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The Main Directions of Improving Income Accounting Based on International Experience

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ABSTRACT

The article discusses the main directions of improving income accounting and reporting, improving and harmonizing regulatory legal acts on income accounting and reporting in accordance with international standards, as well as harmonizing reporting with conceptual provisions based on international standards. Recommendations and assumptions are given on the topic.

Keywords: Income, statement of financial results, conceptual framework, revenue, Resolution, Law, products (goods, works and services), International financial accounting standards, buyer, contract.

Decree of the president of the Republic of Uzbekistan dated January 28, 2022 No. 60 "on the development strategy of New Uzbekistan for 2022-2026"[1] was adopted. The third section of the New Uzbekistan development strategy for 2022 - 2026 is called "Ensuring the rapid development of the national economy and high growth rates", and provides a basis for increasing the gross domestic product per capita in the next five years-1.6 times, and per capita income by 2030-from 4 thousand US dollars, as well as entering the "the goal was set."¹ We can achieve this goal only by increasing the income of enterprises, increasing the per capita income. In addition, the establishment of the goal in this very important document "to further improve the investment climate in the country and increase its attractiveness, to take measures to attract foreign investments of US \$ 120 billion in the next five years, including \$ 70 billion,"² also indicates that the transition to IFRS in improving investment attractiveness is an extremely urgent task.

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

¹ <https://lex.uz/docs/5841063>

² <https://lex.uz/docs/5841063>

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.

It is noted that other comprehensive income group includes the profit received by the enterprise as a result of joint activities, accounts payable that have expired, and other types of income.

In the study of income and expense accounting 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 of accounting of income and expenses of the company; 5) program for accounting of income and expenses." [10]

A group of foreign scientists (Huifa Chen Qingliang Tang, Yihong Jiang, Zhijun Lin) [11] studied the influence of the rules of the standard on income on the increase in the quality of accounting, and noted that compliance with the rules is the basis for the formation of quality information on income.

For the next two years, the president of our country received 1 Decree, 2 convicts for the transfer of accounting and audit to international standards. The main content of these decrees and resolutions is the transfer of accounting and audit to IFRS and AXS.

We reflect the main content of the tasks set in them in the table below (table 1).

Table 1. The Ministry of Emergency Situations and the Zhori Institute of Management and Decision-making³

<p>Decision Of The President Of The Republic Of Uzbekistan On additional measures for the transition to International Financial Accounting Standards February 24, 2020, PQ-4611</p>	<p>"In order to provide foreign investors with the necessary information environment and expand access to international financial markets by accelerating the transition to International Financial Reporting Standards (IFRS), as well as improving the system of training specialists in the field of accounting and auditing by international standards: Белгилансинки, акциядорлик жамиятлари, тижорат банклари, суғурта ташкилотлари ва йирик солиқ тўловчилар тоифасига киритилган юридик шахслар: Since January 1, 2021, it organizes accounting on the basis of IFRS and since the end of 2021 prepares financial statements on the basis of IFRS, with the exception of legal entities, the legislation provides for earlier periods of transition to IFRS; Until the end of 2021, within the framework of the international certification of accountants, at least three specialists with a document on the successful transfer of the subject "financial reporting on IFRS" or one of the certificates "certified international professional accountant (CIPA)", "certified diploma accountant (assa)", "Certified</p>
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³ Ўзбекистон Республикаси Президентининг фармон ва қарорлари асосида муаллиф ишланмаси

	Public Accountant (sra)" and "Diploma in international financial reporting (DipIFR)" (next — international accountant certificate) will provide them with” ⁴ .
Decision Of The President Of The Republic Of Uzbekistan June 25, 2021, PP-5161 on measures for state support of non-governmental educational organizations and the creation of additional conditions for young people in the educational process	<p>“In order to raise the process of training highly qualified personnel corresponding to modern requirements to a qualitatively new level, support non-governmental educational organizations and create additional conditions for youth participation in the educational process:</p> <p>In order to raise the process of training highly qualified personnel corresponding to modern requirements to a qualitatively new level, support non-governmental educational organizations and create additional conditions for youth participation in the educational process:</p> <p>To approve the proposals of the Ministry of Finance and the Ministry of higher and secondary special education on the establishment of the innovation Professional Development Resource Center for international standards of financial reporting and audit (next — the Resource Center for financial reporting) under the Tashkent State Economic University, as well as the non — state Professional Development Resource Center for accounting and taxes</p> <p>Together with the Ministry of Finance and the Ministry of innovation development of the Ministry of higher and secondary special education, until the end of 2022, the Tashkent State University of Economics, The Tashkent Financial Institute, the training center under the Ministry of Finance and the Samarkand Institute of Economics and service will take measures to conduct accreditation of international organizations in the</p> <p>Set:</p> <p>within the framework of training programs and training teachers in the field of accounting and audit for accreditation of international organizations, 100 million soums will be allocated to each of the above higher educational institutions in 2022;</p> <p>In the case of international accreditation of Tashkent State University of Economics, Tashkent Financial Institute and Samarkand Institute of Economics and service, one-time incentives of 1 billion soums will be allocated for the development of their material and technical base in 2023.”⁵</p>
Decision Of The President Of The Republic Of Uzbekistan On additional measures to improve the audit certification system August 4, 2021, PQ-5210	<p>"In order to introduce a modern system of certification of Auditors, which ensures the transparency of the qualification exam for obtaining an auditor's qualification certificate on the basis of advanced experience of developed countries, as well as to establish close cooperation and interaction with international organizations in this area:</p> <p>Together with the Ministry of finance, the Tashkent State University of Economics, Tashkent Financial Institute, Samarkand Institute of Economics and service (in the following places — experimental and testing higher educational institutions) approve the schedule of accelerated training of pedagogical personnel in the subjects "accounting" and "audit" according to international audit standards (in the following places-AXS) in accredited educational centers;</p>

