

THE IMPORTANCE AND PROSPECTS OF IMPLEMENTING INTERNATIONAL FINANCIAL REPORTING STANDARDS IN THE REPUBLIC OF UZBEKISTAN

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Abstract. This article highlights the importance and relevance of applying International Financial Reporting Standards (IFRS) in the Republic of Uzbekistan. The impact of IFRS implementation on the quality, transparency, and investment attractiveness of financial reporting is analyzed, and the priority directions for adapting the national accounting system to international requirements are examined.

Keywords: IFRS, financial reporting, international standards, investment attractiveness, transparency, accounting, financial information, international integration, investors, corporate governance.

Introduction. In the context of today's globalized economy, ensuring the transparency and reliability of financial information has become increasingly important. Therefore, the application of International Financial Reporting Standards (IFRS) is considered a key factor in aligning business activities with international requirements, enhancing investment attractiveness, and strengthening the confidence of users of financial information.

In recent years, the Republic of Uzbekistan has paid special attention to the implementation of IFRS in order to modernize its economy and accelerate integration into international economic relations. Financial statements prepared in accordance with international standards enable local enterprises to present their financial position in a clear and comparable manner for international investors and creditors. This contributes to improving the country's investment climate and attracting foreign capital.

At the same time, the practical implementation of IFRS requires addressing several important issues, including the training of qualified specialists, the use of modern information technologies, and the harmonization of the national accounting system with international requirements. This article analyzes the importance and relevance of IFRS implementation in the Republic of Uzbekistan, its impact on economic efficiency, as well as the challenges encountered in practice and possible ways to overcome them.

Literature review. Studies related to financial reporting and the application of international standards have been examined from various

perspectives. These studies mainly focus on International Financial Reporting Standards (IFRS) and their impact on national economies and financial systems. In the work “Development of International Financial Reporting Standards and Transition to Them,” the positive outcomes of IFRS implementation for society and the economy are emphasized. According to Davronov, the adoption of IFRS improves the quality of financial information and creates significant opportunities for economic growth [1].

In the study “Global Financial Reporting Standards: The Context of Uzbekistan,” the impact of aligning financial reporting with international standards on Uzbekistan’s economic system is analyzed. The author notes that IFRS can enhance mutual trust and facilitate integration into international markets [2].

The article “The Impact of International Financial Reporting Standards on the National Economy” highlights the importance of IFRS implementation in strengthening financial stability and increasing participation in international capital markets. Abdurakhmanova points out that financial inaccuracies and misleading reports can contribute to economic crises [3].

The work “Modernization of Financial Reporting in Uzbekistan Based on International Standards” examines ongoing reforms in Uzbekistan’s financial system, particularly in the field of financial reporting, and analyzes their harmonization with international practices [4].

In the article “Reliability of Financial Reporting and Compliance with International Financial Standards,” the opportunities for improving the reliability and transparency of financial statements through IFRS implementation are discussed. According to Karimov, financial statements prepared in accordance with international standards increase investor confidence and contribute to economic development [5].

The study “International Financial Reporting and Its Development in Uzbekistan” explains the transformations occurring in Uzbekistan’s financial markets and the necessity of adopting IFRS. Mamedov also identifies factors that facilitate successful integration into the international financial reporting system [6].

In the article “The Impact of Applying International Standards in Financial Reporting on Society,” the author examines how financial reporting systems based on international standards provide a more accurate representation of the economic condition of organizations. According to Islomov, the implementation



of IFRS contributes not only to improving the financial system but also to strengthening the country's international economic relations [7].

The study "International Financial Reporting and Its Impact on Economic Stability" analyzes how the presentation of financial statements in accordance with international standards affects economic stability. Sultanov also discusses both the advantages and disadvantages of adopting these standards in Uzbekistan [8].

This research investigates the importance and relevance of applying International Financial Reporting Standards (IFRS) in Uzbekistan. The study employs analytical analysis, comparative methods, and documentary analysis as its main research methodologies. By examining international experience and the current state of Uzbekistan's economic system, the research identifies the impact of IFRS implementation on financial stability, the investment environment, and economic development. Based on the findings, practical recommendations necessary for the country are developed. The study relies on data obtained from various scientific articles, government documents, and economic analytical materials.

Analysis and results

International Financial Reporting Standards (IFRS) establish a unified set of principles and requirements for the preparation and presentation of financial statements that reflect the financial position, performance, and management activities of organizations. These standards are aimed at improving the transparency of financial reporting and enhancing the efficiency of financial systems by providing accurate and reliable information for economic decision-making.

