

Modernization of the Accounting System in Accordance with International Requirements

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Abstract: The development and expansion of innovative projects, which are so necessary in this period of development of our national economy, requires the attraction of additional foreign investment. Accordingly, our national financial statements must be prepared in accordance with the requirements of International Financial Reporting Standards (IFRS) and ensure that national companies are more attractive to investors for foreign investors. The article discusses the issues of necessity and expediency of application (IFRS), which is confirmed by the objective need for accurate and understandable financial statements for the investor, as well as the issues of modernizing financial reporting in accordance with the requirements of International Financial Reporting Standards (IFRS).

The article describes the procedure for the transition to international financial accounting standards, the essence of which is to consistently identify differences in accounting according to national and international standards and make appropriate adjustments to national reporting so that it meets the requirements of IFRS. Modernization is a complex, creative process that requires deep knowledge and professional competence of the employees responsible for its implementation.

The article discusses the positive benefits from the introduction of IFRS, as well as the problems that enterprises, audit companies, educational institutions will face, which provide basic professional accounting education in the process of transition to the use of international standards.

Keywords: financial statements, investment attractiveness, investors, innovative projects, IFRS.

INTRODUCTION

With the transition to new economic relations, with the growth of joint ventures with the use of foreign capital, the infusion of foreign investments into the economy, as well as the increase in the volume of exports of our national products, there are more and more enterprises that carry out foreign trade operations and attract foreign investment. Increasing the investment attractiveness of our economy, however, requires the definition and compliance of financial accounting in accordance with international accounting standards.

International Financial Reporting Standards (IFRS) is a collection of accounting rules that systematized the procedure for processing documentation and enables economists, financiers and auditors from any country to easily understand each other. The transition to international accounting standards will facilitate the relationship facilitates the interaction of enterprises and organizations of counterparties from different

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countries, which in turn will facilitate the entry of national businesses into the international arena. The article discusses the practical application of IFRS, which companies should switch to international reporting rules, and also considers the problems associated with the transition to international accounting standards that impede the implementation of international financial reporting standards, providing the necessary information environment for foreign investors.

LITERATURE ANALYSIS AND METHODS

Today, when there is a globalization of the economy, an infusion of foreign investment into the economy of our country. International Financial Reporting Standards (IFRS) have become the global language of business, communication and understanding in the financial sector. IFRS define the criteria and rules for preparing statements of financial position. A report based on such standards will be understandable throughout the world.

The transition to market relations in our country, as we already know, is taking place in stages, and the task of this transition today is to start large-scale privatization work, which will increase competition, develop business, and strengthen the country's economy.

One of the most important tasks facing enterprises in matters of strengthening their investment attractiveness of enterprises, for the development of planned innovative projects is the presentation of financial statements in a clear, objective, accurate form for the investor.

One of the significant reasons slowing down the process of privatization in our country is the discrepancy between financial reporting and international accounting standards.

In order to eliminate this problem, governments of the countries of the world, non-governmental international organizations adopt agreements that aim to develop unified rules for accounting and reporting. Currently, the most widely used set of principles and norms of IFRS.

Through the use of a unified economic accounting system, enterprises have the opportunity to obtain information about their current state of the enterprise. Accounting data is a key component of economic accounting, on the basis of which reports are generated for the period, which are submitted to state bodies, owners, tax authorities, as well as potential investors. During the period of creating a favorable investment climate in our country, a promising foreign investor should be provided with financial statements prepared by companies in Uzbekistan. The transition of financial statements to IFRS, the audit can be very difficult, require a lot of time and expense, but the transition to IFRS is an inevitable and necessary process.

RESULTS AND DISCUSSION

In this regard, on January 1, 2021, in accordance with the Decree of the President of the Republic of Uzbekistan No. PP-4611 dated 02.24.2020 "On additional measures for the transition to international financial reporting standards" (hereinafter referred to as PP-4611), measures were taken to organize accounting by joint-stock companies, commercial banks, insurance organizations and legal entities belonging to the category of large taxpayers on the basis of IFRS, and at the end of 2021 they will prepare financial statements based on IFRS. No. PP-4611 on the presence of a business entity, at least 3 specialists with international certificates according to IFRS.

From January 1, 2022, joint-stock companies, banks, insurance organizations and large taxpayers (including private ones) have switched to IFRS without fail.

Enterprises that have switched to IFRS have abolished accounting based on national standards. Thus, enterprises have no other choice but to completely switch to IFRS.

The transition to IFRS turned out to be difficult, there were many problems associated with the lack of high-quality textbooks for studying IFRS in the Uzbek language, the absence of conditions for mandatory accounting in accordance with IFRS - there are no personnel, there are very few strong specialists in the methodology for applying standards and accounting for IFRS, and the use of services international audit or consulting organizations is associated with high costs. These issues are dealt with by the Ministry of Finance, together with the Ministry of Higher and Secondary Education, which have set as a priority the development of the IFRS training process and the creation of IFRS textbooks. For studying students and teachers in the country, benefits have been created for tuition fees under IFRS, which will thus provide a solution to the third problem - providing local organizations with qualified personnel. Entities are required to prepare reports based on IFRS on their own, and these reports must be audited by independent auditors annually or quarterly.

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