

PROBLEMS OF INTRODUCING THE INTERNATIONAL STANDARDS OF FINANCIAL REPORTING IN COMMERCIAL BANKS

**Muradova Mubarak Ysupjanovna- doctoral studies researcher Accounting
and Audit department of Banking and Finance Academy Republic of Uzbekistan
muradovamuborakyusufjanovna@gmail.com**

Abstract: This article describes the problems and their solutions in the process of organizing the accounting of commercial banks in the Republic of Uzbekistan, the accounting system, the organization of accounting policies based on international standards of financial reporting, the main income and expenses from banking operations, and the transformation of financial reporting.

Keywords: accounting, accounting policies, income, expenses, financial reporting, international standards of financial reporting, bank assets and liabilities, net profit, financial instruments, financial control.

Introduction

Today, in the practice of Jahan, we can observe that the process of integration of the digital economy as well as globalization of the economy is growing. The fact that the economy of our country is growing day by day is manifested in recent years. The role and importance of commercial banks, the "heart" of the economy in this regard, is growing every year. In order to further develop this issue in the economy and lead the taarraqiyat of Uzbekistan in a new direction (Mirziyoyev Sh.M.2021) defined: "the goal is to increase the level of development and operation of financial and banking processes in the Real sector of the economy by up to 70 percent towards the end of 2026." An important issue in the implementation of these goals is the transformation of operational processes in the financial and banking sectors, the strengthening of the income part of commercial banks, as defined in the new Uzbekistan strategy.

Effective, rational and legal consumption of resources of commercial banks in the Republic of Uzbekistan, control of their consumption, truthful reflection of financial statements of banking operations create the basis for the effective organization of the banking system. Therefore, one of the pressing issues today is the increase in the prestige of commercial banks, cooperation with world-class banks, the rise of which can compete in

the future. One of the most important issues before our banks, which are moving towards such high goals, is the preparation of financial statements in a common language, that is, financial statements in accordance with international standards, in order to attract particularly attractive investors.

The implementation of International Financial Reporting Standards (IFRS) through the use of unified accounting methods allows commercial banks to improve the internal management system, inform interested parties about the financial condition of the bank and increase its competitiveness.

Since the adoption of IFRS and the provision of reports in accordance with it creates a single financial information exchange environment in the global market, this process, in turn, serves to increase the information transparency, accountability and economic efficiency of commercial banks. Also, the use of IFRS will lead not only to improved liquidity of commercial banks, but also to improved market liquidity, the development of capital markets, the expansion of the scale of trade in securities markets, the penetration of foreign investment into the national market and the improvement of investor protection. It should be noted that in order to achieve these positive results, it will be necessary to carry out measures to effectively implement IFRS in commercial banks and the national market.

The study of the experience of commercial banks of European countries on the implementation of IFRS and a fair assessment of problems and prospects in this process is a great opportunity during the transition of commercial banks in Uzbekistan to the process of accounting and financial reporting in accordance with IFRS. The beginning of the reforms on the transition to IFRS was greatly stimulated by the decision of the president of the Republic of Uzbekistan on November 26, 2010 "on further reform and stability of the financial and banking system of the Republic in 2011-2015 and priorities in achieving high international rating indicators". By this decision, priority directions were determined by banks on the transition to the preparation of IFRS-based reports and obtaining international credit ratings.

Literature Review.

The Republic of Uzbekistan representative office of the dealer bank competently-effective amalga oshirilayotgan reformatlar is the result of the bank's and the bank's activities to improve the regulatory framework, the bank of operations for the calculation of oligshning-the basis of yaratildi. Uzbekistan Republic of Uzbekistan "Extended account Accounting" law, presidential Republic of Uzbekistan "Bank and long-term activity bank"

laws, "banking accounting jurisdiction accounting and accounting by organization banking Accounting is thriving.

In this issue, special attention is paid to international financial reporting standards, including commercial banks, which are considered joint-stock companies. Including in the decree of the president of the Republic of Uzbekistan dated 24.02.2020 PQ-4611, separately,

1. To take measures to ensure that the financial statements of Joint-Stock Companies are published on the basis of IFRS.

2. Submission of information to the Ministry of Finance on the introduction of IFRS in joint-stock companies. the problem was solved. Therefore, in the process of accounting in commercial banks, it is necessary to find a solution to the issue of organizing on the basis of IFRS in the public sector. On this issue, national standards are being developed in the Republic of Uzbekistan on the basis of International Financial Reporting Standards in the public sector.

