

Improving the Conceptual Framework for Liability Accounting During the Transition to IFRS

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ABSTRACT

The article discusses the concept of “Liability” in the transition to IFRS and the theoretical aspects of accounting for liabilities in economic entities in accordance with NAS and IFRS, as well as offers on the dryness of accounting for liabilities in Uzbekistan in accordance with NAS and IFRS.

KEYWORDS: *the concept of “Liability”, the essence of the concept of “Liability”, the nature of the liabilities in NAS, the nature of the liabilities in IFRS, the procedure for compiling the statement of balans sheet, elements of the statement of balans sheet*

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INTRODUCTION

At present, the issues and problems related to the reporting of liabilities in the financial statements of business entities in accordance with the requirements of IFRS are not fully resolved, but it is also important to further improve the accounting and accounting. This will require the development of new approaches to bring accountability in the IFRS and IFRS closer together.

Ўзбекистонни рақамли iqtisodijotga ўтиши davrida buxgalterlik sohasini tubdan correct staying BHMSni MHXS talablariga moslashtirish, especially mazburijatlar hisobining nazariy-uslubij zihatlarini zamonavij tizimga ytkazish asosida takomillaştırish and bundan taşqari, şuni ta'kidlaş kerakki, BHMSda korxonalarining mazburijatlari Ç'ditë buxgalterija hisobini rivozlantiriş ucun jaxlit There tuşunca emas. The fact that the concept of “compulsion” is still controversial in the calculation of obligations under IFRS and IFRS requires the study of the conceptual or theoretical and methodological aspects of coercion in IFRS and IFRS. In practice, it also shows the need to develop proposals to address the existing problems

in the accounting of financial and economic activities of enterprises.

Improving the methods of recognizing, assessing, reporting and accounting for the existing problems in the practical activities of enterprises highlights the need for research.

Analysis of the literature on the subject

Article 7 of the Law “On Accounting” “Objects of Accounting” [1] states that obligations are one of the objects of accounting. not given in a separate standard form. Therefore, the essence of this concept is still controversial. However, paragraph 38.2 of IFRS, “Conceptual Framework for the Preparation and Presentation of Financial Statements,” states that “Obligations are the performance of certain actions by a person (debtor) for the benefit of another person (creditor), such as the transfer of property, the performance of work. and others are obliged to refrain from certain actions, and the creditor has the right to demand that the debtor fulfill his obligations”[20].

Article 234 of the Civil Code of the Republic of Uzbekistan states, “Compulsion is a civil legal relationship in which one person (debtor) is obliged to perform a certain action for the benefit of another person (creditor), such as: transfer of property, transfer of services, work, work and the creditor has the right to demand from the debtor to perform his obligations ”[2].

These definitions of the concept of "compulsion" in the IPSAS and the Code are identical or duplicate in structure and content.

Table 1 provides a comparative analysis of the different interpretations of the term "compulsion" in different dictionaries.

Table 1: Comparative analysis of the term "compulsion"

№	Source or literature	Term and term name		Meaning or content
		In other languages	In the Uzbek language	
1.	Ozhegov SI, Shvedova N.Yu. Explanatory dictionary of the Russian language. - M.: A Temp, 2006. - 1098 p	Commitment	Compulsion	1. A formal promise, usually in writing, requires unconditional fulfillment. Example: Compulsion. Fulfillment of obligations. 2. Compulsory. Example: Borrowing money and valuables. Compulsory borrowing. Compulsory credit. Compulsory rights.
2.	Даль В. Explanatory dictionary of the living Great Russian language. Volume II. - M.: Terra, 1995. - 640 p.	Commitment	Compulsion	Coercion is the act of being coerced; a commitment, a promise, a promise that must be kept. A written contract, agreement, condition imposed on a person.
3.	Madvaliev A. under editing. Explanatory dictionary of the Uzbek language. The letter "M". - T.: National Encyclopedia of Uzbekistan, 2006-2008. - 8 pages.	Commitment	Compulsion	Coercion, incompetence, duty: 1) Involuntary duty, duty or compulsion, situation or need; 2) The firm promise of the working people to do something.
4.	Butaev Sh, Iriskulov A. English-Uzbek. Uzbek-English dictionary. - T.: Fan, 2009. - 298 pages.	Liability	Compulsion	Compulsion; responsibility; responsibility;
5.	Isakov U. and others. English-Uzbek dictionary. - T.: New Century Generation, 2016. - 263 pages.	Liability	Compulsion	Responsibility; responsibility; a person / thing, a compulsion, a debt.
6.	www.en.wikipedia.org/wiki/Liability_(financial_accounting)	Liability	Responsibility	In accounting, an obligation is defined as a future reduction in the economic benefits that an entity is required to provide to other persons as a result of past transactions or other past events, and in the future to provide services or to receive other economic benefits or other benefits.
7.	www.ru.wikipedia.org/wiki/Obligation	Commitment	Compulsion	Coercion is, in the broadest sense, the need to perform an obligation imposed by internal or external circumstances.

