

Development of Accounting in Uzbekistan: From National Standards to International Integration

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Abstract. *The article analyzes the evolution of accounting in Uzbekistan, starting with its formation in the Soviet period and ending with the transition to International Financial Reporting Standards (IFRS). The key stages of development, including the implementation of the National Accounting Standards (NAS), as well as the problems and prospects of integration with IFRS are considered. effectiveness of financial reporting. The article also discusses the main challenges faced by enterprises and forecasts for the development of the accounting system in Uzbekistan.*

Keywords: *accounting, Uzbekistan, National Accounting Standards, IFRS, digitalization, financial reporting, international standards, automation of accounting, economic reforms, accounting reforms.*

Introduction

Accounting plays a key role in the development of the economy of any country, being the main tool for managing financial resources, ensuring transparency and increasing confidence in enterprises. In the context of globalization and the increasing integration of world markets, the need to comply with International Financial Reporting Standards (IFRS) is becoming especially relevant for countries with economies in transition, such as Uzbekistan. Over the past decades, Uzbekistan has made significant efforts to modernize its accounting system. The desire for economic openness and attracting foreign investment required the introduction of modern standards and the adaptation of international best practices. At the same time, national specificities, including legislative and cultural aspects, provide a unique context for reforms in this area.

The purpose of this article is to analyze the main stages of the development of accounting in Uzbekistan, to assess the results of reforms aimed at the implementation of IFRS, as well as to consider the role of digitalization and automation in modern accounting. We will also pay attention to the prospects for further development of the accounting system, taking into account the current challenges and achievements.

Accounting reform is not just a technical process, but a strategic step aimed at increasing the transparency of the economy, improving the investment climate and integrating into the global economic system. These aspects make the topic especially relevant and significant for further study and analysis.

The history of accounting in Uzbekistan is rooted in the deep past. In the early periods, the main attention was paid to the accounting of property and resources, which ensured control over economic activity and tax collections. Accounting practice was based on the natural form: data on ownership, produced goods and costs were recorded in simple registers or on tags. This system was dictated by the needs of community management and resource allocation.

With the establishment of Soviet power in the early 20th century, Uzbekistan became part of a centrally planned economy. This period brought significant changes in accounting. It was rigidly subordinated to state interests, becoming an instrument of planning and control. The main attention was paid to the accounting of material resources and the implementation of production plans, which reflected the directive nature of the economy. During this period, accounting in Uzbekistan followed uniform standards established at the level of the Soviet Union, which provided unification, but limited the consideration of market factors.

Gaining independence in 1991 marked the beginning of a new stage in the development of accounting. In the context of the transition to a market economy, there was a need to rethink the accounting system. One of the key developments was the adoption of the law "On Accounting" in 1996, which established the basis for the introduction of new standards and methods. This law marked the beginning of the creation of National Accounting Standards (NAS), adapted to the needs of a market economy. However, the system remained predominantly state-oriented and did not provide full transparency for external users, such as investors and international partners.

The situation began to change dramatically in 2016, when Uzbekistan embarked on large-scale economic reforms under the leadership of President Shavkat Mirziyoyev. Steps have been taken to harmonize national accounting standards with international ones. The implementation of International Financial Reporting Standards (IFRS) has become a priority. This process turned out to be complex, requiring a revision of legislation, retraining of personnel and adaptation of enterprises to new requirements. However, it has opened up new opportunities for Uzbekistan's integration into the world economy.

The history of accounting in Uzbekistan demonstrates a gradual but steady transition from simple forms of accounting to modern standards that reflect market realities. This process remains an important stage in the development of the national economy, helping to build confidence on the part of international partners and attract investment.

National Accounting Standards (NAAS) have become an important step towards modernizing the accounting system of Uzbekistan in the context of transition to a market economy. Their development and implementation were dictated by the need to ensure uniformity in approaches to accounting, increase the transparency of financial information and simplify control by government agencies.

The first national standards appeared in the mid-1990s. They were developed on the basis of international practices, but took into account the specifics of the national economy and established accounting traditions. The introduction of NAS made it possible to unify accounting practices, which helped to reduce the level of financial irregularities and misunderstandings in reporting.

