

The main content of international financial reporting standards and its importance in the activities of business entities

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Abstract: This article considers the transition of the Republic of Uzbekistan to international financial reporting standards, the importance of investments in fixed assets, including foreign investment, in the activities of business entities. Also, the requirements of the Resolution of the President of the Republic of Uzbekistan PQ-4611 of February 24, 2020 "On additional measures for the transition to international financial reporting standards" and the opening of a new page in the accounting policy in our country.

Keywords: International Financial Reporting Standards, Harmonization of the Economy, Financial Reporting, Legal Entities in the Category of Large Taxpayers, Foreign Investment

One of the most important processes is the timely, clear and high-quality presentation of financial statements by businesses.

International Financial Reporting Standards (IFRS; IFRS English, International Financial Reporting Standards) are a set of documents (standards and interpretations) governing the preparation of financial statements that are necessary for external users to make economic decisions about an enterprise.

One of the main tasks of the integrating countries is to provide foreign businessmen and entrepreneurs with the necessary information environment and access to international financial markets by accelerating the transition to international financial reporting standards, as well as to improve the system of training accounting and reporting professionals in accordance with international standards.

Financial statements are accurate data on the financial performance of business entities in a given year. They are based on financial information prepared by the business accountant. Financial statements should be reported in accordance with the established principles of financial reporting and standardized for compliance at all levels.

Financial statements are prepared on a regular basis. The financial statements are a written summary of all the values of the notices presented to generate accurate information about the financial condition, solvency, profitability, profit and loss of the business.

Financial statements are often prepared at the end of the one-year reporting period and are then audited by auditors for tax and investment purposes on the principles of accuracy, transparency and fairness, and more.

For example, if we want to enter new markets or produce, sell, and continue a new product, we must first look at the Financial Statements to achieve business goals. We need to have Financial Reporting numbers to support the decision-making process.

Financial accounting standards play a key role in the development of the international accounting system in the modernization of the Uzbek economy. In this regard, the Resolution of the President of the Republic of Uzbekistan "On Additional Measures to Transfer to International Financial Reporting Standards" PQ-4611 dated February 24, 2020 further accelerated the transition of accounting policy in our country to international requirements .

On the basis of the Resolution PQ-4611 of February 24, 2020 "On additional measures for the transition to International Financial Reporting Standards":

Accountants on the basis of IFRS	Joint stock companies
	Commercial banks
	Insurance companies
	Legal entities included in the category of large taxpayers

In this regard, I would like to say that this decision is another step in the fact that our country, which is facing a new direction in the economy, is now moving away from the shadow economy and creating an open, transparent, international economy.

International financial reporting standards are used in the reports not only of our country but also of other countries.

For example:

Europe:

International Financial Reporting Standards are mandatory in many European countries. In many European countries, companies that list their securities on the stock exchange are required to report in accordance with IFRS.¹

USA:

In the United States, which currently uses its own US GAAP accounting standards, in August 2008 the Securities and Exchange Commission submitted an initial plan to transition to IFRS and GAAP denial. However, in February 2011, the SEC issued another document to the U.S. report containing a decision to delay the introduction of the IFRS. Because IFRS is the consensus of national accounting, its quality is, by some estimates, worse than the U.S. GAAP standard. is a bookmaking problem. In the summer of 2013, a former partner of Big, who was more loyal to the IFRS, was appointed to replace the SEC chairman, under whose tutelage the work of converging U.S. GAAP and IFRS standards was intensified.

Russia

In 1998, Russia adopted an accounting reform program in accordance with IFRS. In particular, from 2005 all credit institutions (banks) are required to prepare financial statements in accordance with IFRS.²

The National Accounting Standards Board (NFRS Foundation) has been working since June 2006 to develop a set of National Financial Reporting Standards (FRS).

In July 2010, the Federal Law No. 208-FZ "On Consolidated Financial Statements" was adopted, according to which the IFRS is mandatory for consolidated reports of all companies of public importance:

Credit institutions;

Insurance companies;

Other organizations whose securities are traded on stock exchanges and (or) other organizers of trading in the stock market.

In 2011, the "Regulations on the Recognition of IFRS and their Interpretation for Application in the Territory of the Russian Federation" (Resolution of the Government of the Russian Federation No. 107 of February 25, 2011) was adopted. It is assumed that each IFRS document will undergo a separate examination for application in Russia. The decision on the entry into force of the IFRS document is made by the Ministry of Finance of the Russian Federation. However, Russia will not completely abandon the RAS. IFRSs use federal standards for consolidated reports and for reporting by legal entities.

In 2011, the first 63 standards and interpretations were recognized to be applicable in the territory of the Russian Federation. The consolidated financial statements for 2012 must be submitted by the entities covered by Act No. 208-FZ from the reporting date.

¹The first application of IFRS . - M .: Alpina Publishing House, 2013. - P. 17-18. - ISSN 978-5-9614-2241-2

²On the introduction and termination of international financial reporting standards in the territory of the Russian Federation.

On November 25, 2011, the Ministry of Finance approved Order No. 160n on the introduction of IFRS in the Russian Federation. The full text of the IFRS in Russian and training materials are available on the ministry's website.

More than 145 large companies in the Russian Federation prepare and publish financial statements prepared in accordance with IFRS.

What other benefits will companies have when switching to IFRS:

- Access to world stock markets and access to cheaper loans from foreign banks; capital raising costs are reduced;
- Reduced reporting costs (especially when consolidating reports) companies from different countries) more transparent, clear and easy to compare The report contains reliable information about the financial condition of the company, for which it users (business owners, investors) , creditors, regulators, etc.).
- K It is easier for company management to track the relationship between the data in the report and real events and make effective decisions based on them.
- IFRS summarizes accounting and reporting practices in many market economy countries. This will allow them to develop new national reporting standards faster and cheaper.
- Each country has its own list of businesses that must apply IFRS. Basically, it is the players in the financial sector (banks, insurance companies), JSCs, large companies, non-governmental pension funds and others.

Why Learning IFRS Knowledge of IFRS for financial professionals and practical experience in applying them will allow you to quickly advance your career or get a well-paying job in a major international company. An IFRS specialist can be developed in the accounting department or in the finance department: from chief accountant and financial manager or supervisor to chief financial officer. Knowledge of International Financial Reporting Standards will also be useful in the field of internal audit. You can grow not only in position but also in salary. According to job portals, the highest salaries are for professionals who know how to work in accordance with IFRS and can prove this skill with prestigious diplomas. See the salaries of IFRS specialists. Moreover, the demand for them, apparently, will continue for many years.

First, the cost of initial modification of the report in audit and consulting firms is several times higher than the annual salary of a full-time specialist on MH M S. It is more beneficial for companies to retain their experts.

Second, more and more foreign investment is being made in local businesses. Companies are entering global markets in search of new opportunities and are forced to keep records under IFRS . In any case, the IFRS is now not only a universal financial language, but also a necessary condition for successful business development on the one hand, and a career in finance on the other.³

³: <https://finacademy.net/materials/article/chto-takoe-msfo>