Well-known philologists SI Ozhegov and NY Shvedova in the explanatory dictionary edited the term "Compulsion" from a linguistic and partially economic point of view.

In this regard, the dictionary of accounting, edited by economist AN Azrilian, says, "Compulsion means accounts payable. From the legal point of view, it is a civil-legal relationship formalized on a contractual basis. From the economic point of view, it is the amount of money that must be paid in the future at a certain date. The amount and date of payment of most obligations are known "[4].

In the event of coercion, one must take or renounce actions known to benefit the other. Obligations must always be recognizable in terms of the composition, dynamics, content, purposefulness, accuracy and legitimacy of a particular entity. These include long-term loans, bank overdrafts, and loans to suppliers.

In our opinion, it is expedient to give a modern interpretation of the lexical meaning of the word "compulsion" in accordance with modern international requirements. Therefore, in our opinion, the definition of the word "compulsion" in the lexical sense is appropriate from a legal and economic point of view. It is reasonable to assume that this is an economic process that occurs as a result of the parties' aspirations for economic gain or profit.

In accordance with the Law of the Republic of Uzbekistan "On Accounting" No. RK-404 of the new edition, adopted on April 16, 2016, the objects of accounting include: assets, liabilities, private capital, reserves, expenses, income, expenses, expenses, expenses related business operations [3].

Hence, obligations are recognized as one of the objects of accounting. Analyzing this criterion, we can conclude that the term "compulsion" is used in a special sense. At the same time, from the point of view of civil law, obligations are a part of the creditor's property which is an active subject of property (obligation). In accounting and reporting, this concept is translated from English as "Liability" (Table 1).

In this regard, YV Sokolov rightly pointed out that the correct variants of the translation of the word "Liabilities" are the creditor's debt or borrowed funds (capital) [5].

It is not true to translate the word "probabilities" into Uzbek as an obligation, because the obligations include not only accounts payable, but also receivables. However, the legislation of the Republic of Uzbekistan on accounting and financial accounting, as well as the concept of "compulsory" is adopted in the reports.

OE Nikolaeva, TV Shishkova The term "Liabilities" is defined as "Liabilities are the general obligations of the enterprise (before creditors, employees, government agencies and other organizations);) "[6], - explained.

JA Morozova put forward the same idea, "Liabilities arise as a result of the implementation of various agreements by the firm and are the legal basis for subsequent payments for goods and services" [7].

Thus, when translating the term "probabilities", these authors narrowed the meaning of the term "obligation" to the concept of "creditor debt".

In our opinion, the term "probabilities" has several meanings, including both the creditor's debts and obligations, because when translating it is necessary to derive exactly in what sense and in what sentence it is used. Even in countries where the language is common and the accounting systems are close, a number of differences can be identified in the definition and terminology of this or that concept.

There are still cases of misinterpretation of terms into Uzbek from economic literature in English, which is the number one language in the world, which, in our opinion, defines the definition of "compulsion" in the lexical sense.

In general, the English interpretation of the term "compulsion" is not "Liability", but "Obligation". Thus, in this case, the English terms "Liabilities" and "Obligations" are interpreted in the traditional interpretation, which reflects the two meanings of obligations.

