

ORGANIZATION OF FINANCIAL ACCOUNTING BASED ON INTERNATIONAL STANDARDS IN THE CONTEXT OF ECONOMIC LIBERALIZATION*Gulyamova Iroda , Mutabar Dzhuraevna**Tashkent Institute of Irrigation and Agricultural Mechanization Engineers*

Abstract:In the context of economic liberalization, the transition to International Financial Reporting Standards (IFRS) is a critical step toward enhancing the transparency and investment attractiveness of enterprises. This article explores the implementation specifics of IFRS in Uzbekistan, identifies key benefits and challenges, and analyzes both international and local experiences. Particular attention is given to corporate case studies and a cost-benefit analysis of IFRS adoption.

Key words:IFRS, financial accounting, economic liberalization, investments, Uzbekistan, standardization.

Introduction

Modern economic development requires harmonization of national accounting systems with international standards. Liberalization of the economy in Uzbekistan necessitates the transition to International Financial Reporting Standards (IFRS) to ensure transparency, increase investor confidence and integration into the global community. This article aims to analyze the processes and results of IFRS implementation in Uzbekistan.

Literature Review

In global practice, the use of IFRS ensures the comparability of financial information. According to the World Bank for 2022, the transition to IFRS increases the transparency of companies by 20-30%. In Uzbekistan, the implementation of IFRS has been actively implemented since 2020, which has become an important tool for integrating companies into international financial markets.

For example, companies such as " **Uzbekneftegaz** " and " **UzAuto Motors** " report in accordance with IFRS, which allowed them to attract the attention of foreign investors. **JSC " UzAssets "** implements sustainable reporting standards (S 1 and S 2) that meet international requirements. Financial institutions such as **TBC Bank Uzbekistan** , operate exclusively on the basis of IFRS, which increases the level of transparency and trust in the banking sector.

IFRS also allows Uzbek companies to obtain international credit ratings, improving their financial attractiveness. Many small and medium-sized businesses have begun to apply simplified versions of IFRS, which gives them access to global supply chains.

New IFRS disciplines are being introduced in the country's universities to help train future accountants and auditors. As **Savitskaya G.V. (2022)** and the **Financial Reporting and**

Audit Journal (2023) emphasize , personnel training and government support are key factors in the successful implementation of IFRS in Uzbekistan. In recent years, efforts to introduce IFRS in public and private companies have been intensifying in Uzbekistan. Artemenkov and Ganiev (2024) presented an analytical approach to asset impairment testing using Excel - based algorithms that can be used in the practical work of accountants. Sativaldieva (2023) emphasizes the potential for applying IFRS in small and medium-sized businesses in Uzbekistan, pointing to the need to develop financial literacy and simplify the regulatory environment. Bozorova (2023) highlights the need to reform the balance sheet in accordance with IFRS as a path to international compatibility. Saidov (2023) analyzes the barriers and opportunities for the implementation of IFRS for the accounting profession. According to the Ministry of Finance of Uzbekistan (2022), by 2026, it is planned to fully integrate IFRS into the activities of organizations of public interest. JSC ' National Electric Grid of Uzbekistan has been successfully implementing IFRS since 2023, their reporting has been confirmed by the international audit company Ernst & Young . JSC UzAssets has been actively implementing sustainable reporting standards S 1 and S 2 within IFRS since 2021. These examples demonstrate the active participation of large state-owned enterprises in reforming financial reporting based on IFRS.

Methodology

The article uses methods of comparative analysis, visualization of statistical data (graphs and diagrams), as well as a case method to describe the experience of individual enterprises. The sources of information were official reports, publications in specialized journals, open data from the Ministry of Finance and international organizations.

Introduction

Liberalization of the economy requires adaptation of financial accounting to modern international standards, which ensures transparency and comparability of financial information. International Financial Reporting Standards (IFRS) are becoming an integral part of effective financial management in the context of globalization and an open market.