NAS are based on several key principles that reflect their adaptation to a market economy. For example, accounting for income and expenses began to be carried out not upon the fact of payment, but on the principle of their recognition at the time of the occurrence of obligations. This approach has brought accounting closer to international standards, providing a more accurate reflection of the financial position of enterprises. The use of double-entry bookkeeping has also become mandatory, which has contributed to increased transparency and accuracy of accounting. The system of national standards is supplemented by methodological recommendations and accounting policies of each enterprise, which makes it flexible and applicable to various types of economic activity. This is especially important in the context of dynamic economic development and the need to take into account the specifics of individual industries.

Despite the progress made, the NAS were not without its shortcomings. One of the main problems was their partial incompatibility with International Financial Reporting Standards (IFRS), which limited the ability of Uzbek enterprises to enter international capital markets. This has necessitated further reforms aimed at integration with the global accounting system.

The introduction of NAS was only the first step towards building a modern accounting system.

Subsequently, transformations were initiated in Uzbekistan, which included the introduction of IFRS for large enterprises and joint-stock companies. These changes emphasize the importance of developing accounting as a tool that promotes economic growth, investment attractiveness and international cooperation. National accounting standards have played an important role in the formation of the accounting system of Uzbekistan in a market economy. They provided the foundation for further reforms aimed at integrating the country into the global economic space.

Uzbekistan's transition to International Financial Reporting Standards (IFRS) has become one of the key initiatives in the framework of economic reforms in recent years. This decision was dictated by the need to increase the transparency of financial reporting, improve the investment climate and strengthen the trust of international partners in Uzbek enterprises. One of the main prerequisites for the transition to IFRS was the integration of Uzbekistan into the world economy. In the context of globalization, transition economies seeking to attract foreign investment are faced with the need to provide financial information in a standardized format that is understandable to foreign investors and creditors. IFRS, which are recognized worldwide, provide such unification, contributing to a more accurate assessment of the financial condition of enterprises.

The decision to implement IFRS in Uzbekistan was enshrined in the Presidential Decree dated February 24, 2020. According to this document, the transition to international standards has become mandatory for joint-stock companies, insurance companies, commercial banks and large taxpayers. The implementation stages were carefully thought out to minimize the complexity for the business. First, enterprises prepared preliminary financial statements in accordance with IFRS, and then switched to a full set of annual statements. The process of implementing IFRS has been fraught with a number of difficulties. One of the key problems was the lack of a sufficient number of qualified specialists capable of adapting accounting practices to international standards. Many accountants and financial analysts did not have the necessary experience in working with IFRS, which caused the need for large-scale training programs and retraining of personnel.

Another problem was the incompatibility of some provisions of national legislation with the requirements of international standards. This required an adjustment of the regulatory framework and changes in the accounting policy of enterprises. In addition, enterprises faced additional financial costs for the adaptation of accounting systems, the purchase of software and the involvement of external consultants.

Despite these challenges, the transition to IFRS has brought significant benefits. The financial statements of enterprises have become more transparent and comparable, which has facilitated access to international capital markets. This has also contributed to improved corporate governance, as IFRS require more detailed accounting of assets, liabilities and financial transactions.

The implementation of IFRS in Uzbekistan remains a process that requires constant attention and efforts. It not only helps enterprises to comply with international standards, but also stimulates the development of accounting practices in general. The success of this initiative will depend on the country's ability to continue reforms, improve the skills of personnel and adapt legislation to modern requirements. The transition to international reporting standards is not only a technical process, but also a strategic choice that forms the basis for further growth and integration of Uzbekistan into the global economy.

It is impossible to imagine the modern development of accounting without the introduction of digital technologies. Digitalization has changed traditional approaches to record-keeping, providing businesses with new opportunities to improve the efficiency, accuracy, and transparency of their operations. In Uzbekistan, the impact of digitalization has become especially noticeable in recent years, when the country began to actively implement information systems as part of large-scale economic reforms.

One of the main directions of digitalization of accounting in Uzbekistan was the introduction of specialized software. Solutions such as "1C: Accounting for Uzbekistan", UZASBO and others made it possible to automate key accounting processes, including payroll, accounting for assets and

liabilities, as well as reporting. Not only did this reduce the time and resources involved, but it also reduced the risk of human error.

