydarov.NA senior lecturer of the "Accounting" department. Journal.tseu.uz



The purpose of financial reporting is to provide information on financial position, results of operations and changes in financial position. This information is necessary for a wide range of users to make decisions. Financial reporting requires an assessment of the economic decisions made by users, the creation and increase of the enterprise's cash and cash equivalents, as well as the stability and timeliness of this process. Users should have information on the financial condition, results of operations and changes in the financial condition of the enterprise in order to assess the ability of the enterprise to generate cash and cash equivalents.⁵

Information about the financial situation is mainly given in the accounting balance (balance sheet). Information about the results of the enterprise's activities is mainly presented in the profit and loss report. Changes in financial position are shown in the financial statements through a separate statement (changes in equity).

The international standards of accounting show the basic meanings of several terms. For example, let's take "Amortization". Its Uzbek dictionary meaning is obsolescence. We can calculate depreciation for Intangible assets based on national standards. However, if we think logically, Intangible assets do not have a material appearance, we can think how it can be depreciated. Therefore, based on international practice, the term "Depreciation" is more suitable for it. Among these, the term "Passive" should be called "Obligation" instead of relying on international practice.

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⁵ M. Bonham and others. Generally accepted Accounting practice under IFRS. Ernst & Young LLP, United States, 2010.-part 1. p.10-13