1. The importance of international standards in the context of economic liberalization

International Financial Reporting Standards (IFRS) are aimed at unifying accounting policies, providing uniform principles for reporting. This is especially important for countries with transition economies, where integration into the global economic community requires transparency.

Figure 1. Growth of IFRS adoption in developing countries



2. The main advantages of using IFRS

- Transparency of financial information
Improving the investment climate
Simplifying access to international capital markets
Reducing corruption risks and increasing confidence among foreign investors
Comparison of national standards and IFRS



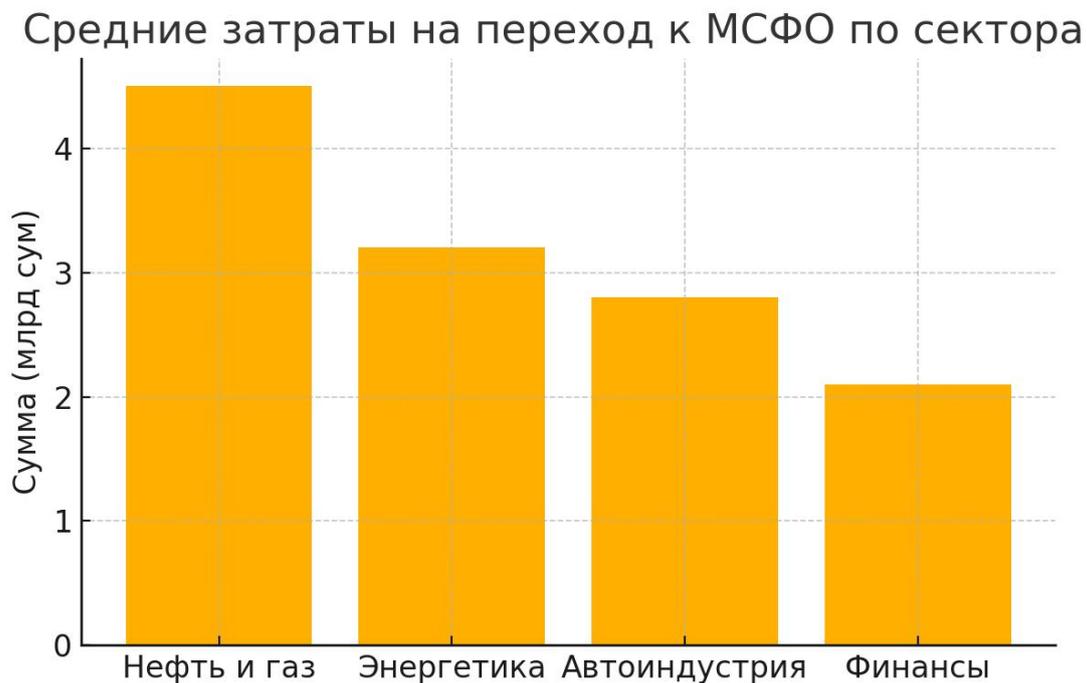
Organizing financial accounting based on international standards is a key condition for successful integration into the global economy. In the context of economic liberalization, the transition to IFRS allows for investor confidence, increased competitiveness, and sustainable development.

Problems and barriers to the implementation of IFRS. Despite the obvious advantages, the implementation of IFRS is associated with a number of difficulties:

- Insufficient training of personnel with knowledge of international standards
- High costs of retraining personnel and upgrading information systems
- The presence of a dual reporting system at the transition stage
- Lack of motivation among small and medium businesses to switch to IFRS



Figure 2. Average costs of transition to IFRS by sector



4. International experience and examples of successful adaptation

The experience of Eastern Europe, Southeast Asia and Latin America demonstrates that a comprehensive approach with government support and international cooperation contributes to the successful adaptation of IFRS. For example, in Poland, the implementation of international standards was accompanied by government training programs, and in Brazil - tax incentives for companies that switched to IFRS.

