



ADVANTAGES OF CREATING INTERNATIONAL STANDARDS FOR THE ECONOMY OF UZBEKISTAN

Tursunova Yulduz

Master's student at the Banking and Finance Academy of the Republic of Uzbekistan

Annotation: This article explores the significant advantages of developing and implementing international standards within the economy of Uzbekistan. It analyzes how adopting global best practices can drive economic growth, attract foreign investment, enhance product and service quality, and promote sustainable development. The article examines specific sectors where standardization can be particularly beneficial and addresses potential challenges in implementation.

Key words: Uzbekistan, international standards, economic growth, foreign investment, trade, quality, sustainability, competitiveness, innovation.

In an increasingly interconnected global economy, the adoption and implementation of international standards play a crucial role in shaping national competitiveness and attracting foreign investment. For Uzbekistan, a country with immense economic potential and undergoing significant reforms, embracing international standards presents a strategic opportunity to accelerate economic growth, improve its position in global value chains, and enhance the well-being of its citizens. This article analyzes the multifaceted benefits of creating and adhering to international standards within the context of Uzbekistan's dynamic economic landscape.

In the context of modernization of the economy in Uzbekistan and the integration of the country's economy into the world community, the development of the quality of providing financial reports with information is of particular importance.

In our opinion, the need to maintain financial statements in accordance with international standards is based on the following:

First, to have the opportunity to form on the basis of the national requirements for financial accounting and reporting of the countries of the world, to identify, compare and compare the financial status of the object being studied;

Secondly, using the requirements of international financial reporting standards as a benchmark for accounts and reports serves to increase the country's investment attractiveness and meet the information needs of local owners;

Thirdly, the national securities market will be able to be sold on the world stock exchanges and increase foreign exchange earnings;

Fourthly, it will serve to increase the number of international companies in the national economy and expand their activities;

Fifth, the preparation of a single recognized financial statement in accordance with the requirements of the IFRS increases its efficiency and reduces preparation costs.

The decision PQ-4611 of February 24, 2020 of the President of the Republic of Uzbekistan "On additional measures for the transition to international standards of financial reporting" opened a new page in accounting policy in our country.

According to the decision, from January 1, 2021, accounting will be conducted on the basis of IFRS:

- joint stock companies
- commercial banks
- insurance organizations
- legal entities included in the category of large taxpayers.

At the same time, during this period, the transition to international standards applies not only to the above-mentioned individual companies, but also to the entire internal accounting system. Harmonization of accounting systems was carried out through the introduction of new accounting regulations and changes to existing regulations, which ultimately led to the implementation of a number of IRS regulations without significant disruptions in the internal accounting system for many Uzbek enterprises and companies. allowed full application.

It is not always easy for local experts to receive international news. Historically, the accounting school of Uzbekistan has always preferred accounting and reporting. Accountants of Uzbekistan developed regulatory and legal framework focused on tax and civil legislation. they paid special attention to the interpretation and reflection of the facts of economic life in accordance with their requirements.

However, this approach is fundamentally different from the principles of accounting interpretation in the IFRS system. The economic meaning introduced by the legislature in defining the same indicators may differ from state to state. This shortcoming is eliminated in the IFRS system by regulating the single, generally accepted definitions for the reports of all countries using this account, thereby ensuring the universality and transparency of the reporting data. The transition to the international accounting system is professional to reflect the facts of economic life in the accounting system by local experts. requires more active use of the decision. In addition, there are significant difficulties in the application of widely used valuation methods in the international accounting system.

Working with future information in the international financial reporting standards system, the accountant must choose from a wide range of analytical tools of the most appropriate valuation methods to provide a fair amount to users. Uzbek specialists in this field do not have enough experience yet. On the other hand, in some cases, the current regulatory documents are not obliged to regularly regulate the assessment of settlement objects. For example, an organization that does not apply a fixed asset revaluation mechanism in accordance with its accounting policy risks underestimating the cost of these assets to its users. Such an assessment reflected in the reports is dangerous because it can mislead the user, distort the true indicators of the financial position and lead to wrong management decisions.

In addition, the information presented in accordance with the requirements of international financial reporting standards reflects the fair value of the objects taken into account. The most problematic issue for local accounting representatives is the fair valuation of assets and liabilities, as this practice is new to the local accounting system. Ensuring the reliability of the report can be done according to a number of principles:

- Transparency.
- Compatibility
- Reliability
- Comparison.