As noted above, the problems in forming a single interpretation of the term "compulsion" are specific not only to the Republic of Uzbekistan, but also to developed foreign countries.

Russian scientists have also conducted a number of studies on the above problems, including, according to LV Gorbatova and OV Rozhnova, "there is an analogue in our country of IAS 37" Reserves, contingent liabilities and contingent assets "[8]. they thought.

According to IAS 37, Reserves, Contingent Liabilities and Contingent Assets, "Compulsion is the consequence of an entity's failure to provide for its intended purpose as a result of events that have occurred in the past". [21].

B. Needles, H. Anderson, D. Caldwell, "Compulsion is the legal basis for payment for goods or services, which are made as a result of various transactions of the enterprise" [9].

According to OB Bobojonov and KJ Jumaniyazov, "Compulsions are debts incurred during the reporting period or in previous periods, and their repayment (ie liquidation) leads to a decrease in economic benefits, ie a decrease in assets. The obligation arises as a result of the subject's performance of various agreements and is the legal basis for future payments for goods, services and work performed "[10].

According to IA Zavalishina, "Debts and debts incurred during the reporting period or in the past are those in which there is confidence that the recovery of liabilities will lead to a reduction in economic benefits, ie a decrease in current assets. Obligations arise as a result of various transactions made by the enterprise and are the legal basis for future payments for goods, services and work performed "[11].

In our opinion, these definitions are the same in content and we consider them as one-sided, because we want to emphasize that the obligations do not arise only in the purchase of services or goods.

According to EY Remizova and GSSultanova, "Compulsions are debts of an organization that have occurred in the past in the course of economic activity and will lead to the outflow of resources from an organization with future economic interests" [12].

In this definition, in our opinion, economists can be considered to have expressed an opinion without taking into account the cases of recognition of obligations.

According to NA Lytneva, LI Malyavkina and TV Fedorova, "Compulsions mean the existing debt of the organization at the reporting date, the return of which reduces this benefit in the form of outflow of resources. Compulsions can be resolved in a variety of ways: cash payments, the transfer of other assets, the provision of services, the exchange of one obligation for another, the transfer of the obligation to equity, and the withdrawal of the claim by the creditor. "[13]

So, in international practice, in international practice, if an organization decides to buy an asset in the future, there is a notion of conditional obligation, that is, some obligations can only be measured. In such cases, they should be considered as a reserve and should be taken into account if the obligation to pay is incurred.

Well-known economist VF Pali states, "Compulsion is a current obligation of a company that arises as a result of the expected events as a result of the misappropriation of economic benefits from the company, but the compulsory law is a compulsory law. It is considered as a case of emission "[14].

In general, it should be noted that legal obligations arise from the terms of the contract and the requirements of the law, while traditional obligations lead to the expectations of debtors that the business entity's established accounting policies or obligations are written off. Therefore, legal obligations are clearly classified and calculated, while traditional obligations are usually assessed.

According to B. Hoshimov, an Uzbek economist, "The subject's obligations are the result of previous transactions or the outflow of economic benefits in the future or the emergence of new obligations" [15].

According to DI Shaulov and UT Kanlar, "Compulsions are accounts payable or other debts that occurred in the reporting year or earlier, in which there is a belief that their elimination (regulation) will lead to a reduction in economic benefits" [16].

According to S. Mahmudov, "Compulsion is the result of pre-existing economic transactions, which show the indebtedness of one enterprise to another, and their liquidation, reducing the assets of the debtor enterprise" [17].

According to another well-known economist, A.Zh. "[18].

In our opinion, obligations are defined as the acquisition of an asset (work, service) in order to gain economic benefits in a certain way, as well as the outflow of resources that are expected to be paid at a certain date.

Research methodology

The need to radically reform the accounting of business entities operating in the Commonwealth of Independent States (CIS), especially in the Republic of Uzbekistan, has become clearer.

To this end, the Government has begun to adopt a number of regulatory documents to reform the accounting system.

