

SPECIFICITY OF VALUE ADDED TAX ACCOUNTING IN THE TAX LEGISLATION OF UZBEKISTAN

Djalilov Rakhmonkul¹

¹ Karshi state technical university, associate professor

ARTICLE INFO.

Keywords: Tax system, tax control, tax administration, indirect taxes, value added tax, digital taxation.

Abstract.

Article information: This study analyzes the specificity of value-added tax (VAT) accounting based on tax legislation of the Republic of Uzbekistan due to implementation of digital tax administration reforms and transition to international financial reporting standards. Background: While extensive legislative changes have occurred (e.g. electronic invoices, automated risk analysis and the integration of ICT tools into tax administration), little is known about the real impact of such legislative changes on accurate, transparent, and efficient compliance with VAT. The abstract describes the use of economic analysis, logical reasoning, grouping, and comparative evaluation methods based on statistical data of electronic invoices and VAT turnover for 2018–2024, an assessment of VAT automation in the “1C: Accounting 8.3” software environment. Results show that electronic invoice common use growth rate and VAT turnover growth confirm the effectiveness of digitalization as both strengthen tax control and cultivate reporting discipline. Another additional result is that the automatic calculation of VAT and the constant monitoring of incurring risks reduce mistakes, minimize tax evasion, and improve the revenue administration of budget revenues, even though the adjustment of the rates itself has a direct impact on the total VAT collections. We conclude that the transition from analog to digital-based VAT accounting advances fiscal transparency and administrative efficiency, and we suggest that the iterative improvement of automated, risk-based controls and more congruence with accounting and tax reporting first-order and second-order standards will contribute to a further enhancement of sustainable tax governance motilities in Uzbekistan.

<http://www.gospodarkainnowacje.pl/> © 2026 LWAB.

Value Added Tax Accounting is an integral part of running a successful business. From understanding the basics of VAT to overcoming complex schemes and challenges, having value-added tax accounting protects businesses from fines, improves cash flow, and provides a solid foundation for making financial decisions. VAT accounting is the process of accounting for tax transactions related to Value Added Tax. This account requires the correct calculation of VAT, payment to the budget, as well as the correct compilation of tax reports [1][2].

Decree of the president of the Republic of Uzbekistan on the transfer and transform of accounting in our country No. RP-4611 of February 24, 2020 "On additional measures for the transition to international financial reporting standards", "On measures to improve the financial reporting system in accordance with international requirements and standards" Resolution of the President of the Republic of Uzbekistan, 15.09.2025. № RP-282 and the adoption of the decree of the Cabinet of Ministers of the Republic of Uzbekistan No. 507 of August 24, 2020 "On the approval of the regulation on the procedure for recognizing texts of international financial reporting standards and related interpretations"[3] requires the improvement of financial tax accounts.

The decision of the president of the Republic of Uzbekistan "On measures to improve the financial reporting system in accordance with international requirements and standards" of September 15, 2025 PQ-282[2] set the task of "Improving the disclosure of differences between tax and accounting in calculations and explanations, comments to financial statements", which is important in improving the direct value added tax accounting.

The main starting document when accounting for Value Added Tax is the invoice and its register.

Article 47 of the tax code of the Republic of Uzbekistan describes the invoice as follows:

When realizing goods (services), legal entities and individual entrepreneurs are obliged to provide an invoice to buyers of these goods (services), unless otherwise provided in this article.

An account invoice, as a rule, is issued electronically in the information system of electronic invoices[4]. According to the decree of the Cabinet of Ministers of the Republic of Uzbekistan dated December 21, 2023 No. 673 "On additional measures for the application of modern information and communication technologies in tax administration" on the territory of the Republic, since April 1, 2024, for large taxpayers, since July 1, 2024, for all economic entities, the mandatory implementation of the system of electronic formalization, storage and accounting of goods-transport freight letters has been established[5].