Digitalization has also contributed to the development of electronic document management, which has become an important element of the modern accounting system. Electronic reporting forms allow enterprises to quickly transfer data to tax and other government agencies, simplifying the process of interaction with regulators. In addition, digitalization helps to provide access to up-to-date information in real time, which is important for making management decisions.

Particular attention is paid to the integration of accounting systems with international standards. The use of digital tools simplifies the transition to International Financial Reporting Standards (IFRS), as it allows you to keep accounting simultaneously according to national standards and IFRS. Software adapted to such tasks supports account mapping, automatic data conversion, and parallel accounting in several currencies, which is especially important for enterprises working with foreign partners.

The digitalization of accounting in Uzbekistan has also become a catalyst for changes in personnel training. The demand for specialists who have the skills to work with modern programs stimulates the development of educational programs and trainings. This is important not only for improving the skills of accountants, but also for ensuring the competitiveness of Uzbek enterprises in the international arena.

However, the digitalization process faces certain challenges. Among them are the lack of qualified personnel, the need to modernize infrastructure and the high cost of introducing new technologies. In addition, enterprises need to consider information security issues, as the increase in the volume of data in digital format creates risks of leaks and cyberattacks.

Despite the difficulties, the digitalization of accounting opens up significant prospects for Uzbekistan. It helps to increase transparency, improve the quality of financial management and create a more favorable environment for investors. Ultimately, digitalization is becoming not only a tool for modernizing the accounting system, but also a strategic factor that contributes to the sustainable economic development of the country. Thus, the impact of digitalization on accounting in Uzbekistan is manifested in a wide range of changes – from process automation to improved interaction with international partners. This is an integral part of the current stage of reforms aimed at integrating the country into the global economic system.

The prospects for the development of accounting in Uzbekistan are associated with several important areas that will contribute to the further improvement of the accounting system and the country's integration into the world economy. At the moment, accounting reforms are at the stage of active implementation, and the next steps will be aimed at overcoming the remaining difficulties and improving the quality of financial reporting.

One of the priority areas is the further adaptation of the national accounting system to international standards. Uzbekistan will continue to implement IFRS for a wider range of enterprises, including small and medium-sized companies, which will improve the transparency of financial reporting and increase confidence from international investors. It is important that modern technologies are actively used in this process, which will ensure more effective and accurate compliance with IFRS requirements, minimizing the likelihood of errors and increasing the speed of data processing.

In addition, an important aspect of future development is the development of specialists' skills. In the context of growing requirements for accountants, active work on training and retraining of personnel is necessary. In Uzbekistan, steps are already being taken to create educational programs that will allow specialists to work effectively with new software products and the requirements of international standards. The training of accountants and the improvement of their qualifications will be an important factor for the successful implementation of reforms in the field of accounting.

The digitalization of accounting will continue to play a key role in the future development of the system. The introduction of automated solutions and the development of electronic document management will significantly speed up reporting processes and reduce administrative costs.

Software products that support work according to several accounting standards at the same time will facilitate integration with the international system, as well as provide convenience for parallel accounting in national and foreign currencies.

The prospects for the development of accounting also include the introduction of new methods of financial risk management, which will improve the financial stability of enterprises. Modern information technologies will open up opportunities for the use of big data analytics, which will help improve the management decision-making process.

Conclusion

Accounting reform in Uzbekistan represents an important step towards sustainable economic growth and integration of the country into the world community. The introduction of international standards, digitalization and upskilling are key aspects of this process. Despite the existing challenges, such as a lack of specialists, high costs for the introduction of new technologies and the need to adapt legislation, these steps open up wide opportunities to increase the transparency of financial reporting and improve the investment climate in the country.

The transition to International Financial Reporting Standards (IFRS) and the use of modern technologies not only contribute to the improvement of the internal accounting system, but also create a more competitive environment for business, attracting foreign investors and strengthening confidence in the economy of Uzbekistan. The successful implementation of these reforms will open up new horizons for domestic enterprises, providing them with access to global capital markets and international cooperation. Thus, accounting in Uzbekistan is entering a new era - the era of digitalization, international harmonization and innovative solutions that will ensure the stability and development of the country's economy in the long term.

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