In the field of accounting, the need to comply with the IFRS should be reflected in the following:

- Partnership with foreign capital (investment) through the preparation of financial statements in accordance with international standards;
- In the framework of IFRS, when selecting a specific methodological approach to disclosure of accounting data by the organization, it is necessary to choose an approach that allows the formation of useful information for economic decision-making;
- The use of IFRS in accounting can significantly reduce the time and resources required to improve national accounting systems;
- application of many years of experience in accounting and reporting in accordance with international accounting standards;
- The use of IFRS significantly expands the scope of national accounting systems;
- that the report, formed in accordance with international standards, is understandable to foreign businessmen and specialists.

It is necessary to take into account one more aspect, that is, to conduct accounting of business entities operating in our country in accordance with the requirements of international standards. is a matter. Therefore, it is necessary to adapt and reform the transition to the IFRS to other sectors of the economy, to study its theoretical and methodological aspects and existing problems.

Analysis and results

To date, we can see in Table 2 below whether the terms in the accounting system of the IFRS Committee and other countries are different or mixed.

Table 2: Comparative analysis of economic terms related to the term "compulsion" in accounting

Great Britain		USA		MHXS (IAS) Qўmitasi		Uzbekistan
English	Uzbek	English	Uzbek	English	Uzbek	Uzbek
Liability	Compulsion	Obligation	Compulsion	Liability	Compulsion	Compulsion
Debtors	debtors, Telecom	Receivables	debtors, Telecom	Receivables	debtors, Telecom	Accounts receivable
Creditors	creditor, Telecom	Payables	creditor, Telecom	Payables	creditor, Telecom	Lenders
Finance lease	Financial lease	Capital lease	Capital lease	Finance lease	Financial lease	Leasing

During the transition of the Uzbek economy to the digital economy, the implementation of measures aimed at adapting the national accounting system to IFRS, in particular, the obligation of business entities to pay their debts, accounts payable and compulsory payments.

Therefore, it should be noted that the process of unification and harmonization of the accounting activities of the Republic of Uzbekistan with international standards is at an early stage. Therefore, it is advisable for each business entity to have a reliable and timely collection of information on financial and economic activities, in which case it is important to understand the problematic or controversial processes or approaches.

It should be noted that the obligation is one of the main elements of the formation of information about the financial position of business entities in the accounting. However, in the Uzbek economy, economists usually use the terms "property" instead of "assets" and "creditor" instead of "compulsion".

In our opinion, the misunderstandings in the terms are the result of inaccurate translation and a mixture of accounting and civil law concepts. The definition of property is used as "resources" and "obligations" as "sources of household funds".

In this regard, IR Sukharev and OA Sukhareva's concept of assets, which is used in international financial standards, is different from the notion of property and property relations, which is used in civil law. It is wrong to compare it with the concept of obligations (liabilities) "[19].

In Uzbekistan, accountants usually reflect all of an entity's assets on the balance sheet, whether or not they bring an active economic benefit. They do not take into account the relationship of taxation, as a result of which there

are cases of acquisition of a number of inefficient assets, which inevitably leads to a sharp increase in liabilities. In addition, accountants are constantly striving to increase their inventories of additional current assets.

The procedures for preparing financial statements at the international and Uzbek levels are as follows:

- British model: Assets - Liabilities = Capital;
- US model: Assets = Liabilities + Capital;
- Model of Uzbekistan: Assets = Capital + Liabilities.

In accordance with IFRSs, business entities are required to create provisions for doubtful debts, taking into account the impairment of receivables or the write-off of impaired reserves. If an entity's balance sheet reflects the collection of all receivables without deducting the amount of insolvent debts, it is a misstatement of the report in terms of international standards.

Under IFRSs, reporting and reporting obligations may be traditional, arising not only from contracts or legislation, but also from the normal business operations of the entity. Enterprises may voluntarily assume obligations due to the need to maintain good business relations with partners, to conduct fair actions, to act in accordance with the accepted business practices or to maintain their image. In general, the presentation of liabilities in the balance sheet depends on the approach of the financial statements, ie which model to choose in accounting. Table 3 below shows the approaches to the preparation of the statement of financial position.

In accordance with IFRS	asset, