

**REGULATORY AND LEGAL BASIS OF IMPROVING THE ACCOUNTING SYSTEM IN  
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This article analyzes the regulatory and legal foundations for improving Uzbekistan's accounting system. The study aims to assess coherence among accounting regulations, their practical enforcement, and the impact on the quality of accounting information. The methodology combines comparative legal analysis and an institutional approach. The scientific novelty lies in linking enforcement mechanisms to measurable reporting-quality criteria and governance instruments.

**Keywords**

accounting, regulatory framework, national standards, financial reporting, harmonization, audit, institutional reform

**Annotatsiya**

Ushbu maqola O'zbekistonda buxgalteriya tizimini takomillashtirishning me'yoriy-huquqiy asoslarini tahlil qiladi. Tadqiqotning maqsadi normativ hujjatlar uyg'unligi, ularning amaliy qo'llanishi va hisob axboroti sifatiga ta'sirini baholashdir. Metodologiya sifatida qiyosiy-huquqiy va institutsional tahlil qo'llanadi. Ilmiy yangilik me'yorlarning ijro mexanizmlarini sifat mezonlari bilan bog'lab berishdan iborat.

**Kalit so'zlar**

buxgalteriya hisobi, me'yoriy-huquqiy baza, milliy standartlar, moliyaviy hisobot, uyg'unlashtirish, audit, institutsional islohot

**Аннотация**

Статья посвящён анализу нормативно-правовых основ совершенствования бухгалтерской системы Республики Узбекистан. Цель исследования состоит в оценке согласованности регулирования, практики применения норм и их влияния на качество учетной информации.

Использованы сравнительно-правовой и институциональный методы. Научная новизна заключается в увязке механизмов исполнения норм с критериями качества отчетности и контроля.

### **Ключевые слова**

бухгалтерский учет, нормативно-правовая база, национальные стандарты, финансовая отчетность, гармонизация, аудит, институциональная реформа

### **INTRODUCTION**

The issue of improving the accounting system in the Republic of Uzbekistan is directly related to improving the institutional quality of the accounting system as the information foundation of economic management. Accounting is not just a technique for recording economic transactions, but an information infrastructure that connects property rights, contractual discipline, corporate governance and the effectiveness of state control. Therefore, the focus of improvement is on regulatory and legal frameworks: they establish accounting rules, determine the boundaries of responsibility, standardize requirements for the reliability of reporting and reduce information asymmetry between users. However, the presence of a regulatory text in itself does not give a sufficient result; the quality of accounting information increases when it works in conjunction with practical implementation mechanisms, a control system and the competence of the professional community.

### **Main part**

In the analysis of regulatory and legal frameworks, the distinction between levels of accounting regulation is primarily of methodological importance. In Uzbekistan, the general legal basis for accounting is determined at the law level, based on which the rules and procedures are specified through government resolutions, regulatory documents of authorized bodies, national accounting standards and methodological guidelines. Such multi-level regulation, on the one hand, allows covering the diversity of economic sectors and business entities, and on the other hand, increases the risk of collision, duplication or different interpretations between documents. Therefore, the issue of improvement should be focused not only on the adoption of new norms, but also on ensuring the compatibility of existing norms, reducing the costs of their implementation in practice and strengthening enforcement discipline. The main goal of accounting regulation is to provide users of financial statements with information that is useful for decision-making. In international scientific literature, the concept of reporting quality is explained by the criteria of relevance, reliability, comparability and auditability [1]. The legal expression of these criteria is reflected in the rules for the formation of accounting policies, the boundaries of the choice of valuation methods, disclosure requirements, and the powers of audit and control institutions. Thus, the regulatory and legal framework will give a systematic result if they are able to link quality criteria with clear measurements and accountability mechanisms. Otherwise, the standards will become a formal, enforceable document and will not fully fulfill their function of reflecting real economic content.

One of the most important areas in improving the accounting system of Uzbekistan is the convergence of national regulation with international financial reporting standards. The problem here is not only in the replacement of terminology or reporting forms, but also in differences in conceptual

approaches. While international standards are based more on the principles of professional judgment, the priority of economic content, and the breadth of disclosure, national practice has long been dominated by normative rigor and the primacy of tax accounting. Russian experience shows that formal transposition of standards does not automatically increase market confidence; An important aspect is the harmonization of supervisory institutions, audit quality, and professional education [2]. Therefore, in the conditions of Uzbekistan, the harmonization policy should be revised in a way that complements and does not conflict with each other in the hierarchy of regulatory and legal acts, and in particular, it should be deepened by establishing clear, consistent criteria in accounting policies, asset and liability valuation, and income and expense recognition rules.

The institutional approach to assessing the regulatory framework for improvement is important, since legal norms change the incentives and constraints of business entities. Even the most perfect standard will not work effectively if the benefit outweighs the expected punishment for misrepresentation. In this regard, the inevitability of liability, the real value of the audit opinion, and the functioning of internal control at the required level are decisive factors in improving the accounting system. Uzbek scientists justify the fact that strengthening the institutional environment of accounting and auditing, in particular, digitizing control forms and increasing transparency, will increase the reliability of accounting information [3]. In this case, digitization should be not only a technological update, but also be strengthened by regulatory and legal requirements for electronic document management, data storage, audit trails, and information security.

The practical effectiveness of the regulatory and legal framework largely depends on how the relationship between “accounting and taxation” is built. If financial reporting is subordinated mainly to the needs of calculating the tax base, the value of information for investors and creditors will decrease. At the same time, excessive adjustment can also be harmful in the long run for tax authorities, since a report that does not correctly reflect the economic content makes it difficult to identify risks early. Therefore, it is logical to strengthen the independent purpose of financial reporting as a legal direction for improvement, and to conduct tax accounting with separate procedures, but through mechanisms that reduce the cost of adjustment. In Uzbek practice, this issue is directly related to the transparency of accounting policies, the quality of explanations and the regulation of transformation procedures [4]. Interpreting accounting policies as a real management document, strengthening the requirements for substantiating the methods chosen in it and disclosing their impact on financial results will serve the “substantive” functioning of the regulatory and legal framework.

In improving the accounting system, the methodological support for their application and the professional environment should be considered as an integral part of the regulatory and legal system, along with the standards themselves. Practice shows that even if there is a single rule for complex assessments, for example, impairment, reserves, expected losses or contingent liabilities, if the quality of professional judgment is low, the results will not be comparable. The international approach highly values the role of professional judgment, but it must be balanced with regulatory “boundaries” and control mechanisms [5]. In this regard, in Uzbekistan, improvement will take a sustainable form when elements such as certification of the qualifications of accountants and auditors, continuous professional development, a code of ethics and regulation of conflicts of interest are included in the legal architecture of the accounting system.

Based on the results of the study, three interrelated areas are distinguished to make the regulatory and legal framework for improvement effective. The first is the hierarchy of regulatory documents and the management of conflicts: standards, instructions and comments should be subordinated to a single logical concept, terms should be used uniformly and an institution of official comments should work, which would reduce different interpretations. The second is the strengthening of enforcement and control mechanisms: there should be no duplication of powers between internal control, external audit and state control, but the chain of responsibility should not be broken. The third is the legal strengthening of digital transformation: requirements for electronic documents, data integration and audit trails should be introduced along with indicators that allow measuring the quality of reporting.

## Conclusion

In conclusion, the regulatory and legal framework for improving the accounting system in the Republic of Uzbekistan will give the expected result only if it is viewed not as a set of standards, but as a single system of “norm, execution, control and competence”. The content of the improvement is to conceptually harmonize legal norms with international approaches, ensure relative independence of reporting from tax, balance professional judgment with quality criteria and accountability mechanisms, as well as legally guarantee the reliability and verifiability of information in the digital environment. Such an approach increases the comparability and transparency of financial reporting, expands the share of evidence-based decisions in enterprise management, and strengthens the infrastructure of trust in economic relations.

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