In this matter (Ibragimov A.2021) expressed the following opinion: the MHSS goal is to "look for ways to create and implement universal standards of financial statements that are acceptable to everyone by improving them, taking into account the best features of financial statements of all countries in the world." It also consists in carrying out general work on the constant adaptation of the adopted standards with each other, as well as their improvement. IFRS is the international benchmark of accounting. Today, more than 40 such standards have been developed and introduced into practice.

Today, as the international accounting standard, two benchmarks are recognized - International Financial Reporting Standards IFRS (International Financial Reporting Standards - IFRS) and the generally accepted US accounting rules - GAAP (Generally Accepted Accounting Principles - GAAP).

Accounting in commercial banks is organized according to a single system of support for the methodologies established in the regulatory documents of the Central Bank of the Republic of Uzbekistan. The accounting of banks is fully reflected in its accounting policy. Commercial banks operate on the basis of various software (IASB), depending on the magnitude of their debit and credit turnover, the cost estimates, the number of operations and the use of data processing tools, an analytical notebook, head-Journal, etc. are used on the basis of accounting.

In this matter, the Russian economist-scientist (Teterleva A. 2016) one of the elements of the MXHS of financial reporting, "submission and preparation of financial statements on the MXHS", clarifies the five main elements of financial reporting, namely:

- Asset;
- liability;
- Income;
- Cost;
- Capital.

In reality, with the help of these elements, it is possible to determine the effectiveness of banking activities, use the necessary database for external users of financial statements and the head of the organization.

On this topic (Mejueva E and Efremenkova T. 2022) in the process of planning the transition to international standards of financial accounting in scientific articles, it should be taken into account that it is necessary to understand that we are talking about a serious restructuring of processes familiar to the organization. The introduction of mxhs includes several stages:

1. Approximation to the management accounting and accounting of the organization. If the presence of a discrepancy between both of these management indicates that serious problems will arise in the organization in the future. Various information in documents reduces its reliability and complicates planning. This stage begins with the decision of the management of the organization on the transition to the NAS and the assessment of the resources necessary for this. First of all, the head of the organization needs to determine whether there is a specialist with the necessary knowledge and skills in the implementation of the IFRS.

2. Development of a unified accounting methodology. To resolve conflicts in accounts, it is necessary to synchronize them. By increasing the frequency of comparison of documents, the organization spends time and resources, but cannot determine the true causes of differences. In order to develop a unified methodology, with reference to audit organizations, the organization (or group of companies) receives a set of rules that establish the requirements for the reflection of certain operas in each type of accounting. And for all enterprises included in the group, uniform reporting forms are necessary. When choosing a software product, it is necessary for the organization to calculate the costs of its implementation and the efficiency that can be obtained from its application. Automation gives rise to a number of mitigations when switching to the IFRS, but today the companies

that provide the mxhs reporting preparation services offer their services. As a rule, automated accounting systems are used in this, which are guided by an operational data accounting plan (plan schetov) and coordinated with the IFRS.

3. Formation of the initial balance sheet on the date of transition. To assess the assets of the organization and its obligations, it is recommended to invite independent experts. When applying IFRS for the first time, it is necessary to prepare documents on them by selecting at least three reporting dates. To determine the reporting dates, it is necessary to take into account the interests of shareholders, financial institutions that provide loans to the company, and investors. This information allows you to optimize the preparation of reports according to the rules, determine how necessary an audit is, and make a choice whether it is useful to organize an international accounting department at an enterprise or involve external consulting experts.

4. Drawing up financial statements in accordance with the IFRS. It is not advisable to keep professionals related to the industry in the state, reporting once or twice a year. Instead of periodically contacting external specialists, it makes sense for the organization to hire its own employee, who will carry out this work regularly, as well as when combined with management accounting. As we know, in this issue, the concept of improving the system of accounting and reporting on the basis of international standards in commercial banks of the Republic of Uzbekistan was adopted, which created the possibility of forming a system for preparing financial statements based on the requirements of international standards.

3. Methodology.

The research methodology determines the philosophy and direction of research, the design of research, that is, the solution of the research problem, the ways of obtaining the necessary information for research, and the ethics of research are defined. At the same time, the choice of the research object (sampling) was taken by commercial banks operating in the Republic of Uzbekistan. The subject of the study is the accounting of commercial banks, financial statements, all financial indicators of banking operations, that is, the practices and methods that occur when the bank's assets carry out an analysis of their composition. The perfection of the methodology part was manifested by the requirements of international standards for substantiating the reliability (reliability) and accuracy (validity) of the path established for research, the accounting system of commercial banks in our country and their analysis of activities. As a result of the

application of international accounting standards in the practice of commercial banks, a great opportunity was created to create more high-quality financial statements, as well as to evaluate the results of the activities of the banking system, provides a high level of integration of financial accounts and statistical reports under the banking system, allows you to effectively manage.