⁴ <https://lex.uz/docs/4746047>

⁵ <https://lex.uz/docs/-5474568>

	<p>Since August 1, 2022, the experiment-test will introduce the updated educational programs in the educational process, which provide for an in-depth study of the AXS in the areas of undergraduate education of higher educational institutions and in the disciplines of "accounting" and "audit" in the specialty of a master's degree.”⁶</p>
<p>Decree Of The President Of The Republic Of Uzbekistan On measures to further improve the system of state financial control August 27, 2021, PF-6300</p>	<p>"By January 1, 2022, the Organization of planning and conducting external audit activities on the basis of international standards of higher audit bodies (ISSAI), within the framework of which the implementation of financial, efficiency and compliance audits, as well as the development and approval of standards for the implementation of risk analysis in state financial control; By October 1, 2022, together with the Ministry of Foreign Affairs, ensure membership in the International Organization of higher audit bodies (INTOSAI) for the introduction of international standards of higher audit bodies (ISSAI), improving staff qualifications, exchange of experience and practical application of advanced experience. The Accounts Chamber, together with the Ministry of Finance and the ministry for the development of information technologies and communications, will ensure the launch of the state audit software complex (next — the state audit program) by January 1, 2022.”⁷</p>

Based on the tasks set in these decrees and resolutions, active implementation of IFRS and International Standards of Audit activities in the practice of organizations operating in Uzbekistan, coordination of accounting and audit disciplines in the higher education system to IFRS and International Standards of Audit activities, accreditation of science programs, international certification of professors and practice staff are carried out. The study and implementation of standards requires a special approach to each of them. A special place is occupied by the topic of income accounting, since the Coordination of income to international standards also includes the organization of other processes on the basis of IFRS.

As a result of income research, recognition of receipts under contracts and reflection in financial statements, improvement of the methodology for calculating profit, distribution of profit has been achieved. But research on the account of income in our country was carried out mainly within the framework of national regulatory legal acts.

On the conceptual basis, the rule is established that " according to each article of profit, the amount after the deduction of expenses corresponding to this income is reflected." But this rule has not been followed in the current financial results report. Because, the report gives an overview of "income other than the main activity." Given their importance in decision-making, these substances must be disclosed. In addition, profits or losses on other income items must be reflected. Therefore, we consider that it is advisable to summarize them in the section of the following substances:

1. Profit (losses) from the disposal of long-term assets and other property;
2. Exchange rate profit (losses);
3. Claims received from write-off of overdue accounts payable and deponent debts;
4. Irrevocable financial assistance and gifts;
5. Revenues from government subsidies;
6. Fines, penalties, other types of punitive penalties, which are levied or recognized by the debtor,

⁶ <https://lex.uz/docs/5552197>

⁷ <https://lex.uz/docs/5607471>

as well as profit (losses) to recover losses incurred;

7. Profit from revaluation of commodity-material goods (losses).
8. Income of past periods determined during the reporting period.

We offer to include these indicators in the report on financial results. They are considered to be appropriate to reflect on the report the profit or loss left after deducting the costs from the income of the relevant substances, and not as a separate income and a separate expense item.

Fifth, in the current form, line 110 is called "income from financial activities", and lines 120-160 are allocated for the structure of these incomes. The composition and naming of these revenues does not correspond to the changes in the financial market of today's world economy. Revenues from financial activities are being formed as the main income of many companies. Therefore, the full coordination of income from financial activities to international standards is an urgent issue on the agenda. In the same way, it is also considered appropriate to name and coordinate the composition of substances up to line 170-210, allocated for expenses in financial activities to the international standard.

Sixth, the indicator of the benefits (harms) of nationwide activity (100+110-170) is not recorded in international standards. As a result of the studies, it was found that the indicators in this naming were not recorded from international sources, in authoritative textbooks. Therefore, it is necessary to remove this indicator from the report.

Seventh, it is necessary to reflect the results of unfinished activities and completed activities, separating them from each other.

Therefore, it is considered appropriate to include in the reporting form substances that reflect the results of the completed activity. In addition, after determining the net profit, it is necessary to enter lines that reflect other generalized income.

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