In the decree of the president of the Republic of Uzbekistan of September 4, 2025 "On measures for the introduction of a simplified procedure for calculating value-added tax in the field of agriculture" DP-153 "... when accounting for the amount of Value Added Tax, let the electronic invoice implement a system for automated real-time analysis of invoices according to the level of risk. On electronic invoices with a high level of risk in this:

- (a) their share does not exceed 10% of the total number of electronic invoices issued during the reporting period;
 - (b) to imply that the value-added tax amount is taken into account by the seller (supplier) or buyer (customer) after it is fully paid to the budget" defined [6].
- Conclusion

Policy of landfill interregional connectivity has a long history and is developing at new stages in the modern time. Termez is at the heart of this trend. "Its geographical situation plays a vital role for the connection of Central Asia with South Asia. In the perspective, it will continue to become even more significant: the city can become one of the fundamental reliability and economic equality bastions in whole region.

Literature review:

Most economists have done scientific research on Improving Value Added Tax Accounting.

K.M.Misirov studied the issues of improving the financial accounting of Value Added Tax and excise tax in his dissertation on "Improving the Financial Accounting and audit of indirect taxes" and made relevant proposals [7]. In this scientific work, the problems of clarifying the VAT base on the basis of improving the financial accounting of Value Added Tax on the basis of the current invoice form are covered.

K.R.Khotamov has researched the following issues related to Value-Added Tax in his academic work: approval of export of products, application of a zero-level rate on Value-Added Tax, correction of the tax base and reflection of its results in accounting, accounting for the methodology for conducting a tax audit on the basis of documents in an automated system and indirect taxes, reflection in documents and improving the links of processes in accounts on a practical and methodological basis, etc [8].

A.B.Abdullaev emphasized mainly electronic invoices in improving VAT accounting in his scientific work [9] [10][11][12][13].

Using electronic form invoices in practice results in[14][15][16][17]:

- for business entities, it is easier to rationalize the electronic account invoice, time consumption is reduced;
- It is possible to correctly calculate VAT and automatically control its timely fall into the budget;
- Procedures for withdrawing VAT from the budget are optimized.

A.B.Abdullaev believes that as a result of the use of electronic invoices by economic entities, it is necessary not to reflect invoices in tax reports, to counterfeit invoices, to reduce the amount of VAT in exchange for excessive accounting of VAT amounts paid in customs for imported goods, accounting for the amount of VAT at the expense of non-paying enterprises is obtained that is, avoidance of the payment of value added tax, which leads to an improvement in tax policies and a reduction in the level of turnover of the economy [18][19][20][21][22][23].

Literature review:

This study uses qualitative and quantitative analytical research design to investigate VAT accounting specifics within Republic of Uzbekistan tax system in digital transformation and regulatory reforms changing context. This is applied research based on secondary data obtained from the Tax Code of the Republic of Uzbekistan [3, 4], relevant presidential decrees and resolutions of the Cabinet of Ministers of the Republic of Uzbekistan [5–7], as well as reports on the dynamics of turnover on VAT and electronic invoicing for the period 2018–2024 [8]. The methodology combines a mixture of economic analysis, logical generalization, systematization, and comparative analysis in relation to registration amendments and their influence in practice on the VAT records. Special attention is paid to the launch of electronic invoices, the implementation of automated risk analysis systems and the transfer of tax administration processes to digital platforms, including the use of the application of the software table “1C: Accounting 8.3” to calculate and report VAT (VAT). Time-series data was studied to analyze such phenomena as VAT turnover trends, compliance measures and extent of digitalization while normative-legal analysis was applied to interpret changes in VAT administration. This interim finding is presented through several lenses of comparative analysis applied here to national VAT accounting practices compared to an international financial reporting standard. To ensure the reliability of results obtained statistical indicators were cross-verified and consistency checks between accounting data and tax reporting requirements were performed. Such an integrated approach made it possible to assess both the regulating environment and the accounting methods of operational practice of VAT regulation in Uzbekistan

Analysis and results discussion:

Let's cite some information on electronic account invoices. In the Republic of Uzbekistan, the dynamics of the number of electronic account invoices established in 2018-2024 are presented, which in 2020 amounted to 23 315 224 electronic account invoices, in 2024 to 47 180 571.

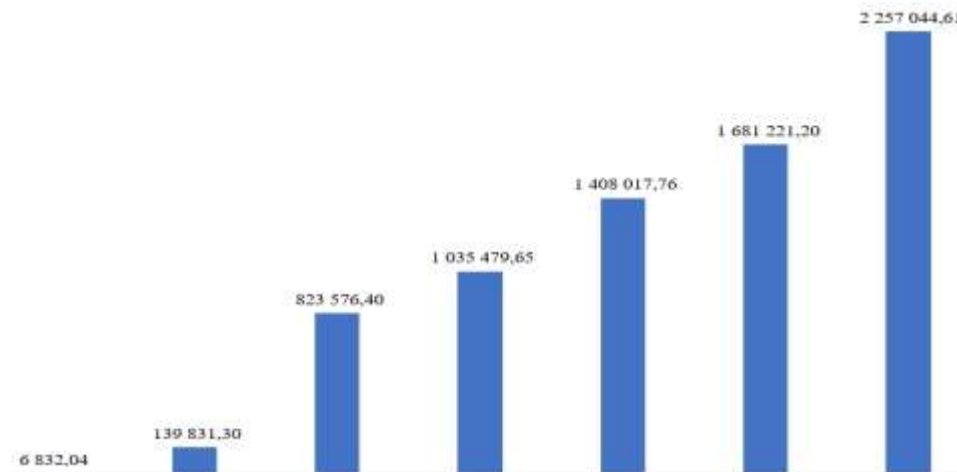


Figure 1. Dynamics of turnover on electronic account invoices established in the Republic of Uzbekistan in 2018-2024, billion soums.

In the Republic of Uzbekistan, the turnover on electronic account invoices, compiled in 2018-2024, comes in the form of a diagram (Figure 1).

Figure 1 shows the growth trend of turnover on electronic account invoices established in the Republic of Uzbekistan in 2018-2024, the turnover is 823,576.4 billion soums in 2020, this figure is 1,681,017.7 billion soums in 2023 and 2,257,044.6 billion soums in 2024.

Data on Value Added Tax calculated on electronic account invoices compiled in the Republic of Uzbekistan in 2020-2024 were presented in Figure 2.

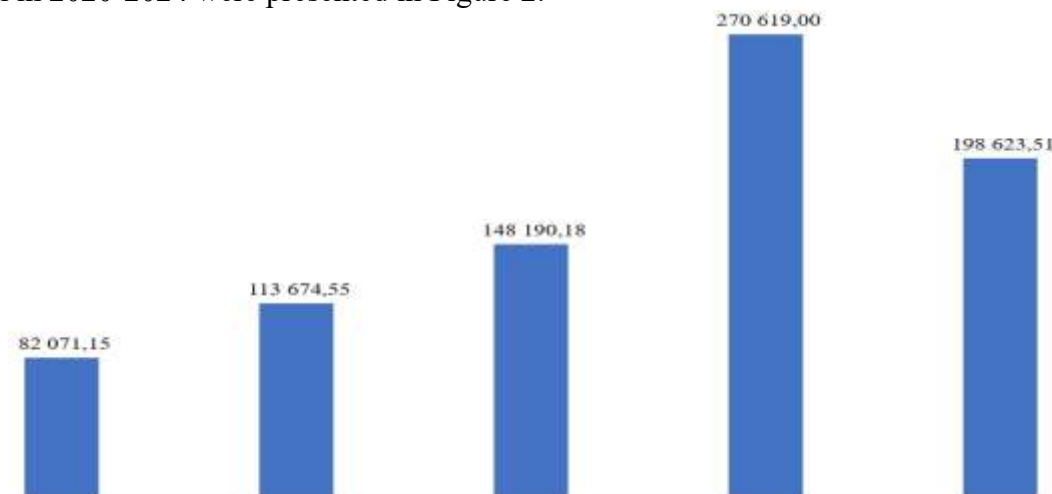


Figure 2. In the Republic of Uzbekistan, the value-added tax, calculated on electronic account invoices, established in 2020-2024, Is billion soums.

This figure 2 presents the amount of Value Added Tax calculated on electronic account invoices compiled in the Republic of Uzbekistan in 2020-2024, the amount of which is 82 071,5 billion soums in 2020, 113 674,6 billion soums in 2021, 148 190,2 billion soums in 2022, 270 610,0 billion soums in 2023, 198 623,5 billion soums in 2024, which we can observe has decreased compared to 2023. As a key factor in this

decline, the head of our state caused the reduction of the VAT rate from 15 percent to 12 percent in order to create a business environment favorable to entrepreneurs.

As can be seen from the above, digitalized systems such as “1C-accountant”, electronic account invoices and electronic goods transport freight letter were used in the audit of Value Added Tax.

In the program “1C-accounting” to correctly draw up and place in the program the “accounting policy” of the economic entity at the initial stage for tax accounting. In this case, it is necessary to establish the tax rules corresponding to the activities of the enterprise, ensure that all accounts and transactions are automatically calculated on this basis, and also prepare reports through the same program, keeping tax calculations correctly on the basis of the “1C-accounting” program.

In the program “1C-accountant”, the purpose of accounting for VAT is mainly to reflect in the accounting registers when goods and services are purchased, and/or sold, include VAT payments in imports along with customs duties, calculate the difference in the tax report of the received and issued VAT, make payment and draw up a report.

Z.M.Laypanova and A.A.Adjievas' scientific work includes: “Automation of VAT calculations in 1C software provides a wide range of opportunities for accounting and monitoring this tax. The main features and methods of accounting for VAT in the 1C program are as follows [24][25][26][27][28][29]:

1. Setting VAT rates: the program allows you to set the necessary VAT rates for various operas and documents.
2. VAT calculation: the program automatically calculates VAT amounts for each invoice, taking into account the established rates.
3. Internal and external VAT: 1C allows you to monitor internal VAT (paid when buying goods and services) and external VAT (charged when selling goods and services).
4. Accounting for advance payments and advance payments: the program takes into account the amounts of VAT on advance payments and Advances, provides a clear accounting of expenses and income.

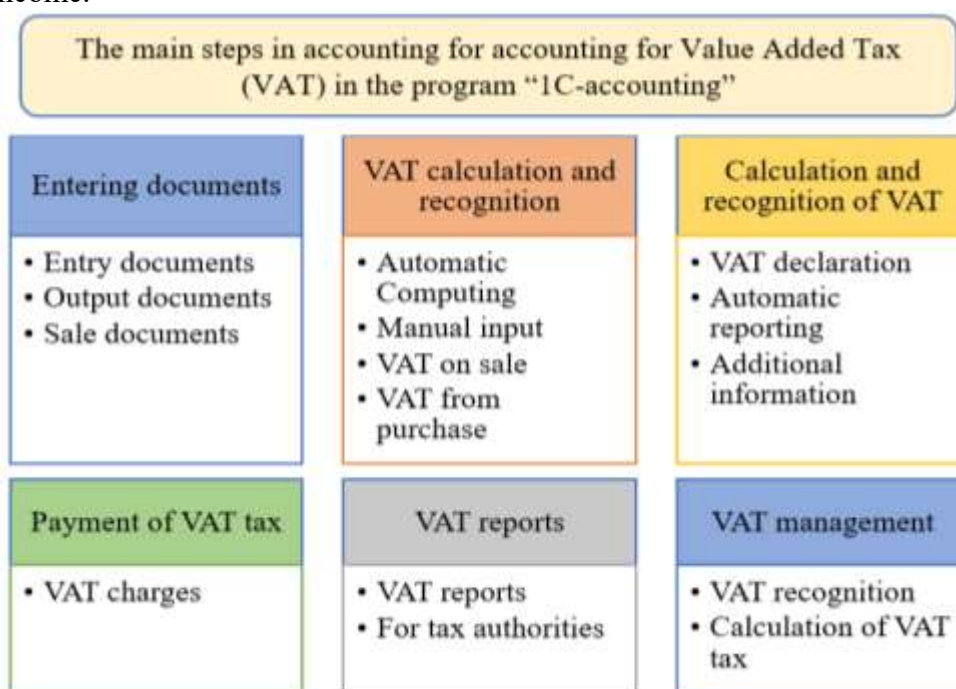


Figure 3. Description of the main steps in accounting for accounting for Value Added Tax in the program “1C-accounting”.

5. Adjustments to VAT amounts: If necessary, 1C allows you to make adjustments to VAT amounts, for example, return goods or change the terms of transactions.
6. Report: Using the 1C program, you can create the VAT reports necessary to submit reports to the tax authorities"[10].

The use of the "1C-accounting" program to automate VAT calculations allows you to speed up the process of tax accounting, reduce errors and ensure compliance with tax legislation. Proper accounting of VAT in the "1C-accounting" program is important for effective management of tax obligations and the Prevention of negative consequences. Therefore, it is important to pay enough attention to this aspect of accounting and use all the capabilities of the "1C-accounting" program to optimize VAT accounting [30][31][32][33][34].

Currently, the software product "1C:accounting 8.3" is widely used in economic entities of our country [35][36].

Conclusions and suggestions:

Based on statistics, we were once again convinced that VAT is an important, complex and volumetric tax, problems with VAT are important in our country. This requires special attention to itself, analysis, and possibly changes in its control system.

1C: in the accounting 8.3 program, VAT accounting is carried out mainly through the allocation of VAT on sales and purchases, accounting for its receipts and receipts, as well as the preparation of a tax report. In this case, it is important to correctly formalize special accounts and operas in the program.

References:

- [1] "On additional measures for the transition to international financial reporting standards," Resolution of the President of the Republic of Uzbekistan, No. RP-4611, Feb. 24, 2020.
- [2] "On measures to improve the financial reporting system in accordance with international requirements and standards," Resolution of the President of the Republic of Uzbekistan, No. RP-282, Sept. 15, 2025.
- [3] [3] "On the approval of the regulation on the procedure for recognizing texts of international financial reporting standards and related interpretations," Resolution of the Cabinet of Ministers of the Republic of Uzbekistan, No. 507, Aug. 24, 2020.
- [4] Tax Code of the Republic of Uzbekistan, Art. 47, 2026.
- [5] "On additional measures for the application of modern information and communication technologies in tax administration," Resolution of the Cabinet of Ministers of the Republic of Uzbekistan, No. 673, Dec. 21, 2023.
- [6] "On measures for the introduction of a simplified procedure for calculating value-added tax in the field of agriculture," Decree of the President of the Republic of Uzbekistan, No. DP-153, Sept. 4, 2025.
- [7] K. M. Misirov, Improvement of Financial Accounting and Audit of Indirect Taxes, Dissertation, Tashkent, 2010.
- [8] K. R. Khotamov, Improving the Accounting, Analysis and Audit of Indirect Taxes, DSc dissertation, Tashkent, 2016.
- [9] A. B. Abdullaev, Improving Tax Accounting and Analysis, Autoreferat, 2020.
- [10] З. М. Лайпанова and А. А. Аджиева, "Основные принципы учета НДС в программе 1С: как правильно настраивать и использовать," Прикладные экономические исследования, no. 3, pp. 114–119, 2024, doi: 10.47576/2949-1908.2024.3.3.013.
- [11] A. A. Atajanovich et al., "Integral improvement of economic safety of the regions," in Proc. 5th Int. Conf. Future Networks and Distributed Systems, Dec. 2021, pp. 728–732.
- [12] M. A. Atajanovich, A. F. Faizullaevich, and M. M. Akhmatzhanovich, "Development of the investment mechanism during the transition to the digital economy," in International Scientific Conferences with Higher Educational Institutions, vol. 1, no. 25.10, pp. 292–308, 2022.
- [13] А. Ф. Хуррамов et al., "МИЛЛИЙ ИҚТИСОДИЁТНИНГ ТАРМОҚ ТАРКИБИНИ ТАКОМИЛЛАШУВИГА ИНВЕСТИЦИЈАЛРНИНГ ТАЪСИРИ," Экономика и финансы (Узбекистан), no. 7 (155), pp. 2–10, 2022.
- [14] A. F. Khurramov, *Property Relations in a Transition Economy and Their Features in the Agricultural Sector*, Doctoral dissertation abstract, Tashkent: UzMU, 2005.
- [15] А. А. Маматов et al., "Развитие хлопково-текстильных кластеров в экономике Республики Узбекистан," Экономика и предпринимательство, no. 9, pp. 419–423, 2020.

