



## The Role and Significance of International Financial Reporting Standards

Eshpulatova Zaynab Baratovna <sup>1</sup>, Elena Yurievna Vetoshkina <sup>2</sup>, Usmanov Shahzod <sup>3</sup>

<sup>1</sup> Samarkand Institute of Economics and Service, Senior Lecturer, PhD of the Accounting Department

<sup>2</sup> Candidate of Economic Sciences, Associate Professor, Department of Accounting, Analysis and Audit, Institute of Management, Economics and Finance, FSAEI HE "Kazan (Volga) Federal University," Kazan, Russian Federation

<sup>3</sup> Samarkand Institute of Economics and Service, student of group 222, direction "Accounting"

**Abstract:** The introduction of International Financial Reporting Standards (IFRS) in our country is one of the important issues on the dental agenda. Today, one of the most important tasks of the country 'ng is the application of international practice in the accounting system to recognize income and expenses, which are the main indicators of financial accounting. This article describes and reveals the concept of accounting for income as an element of financial reporting in accordance with international standards of importance in the accounting system. Today, the study and improvement of the methodological side of this process also remains one of the most important issues. This article will also discuss the definition, composition, recognition, size, and composition of financial statements by type of income, such as income included in income reports.

**Key words:** income, conceptual provisions, element of financial statements, profit or loss, interest, royalties, enterprises, international financial reporting standards, expenses, assets, liabilities, specific capital.

In the new Uzbekistan, intensive work is underway to reform accounting. An important regulatory document in this regard is the Resolution of the President of the Republic of Uzbekistan dated February 24, 2020 RP-4611 "On additional measures for the transition to international financial reporting standards" [1]. International Financial Reporting Standards (IFRS) is a set of documents developed by international professional organizations. Their study and implementation requires a deep analysis of each standard and the development of guidelines for their application.

The IFRS No. 15 standard "receipts for contracts with buyers" provides for the introduction of a new procedure for recognizing, evaluating and reflecting receipts in reports. Therefore, the organization of calculations in accordance with the requirements of this standard the reflection of transparent information about income and profit in financial statements. The introduction of a methodology for providing reliable, harmonious and comparable financial information to international investors in tools understandable to them, that is, the most tested and effective methods and methods, recognition and evaluation criteria, the use of.

In our country, certain results have been achieved in harmonizing the accounting of income and profit with IFRS. In particular, in accordance with NAS № 2 "Income from operating activities" and the Regulation "On the structure of expenses and the procedure for determining financial results" a

procedure for obtaining income and financial results has been developed in accordance with international standards since 2021 on a voluntary basis. Procedures have been introduced for the preparation, international audit and publication of financial statements in accordance with IFRS for joint-stock companies, banks, insurance companies, state-owned enterprises and other enterprises.

However, these achievements do not mean that the country has made a decision on a full transition to IFRS. At the same time, it should be noted that based on the strategic objectives, there are a number of issues that need to be addressed in order to improve the accounting of income and profits in accordance with the requirements of international investors. These include the recognition and widespread implementation of IFRS on income, abandoning old methods and techniques, using modern conditions for generating income, developing, measuring and reporting income, using the most advanced recognition methods, recognizing distributed profits among foreign investors and improving accounting methodology. content and structure of the statement of financial results, recognition and reflection of other comprehensive income, improvement of the content of the accounts of income and profit accounting, harmonization of the formation of final financial results and accounting in accordance with international standards, achieving transparency and comparability of the report, transformation, transformation and consolidation issues and drawing up reports. To ensure the effective implementation of these tasks, scientific research is needed to radically improve the methodology for recording income and profits and reporting financial results in accordance with the requirements of international standards for foreign investors and other information users.

When studying the accounting of income and expenses in sources, the following parts are distinguished:

- 1) What is included in the income and expenses of the enterprise in accounting;
- 2) Income and expenses from the point of view of taxation;
- 3) Principles for accounting for income and expenses of the organization;
- 4) Algorithm for accounting for income and expenses of the company;
- 5) Program for accounting for income and expenses."[2]

The following conclusions can be made as a result of comparing the provisions of the "regulation on the composition of expenses", "conceptual framework for the preparation and presentation of financial statements" and the NAS № 2 standard "income from basic economic activities", which is considered a regulatory legal document for accounting of income in Uzbekistan:

First, the conceptual framework of international standards provides a definition of income. This definition is universally recognized. The most important feature of the presented definition, in which the definition of income as an element of financial statements is given. According to it, the following conditions are required to be met at the same time: the first condition is recognized as income. When private capital leads to an increase in the amount of additional capital by the founders, the second condition is that the phenomena that generate income should lead to an increase in assets (cash or other assets) or an improvement in its. The amount in the amount of events and processes that ensure the timely fulfillment of these two conditions is recognized as income.

Secondly, in the practice of our country, profit and loss on financial assets are indicated in one line as "Profit from revaluation of securities", while in international practice the procedure for reflecting profit and loss and other comprehensive income is reflected in the report. Today, when our reports are moving to international standards, it is appropriate for us to move on to the procedure for revaluation of financial assets, reclassification of gains and losses and other parts of the statement of comprehensive income.

Fourth, there is a discrepancy between NAS № 2 "Profit from operating activities" and NAS № 21 "Accounting Scheme and Instructions for its Application". In NAS № 2, income from interest, dividends and royalties is included in income related to the ordinary activities of the enterprise, while in NAS № 21, these incomes are reflected in accounts that take into account "income from financial activities". In accordance with this classification, we consider it appropriate to make certain changes

to the chart of accounts. Fourth, in Russian practice, interest income and income from securities are also included in other income. In fact, the international standard recommends that interest and dividends be included in income from ordinary activities.