5. Prospects and current situation in Uzbekistan

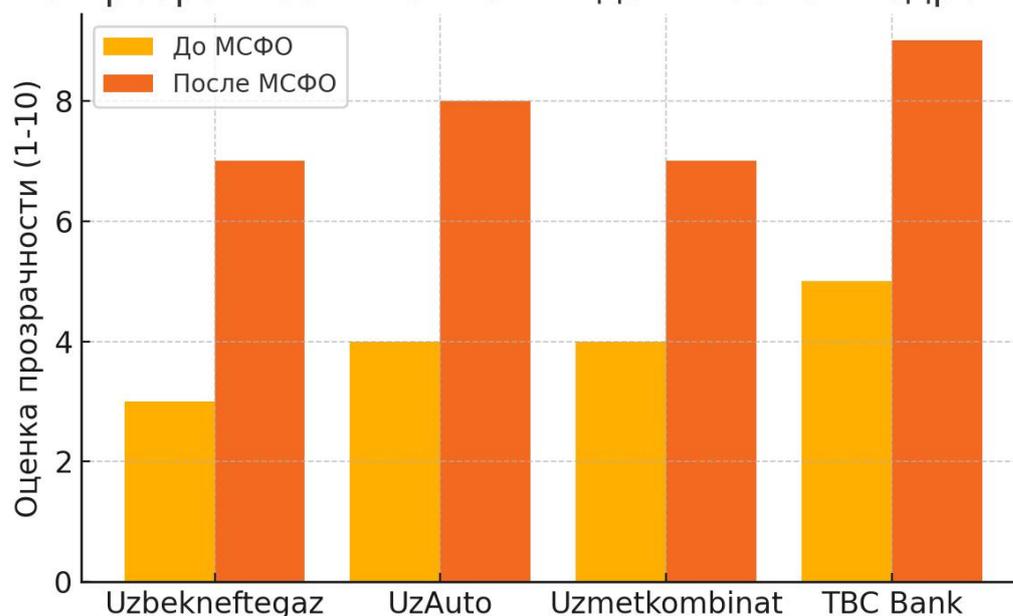
Uzbekistan is actively working to implement IFRS in public and private organizations. Since 2021, plans have been approved for mandatory transition to international reporting standards for large enterprises. Training programs are being created with the support of the Ministry of Finance, and international consultants are being involved.

6. Examples of companies implementing IFRS

Let us consider specific examples of companies in Uzbekistan that have implemented or are in the process of transitioning to international financial reporting standards:

Figure 3. Evaluation of companies' transparency before and after the implementation of IFRS

Оценка прозрачности компаний до и после внедрения



JSC 'Uzbekneftegaz'

One of the first state-owned companies to implement IFRS in order to attract foreign investment and place Eurobonds on international markets. Uses independent audit and publishes IFRS reports annually.

JSC 'UzAuto Motors'

The country's largest car manufacturer has adapted its internal accounting systems to IFRS requirements as part of its collaboration with General Motors and preparations for IPO.

JSC 'Uzmetkombinat'

A metallurgical giant that is gradually transitioning to IFRS starting in 2022. An international reporting department has been created and foreign auditors have been hired.

TBC Bank Uzbekistan

A branch of an international banking group initially operates exclusively according to international standards in accordance with the requirements of the head office and foreign investors. These examples show that the transition to IFRS requires a strategic approach and investment, but ultimately ensures a high level of trust from partners and investors, as well as sustainable development.

7. Analytical tables: the impact of IFRS

Table 1. Impact of IFRS implementation on the performance indicators of companies in Uzbekistan

Indicator	Before the implementation of IFRS	After the implementation of IFRS
Transparency of financial reporting	Low	Tall
Investor confidence	Limited	Enlarged
Access to international financing	Limited	Extended
Quality of internal control	Heterogeneous	Systematized
Corporate governance	Weak	Fortified
Staff preparedness	Low	Medium / High

Conclusion

Thus, the transition to IFRS in the context of economic liberalization is a necessary step to increase financial transparency, attract investment and sustainable development. Despite existing barriers, such as a shortage of qualified personnel and high costs, international and domestic experience shows the high efficiency of this transformation.

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