Considering accounting systems, Germany, USA, Russia. It is recommended to consider the organization of accounting in the industrialized countries of France, Japan and Great Britain. Because, first of all, accounting principles in these countries are different from each other. Second, the foundations of international accounting and reporting standards were created and influenced the development of international financial reporting standards. Thirdly, the experience of these countries has a positive effect on the formation and development of accounting in our republic.

1. Fostering Trade and Attracting Foreign Direct Investment (FDI)

Building Investor Confidence: International standards serve as a powerful signal to foreign investors, demonstrating a commitment to quality, safety, and reliability. This increased transparency and predictability reduce perceived risks, making Uzbekistan a more attractive destination for FDI.

Removing Technical Barriers to Trade: Compliance with globally recognized standards dismantles technical barriers to trade, allowing Uzbek businesses to seamlessly integrate into international markets. This, in turn, leads to increased exports and diversification of the economy.

Boosting Competitiveness: Adopting international best practices compels Uzbek companies to enhance product and service quality, making them more competitive both domestically and on the global stage.

2. Driving Economic Growth and Sustainable Development

Fueling Innovation and Technological Advancement: The pursuit of international standards incentivizes innovation and the adoption of cutting-edge technologies as businesses strive to meet global benchmarks. This drive for continuous improvement leads to greater efficiency and economic growth.

Enhancing Productivity and Resource Utilization: Implementing standardized processes optimizes resource allocation, minimizes waste, and boosts overall productivity, contributing to sustainable economic development.

Creating Employment Opportunities: A more robust and competitive economy, driven by international standards, generates employment opportunities across various sectors, leading to higher living standards and social well-being.

3. Ensuring Consumer Protection and Safety

Guaranteeing Higher Quality Goods and Services: International standards establish minimum requirements for quality and safety, ensuring that consumers have access to reliable and safe products and services.

Safeguarding Public Health and the Environment: Standards related to food safety, environmental protection, and product safety protect consumers from potential harm, contributing to a healthier and more sustainable society.

4. Strengthening Governance and Transparency

Promoting Good Regulatory Practices: The process of developing and implementing international standards necessitates collaboration between government agencies, industry stakeholders, and consumer groups, fostering a culture of dialogue and transparency.

Enhancing Institutional Capacity: Engaging with international standards strengthens regulatory frameworks, improves enforcement mechanisms, and builds the capacity of institutions to effectively govern economic activities.

Combating Corruption: Clear, transparent, and internationally recognized standards reduce opportunities for corruption, promoting fair competition and ethical business practices.

5. Sector-Specific Advantages for Uzbekistan

Textiles and Cotton: Uzbekistan, a major cotton producer, can benefit significantly by adhering to international social and environmental standards. This would enhance the reputation of Uzbek cotton, attracting buyers committed to ethical sourcing and sustainability.

Agriculture and Food Processing: By aligning with international food safety standards, Uzbekistan can expand its export potential for agricultural products, opening doors to lucrative markets with stringent quality requirements.

Tourism: Implementing international standards for hospitality, tourism services, and cultural heritage preservation can elevate Uzbekistan's tourism industry, attracting more visitors and boosting revenue.

Challenges and Considerations

Implementation Costs and Support for SMEs: Adapting to new standards can pose financial challenges, particularly for small and medium-sized enterprises (SMEs). Government support, financial incentives, and capacity-building programs are crucial to facilitate a smooth transition.

Building Technical Expertise and Awareness: Training programs, workshops, and knowledge-sharing initiatives are essential to equip businesses and institutions with the technical expertise and awareness necessary to effectively implement and comply with international standards.

To conclude, integrating international standards into the fabric of Uzbekistan's economy is not merely an option but a strategic imperative for achieving sustainable and inclusive growth. By embracing global best practices, Uzbekistan can unlock its economic potential, attract foreign investment, and improve the lives of its citizens. While challenges remain in terms of implementation and capacity building, the long-term benefits far outweigh the costs.

In conclusion, it can be said that the step-by-step organization of accounting on the basis of international standards of financial reporting and preparation of financial reports in our republic allows for a wider penetration into the world integration. This will be a new stage of accounting reform and modernization in our republic. By fostering a culture of quality, innovation, and sustainability, Uzbekistan can solidify its

position as a reliable and competitive player in the global marketplace, ensuring a brighter and more prosperous future for generations to come.

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