This methodological procedure serves to generate useful information for users of information that accurately reflects other total income in the accounts and reports.

### List of used literature.

1. Resolution of the President of the Republic of Uzbekistan "On additional measures for the transition to international financial reporting standards." February 24, 2020. RP-№ 4611
2. The procedure and principles of accounting for income and expenses in the organization. [https://nalog.ru/nalog\\_na\\_pribyl/rashody\\_nalog\\_na\\_pribyl/poryadok\\_i\\_principyu\\_ucheta\\_dohodo\\_v\\_i\\_rashodov\\_v\\_organizacii/](https://nalog.ru/nalog_na_pribyl/rashody_nalog_na_pribyl/poryadok_i_principyu_ucheta_dohodo_v_i_rashodov_v_organizacii/)
3. Маҳсулот (ишлар, хизматлар)ни ишлаб чиқариш ва сотиш харажатларининг таркиби ҳамда молиявий натижаларни шакллантириш тартиби тўғрисида НИЗОМ. <https://lex.uz/docs/264422>
4. Eshpulatova Zaynab Baratovna. Improving income accounting at enterprises. 08.00.08 - "accounting, economic analysis and audit" Doctor of philosophy in economics (PhD ) written to obtain a degree Dissertation. 13-22 p
5. IFRS 15 Revenue from Contracts with Customers. [https://www2.deloitte.com/content/dam/Deloitte/ua/Documents/webinar/06\\_12\\_17\\_webinar\\_IFR\\_S\\_15.pdf](https://www2.deloitte.com/content/dam/Deloitte/ua/Documents/webinar/06_12_17_webinar_IFR_S_15.pdf)
6. [https://www.jmveindia.com/journal/October\\_special\\_issue\\_22\\_Vol\\_11\\_No\\_04\\_-converted.pdf](https://www.jmveindia.com/journal/October_special_issue_22_Vol_11_No_04_-converted.pdf)
7. Eshpulatova Zaynab Baratovna. Other comprehensive income, accounting structure and their improvement. *Thematics Journal of Economics* ISSN 2277-3029 Vol-7-Issue-2-2021 <http://thematicsjournals.in/index.php/tje> 10.5281/ zenodo.5559406
8. International Financial Reporting Standards. <http://www.ifrs.org.ua/mezhdunarodny-e-standarty-finansovoj-otchyotnosti/>
9. <https://www.neuroquantology.com/article.php?id=7676>
10. Baratovna E. Z. Other comprehensive income, accounting structure and their improvement // *Thematics Journal of Economics*. – 2021. – Т. 7. – №. 2.
11. Baratovna E. Z. CONCEPT AND CONTENT OF OTHER COMPREHENSIVE INCOME, ACCOUNTING PRINCIPLES AND WAYS TO IMPROVE // *Eurasian Journal of Academic Research*. – 2021. – Т. 1. – №. 6. – С. 84-89.
12. Baratovna E. Z. The First Application of International Financial Reporting Standards // *Kresna Social Science and Humanities Research*. – 2022. – Т. 4. – С. 52-54.
13. Ветошкина Е. Ю., Эшпулатова З. Б. УЧЕТ ДОГОВОРОВ С ОБРАТНОЙ ПОКУПКОЙ // *Учет, анализ и аудит: их возможности и направления эволюции*. – 2022. – С. 13-19.
14. Эшпулатова Зайнаб Баратовна 15-СОН МҲҲСНИНГ ТЎРТИНЧИ ҚАДАМ МОДЕЛИ АСОСИДА ТУШУМНИ ТАН ОЛИШНИНГ УСЛУБИЙ ТАРТИБИ // *ЖБМ*. 2022. №8.
15. Baratovna E. Z. THE FIRST APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS IN THE REPUBLIC OF UZBEKISTAN // *Journal of marketing, business and management*. – 2022. – Т. 1. – №. 1. – С. 109-111.
16. Eshpulatova Zaynab (2021) “ACCOUNTING FOR RECOGNITION OF ENTERPRISES INCOME (ACCOUNTS) IN ACCOUNTING WITH INTERNATIONAL STANDARDS AND “FINANCIAL REPORTING CONCEPTUAL FUNDAMENTALS ”, *Euro-Asia Conferences*, 3(1), pp. 137–139.

17. ЭШПЎЛАТОВА З. Б. RECOGNITION OF INCOME: ALLOCATE THE TRANSACTION PRICE TO THE PERFORMANCE OBLIGATIONS IN THE CONTRACT //Экономика и финансы (Узбекистан). – 2021. – №. 3. – С. 16-22.
18. Эшпўлатова Зайнаб Баратовна ДАРОМАДНИ ТАН ОЛИШ: ОПЕРАЦИЯ НАРХИНИ БАЖАРИЛИШЛАРГА ОИД МАЖБУРИЯТЛАРГА ТАҚСИМЛАШ // Экономика и финансы (Узбекистан). 2021. №3 (139).
19. Eshpulatova, Z., 2021. ACCOUNTING OF REVENUE FROM CONTRACTS WITH CUSTOMERS ACCORDANCE WITH INTERNATIONAL STANDARDS. *International Finance and Accounting*, 2021(2), p.25.
20. Eshpulatova Z. THE DIGITAL ECONOMY RELIES ON THE INTERNATIONAL STANDARDS OF THE FINANCIAL REPORT ON THE INCOME STATEMENT //DEVELOPMENT ISSUES OF INNOVATIVE ECONOMY IN THE AGRICULTURAL SECTOR. – 2021. – С. 120.
21. Eshpulatova, Z., 2020. DETERMINATION OF INCOME AND PROFIT AS AN ELEMENT OF FINANCIAL STATEMENTS. *International Finance and Accounting*, 2020(1), p.20.