

IMPROVING ACCOUNTING POLICIES IN COMMERCIAL BANKS BASED ON IFRS REQUIREMENTS IN UZBEKISTAN

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Abstract. *The article describes the role of the International Standards of Accounting and its implementation of the Republic of Uzbekistan. The paper reports on a study aimed at developing a methodology for converting balance sheets to international standards in commercial banks. Proposals and recommendations for harmonizing the concept of accounting policies in commercial banks with the requirements of IFRS were accepted for use in the development of accounting policies in banks.*

Key words: *commercial banks, profit, revenue, credit resources, and contingent liability, identification, buyer, investor, issuing loans, storage of foreign currency.*

СОВЕРШЕНСТВОВАНИЕ УЧЕТНОЙ ПОЛИТИКИ В КОММЕРЧЕСКИХ БАНКАХ НА ОСНОВЕ ТРЕБОВАНИЙ МСФО В УЗБЕКИСТАНЕ

Аннотация. *В статье описывается роль Международных стандартов бухгалтерского учета и их внедрение в Республике Узбекистан. В статье сообщается об исследовании, направленном на разработку методологии перевода балансов коммерческих банков к международным стандартам. Предложения и рекомендации по гармонизации концепции учетной политики в коммерческих банках с требованиями МСФО приняты к использованию при разработке учетной политики в банках.*

Ключевые слова: *коммерческие банки, прибыль, выручка, кредитные ресурсы и условные обязательства, идентификация, покупатель, инвестор, выдача кредитов, хранение иностранной валюты.*

Based on the improvement of accounting policies in commercial banks, this leads to the creation of a methodology for the correct organization and maintenance of accounting, as well as the timely preparation and presentation of financial statements. This helps to further improve the reliability of information about the financial condition of commercial banks and attract more investment. The dissertation reports on a study aimed at developing a methodology for converting balance sheets to international standards in commercial banks.

Commercial banks play an important role in the functioning of the credit system.

Commercial banks accumulate the bulk of credit resources and provide their clients with a full range of financial services, including issuing loans, accepting deposits, making settlements, buying and selling securities, and storing foreign currency. The essence of commercial banks is manifested in their functions, the implementation of which has a significant impact on the country's economy. The role of banks in the development of the economy of Uzbekistan is undeniable. By financing various areas of activity, banks contribute to the radical transformation of the country's infrastructure, the development of small and medium-sized businesses and employment. Thus, in 2023, with the support of banks, more than 1.5 million university graduates were employed.

Commercial banks provided them with preferential loans to start a business in the amount of about 1.28 trillion soums, which is 1.3 times more than in 2021. Special attention.

The banking sector is an important sector of the national economy of developed countries. Its essential importance lies in the fact that it operates the national payment system, carries out the bulk of commercial transactions through deposits, investments and loans, and, together with other financial intermediaries, channels national savings into businesses and productive organizations.

On March 28, 2023, President Shahkat Mirziyoyev made a report on attracting foreign investment in the capital of Asakabank and Uzpromstroybank. In 2023, Uzpromstroybank will attract 125 million US dollars, and Asakabank plans to attract 100 million US dollars. Modern software products and more than 100 new banking services will be introduced. As a result of the implementation of this initiative, it is expected that by the end of 2027, the income of Uzpromstroybank will increase by 1.61 times, and the loan portfolio - by 1.6 times. Deposits and banking assets of Asakabank will increase by 1.71 and 1.72 times, respectively. The most important thing is that confidence in these and other Uzbek banks in the international financial market will increase, which will make them more attractive to foreign investors and partners.

Increasing the efficiency of the banking system and other market infrastructure organizations is an urgent task.

Banks occupy a central place in the economic system and are responsible for the interests of various market participants; they are intermediaries between industry and trade, agriculture and the population.

One of the priority directions of the New Development Strategy of Uzbekistan for 2022-2026 is to deepen reforms and ensure the stability of the banking system, increase the level of capital and deposits in banks, strengthen financial stability and reliability, further increase the volume of lending to promising investment projects, small and medium-sized businesses, private entrepreneurs and also complete the process of transformation of state-owned commercial banks

and increase the share of the private sector in the banking system by the end of 2026. A bank's profit and loss is the most important indicator of the results of all active and passive operations.

The study of profit, its components and factors influencing its change is an important aspect of the analysis of the activities of commercial banks. The amount of profit is determined primarily by the difference between the income received and the expenses incurred. High-quality management of income and expenses of commercial banks determines their efficiency and financial stability in the market.

It is known that in accordance with the decision of the President of the Republic of Uzbekistan "On additional measures for the transition to international financial reporting standards" No. PD-4611, starting from January 1, 2021, commercial banks will organize accounting on the basis of IFRS, and from the end of 2021 financial reporting will be based on IFRS prepared on the basis of (PD-4611, 2020). Issues of revising regulatory documents and harmonizing them with international standards, taking into account the implementation of IFRS, were also raised.

In the existing commercial banks of our republic, positive work is being done to develop an accounting policy based on international financial reporting standards (IFRS 8), taking into account changes in it and eliminating fundamental errors.

Separately, it can be noted that, given that the procedure for drawing up accounting policies is one of the new directions in the accounting system, it is noted that the requirements for quality and content are insufficient in the practice of banks and are not structured in accordance with changes in accounting.

The correct organization of accounting in the banking system of the Republic of Uzbekistan, the correct maintenance of books and the development of effective accounting policies are an important issue of directly increasing the credit capabilities of banks and expanding their participation in the investment process. by attracting free funds to banks.

The main research problems can be identified as follows:

firstly, the concept of accounting policy in banks and the fact that it is not formed on the basis of the rules and principles laid down in them;

secondly, the current accounting policy of commercial banks is formed only theoretically on the one hand, that is, it is formed on the basis of regulatory documents;

thirdly, it is necessary to improve the existing accounting policies based on international financial reporting standards and bring them into compliance with the requirements of international standards.

As a result of the conducted scientific research, the following questions were raised, including:

- What benefits does the formation of accounting policies in banks bring to the bank?
- What is the need to develop accounting policies in banks?
- Do the accounting policies of commercial banks comply with IFRS requirements?
- How can the harmonization of banks' accounting policies with IFRS affect accounting and reporting in banks?

The scientific results and practical proposals obtained during the study are due to the fact that they can be widely used in improving the organization of accounting policies in banks based on IFRS, and in developing measures to solve existing problems.

The practical significance of the study lies in the fact that the developed scientific and practical proposals and recommendations can be used in organizing the "Accounting Policy" and its unified concept in commercial banks in accordance with IFRS. In accordance with the decision of the President of the Republic of Uzbekistan "On additional measures for the transition to international financial reporting standards" PD-4611, it is required to bring the current accounting policies of commercial banks into compliance with financial reporting requirements. Standards (PD-4611, 2020). The reason is that the accounting policies of banks are formed at the national level and do not fully comply with the procedure for preparing and presenting financial statements at the international level. Also in 2021, when preparing and transforming the banking system of our republic, it will be necessary to prepare reliable financial statements when the state's share in at least one large bank is completely sold to strategic investors. In many ways, it is necessary to correctly and methodically formulate accounting policies in banks, based on the requirements of the Ministry of Finance.

One of the major works carried out in our republic with the technical support of the World Bank is the process of complete harmonization of existing accounting and reporting in the banking system with International Financial Reporting Standards (IFRS).

It is inevitable that the existing "Accounting Policies" in commercial banks will be correctly and timely formed on the basis of IFRS and fully implemented based on the above indicators. To do this, it is necessary to review and develop the "Accounting Policy of Commercial Banks" for the preparation of annual financial statements of commercial banks based on the requirements of the State Audit Office.

As a result of improving the concept of "accounting policy" in accordance with international standards, accounting in commercial banks plays an important role in proper organization, increasing lending opportunities, and expanding their participation in the investment

process through greater attraction of available funds to banks. Also, in the formation in our Republic of a banking system capable of competing with banks in developed countries of the world, the processing and implementation of accounting policies is of great importance.

1.2. Structure of accounting policies in banks

Many definitions and different approaches have been given to the concept of accounting policy by international and national economists and practitioners in this field (auditors, accountants, analysts). It can be seen that all these definitions embody a single goal, that is, the accounting policy consists of a set of rules aimed at maintaining accounting records and preparing financial statements.

We are primarily limited by international and national standards regarding the concepts and definitions given in accounting policies. We would like to say that we will try to respond to the phrase mentioned above in the Presidential resolution.

The following definition was formed in IFRS No. 8 entitled “Accounting Policies, Changes and Errors in Estimates”: Accounting policies are the specified principles, methods, customs, rules and practices used by an entity in the preparation and presentation of financial statements (IFRS No. 8, IAS). This description is clear and aimed at the right target. In our practice, we see that this is approached a little differently.

For example, in the national standard: “...accounting policies are defined as the methods used by the head of an economic entity to maintain accounting records and prepare financial statements, together with their principles and principles” (No. 1 NAS, 1998). . From this definition it is clear that the head of an economic entity was approached as a person responsible for the simultaneous maintenance of accounting records and the formation of accounting policies.

We believe that in order to harmonize the current standard “Accounting Policies and Financial Reporting” with international standards, the standard should be expressed in the following order:

This is suggested	Current state
1.	By name:
«Account Policies, Changes and Errors»	«Accounting policies and financial statements»
2.	By structure:
<i>Purpose, scope and definitions</i>	Purpose and scope of the standard
<i>Account Policy: selection and application of accounting policies;</i>	Financial reports

<i>consistency of accounting policies; changes in accounting policies and their application.</i>	
<i>Changes in estimated value in accounting policies</i>	Basic principles
<i>Errors in accounting policies</i>	Account Policy
<i>Retrospective application and retrospective recalculation</i>	Presentation of financial statements
<i>Account Policy Disclosure</i>	Clarify accounting policy

Applications will need to be made to National accounting standards to identify differences between certain concepts and terms in the International Standard. For example, the appendices to International Accounting Standards (IFRS 8) are designed to identify and apply such differences.

These appendices are not considered part of International Accounting Standards but are used to clarify differences arising from IAS 8 Accounting Policies, Changes in Accounting Values, Errors.

As can be seen from the proposed comparison, the provisions of the national standard simultaneously include two goals (accounting policies and financial reporting and its principles).

In this case, more attention will be paid to the preparation of financial statements, and it will not be possible to obtain the necessary information about the need for accounting policies, their definitions and content.

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