4. Conclusion and Recommendations.

Currently, in the process of globalization of the economy, the role of each state, as well as the banks of Uzbekistan in the economy, is of particular importance. In this regard, the decree of the president of the Republic of Uzbekistan dated May 12, 2020 PF-5992 "on the strategy for reforming the banking system of the Republic of Uzbekistan in 2020-2025", first of all, aimed at increasing the investment attractiveness of banks, radically changing the banking sector, reducing the dependence of banks on state resources and, of course, increasing the efficiency of banks. The successful development of the country's economy largely depends on the effectiveness of the banking system, and the ability to adapt to changes in the market structure and achieve a high result at minimal cost in the conditions of world financial integration and increasing the popularity of banking activities is one of the main factors of the banking system. efficiency of the banking system. Therefore, in the process of transition to IFRS, a number of positive aspects and difficulties awaited commercial banks. It should be noted that it is quite natural that there will be difficulties with the transition to International Financial Reporting Standards. Most importantly, after these problems, it is considered necessary for commercial banks to visualize the beneficial aspects that will be achieved in the future. In turn, commercial banks face a number of difficulties and problems in the transition to IFRS, namely:

- As we noted above, as a result of the lack of potential employees with sufficient knowledge and skills in coordinating the financial statements of commercial banks with IFRS, commercial banks are still resorting to the services of external audit or audit firms;
- One of the main problems is the "language" problem, that is, the officially recognized language of IFRS is English, and even in large organizations there are problems in the process of translating IFRS.
- In addition, even at the current stage of the IFRS, there is a problem of lack of quality and homonymous software for accounting and reporting. Since the technical preparation of the process of transformation into IFRS does not comply with international standards, it is necessary that each commercial bank reflects in detail the process that reflects these issues in the accounting policy and in the orders, regulations and instructions

attached to it. This account leads to an increase in the quality of data, the unification of orderly food and a decrease in costs. When regulating relations in the field of organization, maintenance and reporting of accounting in commercial banks, preference is given to external control(audit). It is usually required to pay more attention to the type of internal control. Because when internal control is organized correctly and efficiently, the most important condition of international standards is the lack of need for external control.

In Europe, as well as in the world, based on the experience of commercial banks and Parent Companies of the last 15 years of the transition to IFRS, the following positive aspects can be observed: First, increasing information transparency-the transparency feature provides quality financial information about commercial banks and international comparisons. Thanks to this, investors and other market participants will be able to make based economic decisions. Secondly, increased accountability-this feature reduces the lack of financial information between investors and managers of commercial banks. As a result, investors will have complete knowledge of how to effectively manage their investments. Thirdly, when assessing the financial condition of commercial banks, investors will have the opportunity to check the rating assessment of a commercial bank based on factual information. Fourth, to increase economic efficiency-based on the analysis of reports on commercial banks in a single financial language, investors will have the opportunity to internationally direct bank capital and reduce risks. Fifth, improved market liquidity and reduced capital expenditures-detailed coverage of financial information and benchmarking internationally-increase market liquidity and reduce costs of national and foreign capital investment for commercial banks. Sixth, the development of capital markets and the expansion of the scale of trade in securities markets-the effective use of free capital funds and the provision of various sectors of the economy with the necessary capital play an important role in the development of capital markets. In addition, the formation of the securities market within a particular country and an increase in sales are factors of accelerating economic development. In this, IFRS-based reporting information serves as the main and reliable source of information for capital market participants. Seventh, the penetration of foreign investment into the national market and the improvement of investor protection – the development and competitiveness of commercial banks, first of all, creates the need to attract foreign investment. For this, a positive investment climate should be created in the national market for foreign investors and the rights of investors should be protected. The adoption of IFRS by participants in the capital market and the open publication of financial statements drawn up in accordance with it provide an opportunity

to carry out these processes faster. Eighth, the accuracy of forecasts of financial accounting of commercial banks-the environment that ensures the quality and slope of financial information-has a positive effect on the activities of financial analysts and increases the quality of forecasting analysis. These analyzes serve to effectively manage capital and make the right economic decisions to attract or distribute capital in the future.

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