IFRS plays a significant role in eliminating inconsistencies and disparities in financial reporting practices among companies and countries. In the context of the global economy, these standards contribute to increasing investment opportunities, strengthening international economic integration, and ensuring financial stability. By providing investors with transparent and reliable information about a company's financial position, IFRS supports informed investment decisions. Furthermore, the application of uniform standards facilitates economic cooperation among countries and simplifies participation in international markets.

Financial statements prepared in accordance with IFRS are also considered an important factor in strengthening the stability of financial systems. In the Republic of Uzbekistan, the process of implementing IFRS began in the early



2000s and has involved a number of legislative and organizational reforms. Efforts have been made to improve the legal framework, enhance the readiness of financial institutions, and develop the professional skills of accounting and finance specialists. Particular attention has been given to organizing training programs and seminars aimed at increasing professional competence in the application of international standards.

Despite these efforts, several challenges remain in the implementation process. These include the incomplete alignment of national legislation with international standards, varying levels of preparedness among financial institutions, and a shortage of qualified professionals. Such challenges are particularly significant for small and medium-sized enterprises (SMEs), which often face difficulties in adapting their financial reporting systems to IFRS requirements.

The adoption of IFRS has generated substantial positive effects on Uzbekistan's economy. Significant improvements have been observed in attracting foreign investment, developing financial markets, and strengthening economic stability. The standards provide investors with a transparent and reliable financial reporting framework, thereby creating a solid foundation for sustainable economic growth.

For SMEs, the implementation of IFRS expands opportunities to enter international markets. Increased financial transparency enhances their ability to attract investment and obtain financing from domestic and international sources. Moreover, financial statements prepared in accordance with international standards improve the competitiveness of these enterprises in the global marketplace.

The improvement in the quality of financial reporting contributes to greater transparency and reliability within the financial system. The application of IFRS also facilitates the assessment of credit risks by banks and financial institutions. As a result, Uzbekistan's integration into international financial markets is strengthened, and opportunities for international economic cooperation are expanded.

Reliable financial reporting reduces the likelihood of errors in economic decision-making and supports the sustainable development of the national economy. Therefore, the continued implementation of IFRS in Uzbekistan is expected to have a positive impact on economic stability, investment attractiveness, and long-term economic growth.

Table 1. Impact of IFRS on Economic Stability



No.	Indicator	Impact of IFRS
1	Financial Transparency	Enhances the quality, reliability, and comparability of financial information.
2	Investment Attractiveness	Increases investor confidence and facilitates the inflow of foreign direct investment.
3	Access to International Capital Markets	Enables companies to raise funds more easily from international financial markets.
4	Financial Stability	Strengthens the stability of the financial system through standardized reporting practices.
5	Corporate Governance	Improves accountability, transparency, and management efficiency within organizations.
6	Credit Risk Assessment	Assists banks and financial institutions in evaluating borrowers more accurately.
7	International Integration	Promotes integration with global financial and economic systems.
8	Economic Growth	Supports sustainable economic development by improving financial reporting quality.
9	Competitiveness of Enterprises	Enhances the ability of companies to compete in international markets.
10	Decision-Making Process	Provides reliable information for investors, creditors, and policymakers.

Conclusion and recommendation

According to the research findings, the implementation of International Financial Reporting Standards (IFRS) in Uzbekistan significantly contributes to economic development and financial stability. At the same time, the successful implementation of this process requires the adoption of several important measures.

The following recommendations have been developed based on the results of the study:

1. **Improvement of the Legal Framework:** It is necessary to develop and strengthen laws and regulations that are fully aligned with International Financial Reporting Standards.
2. **Preparation of Financial Institutions:** Training programs and professional certification systems should be expanded to improve the readiness of banks, auditing firms, and financial professionals for IFRS implementation.

3. **Support for Small and Medium-Sized Enterprises (SMEs):** Special programs should be established to facilitate the adoption of IFRS by SMEs and reduce the challenges associated with the transition process.

Furthermore, the full implementation of IFRS requires the establishment of stronger institutional mechanisms and the adoption of measures based on international best practices. The analysis demonstrates the effectiveness of IFRS implementation in Uzbekistan and highlights its positive impact on the national economy. The findings provide important recommendations and practical directions that can support sustainable economic growth, improve financial transparency, and strengthen the country's integration into the global financial system.

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