Kielce: Laboratorium Wiedzy Artur Borcuch

Copyright © 2026 All rights reserved International Journal for Gospodarka i Innowacje This work licensed under a Creative Commons Attribution 4.0

- [16] A. A. Mamatov and A. Ф. Хуррамов, “Иностранные инвестиции как фактор экономического роста Республики Узбекистан,” *Экономика и предпринимательство*, no. 10-2, pp. 98–101, 2017.
- [17] O. Xushmuradov, “Tijorat banklari faoliyatini transformatsiya qilish istiqbollari,” *Raqamli iqtisodiyot (Цифровая экономика)*, no. 11, pp. 654–661, 2025.
- [18] O. Xushmuradov, “Tijorat banklari faoliyatini transformatsiya qilish istiqbollari,” *Raqamli iqtisodiyot (Цифровая экономика)*, no. 11, pp. 654–661, 2025.
- [19] X. Oman, “Significant aspects of bank transformation,” *Spanish Journal of Innovation and Integrity*, pp. 14–20, 2024.
- [20] O. Xushmuradov and S. Ismoilov, “O‘zbekistonda sug‘urta bozorining rivojlanish tendentsiyalari,” *Green Economy and Development*, vol. 3, no. 10, Oct. 2025, doi: 10.5281/zenodo.17300119.
- [21] T. S. Alisherovich, “Improving accounting and its maintenance in banks,” *Gospodarka i Innowacje*, vol. 31, pp. 15–20, 2023.
- [22] Ш. А. Туробов, “АЁЛЛАР МЕХНАТИДАН САМАРАЛИ ФОЙДАЛАНИШ ИСТИҚБОЛЛАРИ,” *Ijtimoiy Fanlarda Innovasiya Onlayn Ilmiy Jurnali*, pp. 127–134, 2022.
- [23] T. S. Alisherovich, “Economic content of households,” *Gospodarka i Innowacje*, pp. 150–155, 2022.
- [24] S. A. Turobov and G. I. Azamatova, “Regional characteristics of household entrepreneurship activities in Kashkadarya region,” *Economics and Finance (Uzbekistan)*, no. 2 (134), 2020.
- [25] Ш. А. Туробов and Б. Ф. Фахриддинов, “УЙ ХЎЖАЛИКЛАРИ ТАДБИРКОРЛИГИНИ РИВОЖЛАНТИРИШ–ҚИШЛОҚ ХЎЖАЛИГИ ТАРАҚҚИЁТИ ГАРОВИ СИФАТИДА,” *Экономика и финансы (Узбекистан)*, no. 4 (140), pp. 15–20, 2021.
- [26] A. Ф. Хуррамов et al., “Иқтисодий ресурсларнинг доиравий айланиш моделида уй хўжалигининг тутган ўрни,” *Экономика и финансы (Узбекистан)*, no. 9, pp. 2–6, 2018.
- [27] R. Rashidov et al., “The crisis conditions and the ways of solving them,” *International Journal of Advanced Science and Technology*, vol. 29, no. 7, pp. 2104–2011, 2020.
- [28] T. S. Alisherovich and I. Z. Ibodullayevich, “Theoretical foundations of regulation of commercial banks,” *Gospodarka i Innowacje*, vol. 46, pp. 344–349, 2024.
- [29] T. S. Alisherovich, “Prospects for increasing the export potential of households,” 2023.
- [30] S. A. Turobov and G. I. Azamatova, “The opportunities of digital economy and implementing it in the circumstances of Uzbekistan,” *Theoretical & Applied Science*, no. 2, pp. 533–537, 2020.
- [31] T. S. Alisherovich and R. R. Iskandarovich, “The importance of household entrepreneurship in providing employment,” 2023.
- [32] O. N. Kholmurodov et al., “Creating a favorable environment for attracting foreign investment and strengthening its legal framework,” *JournalNX*, vol. 6, no. 5, pp. 53–56, 2020.
- [33] H. E. Azimova et al., “Modern practice of regulating processes of attracting foreign investments and approaches to its improvement,” *International Journal of Innovations in Engineering Research and Technology*, vol. 7, no. 2, pp. 1–7, 2020.
- [34] A. H. Egamberdiyevna, “Mintaqa xizmat ko‘rsatish sohasida o‘zini o‘zi band qilish orqali kambag‘allikni kamaytirishning muhim jihatlari,” 2025.
- [35] X. Э. Азимова, “Приоритетные направления привлечения иностранных инвестиций в экономику Узбекистана,” *Экономика и социум*, no. 10 (113)-2, pp. 455–460, 2023.
- [36] A. H. Egamberdiyevna, “Kambag‘allikni qisqartirishda aholi umumiy daromadlarining ahamiyati,” 2025.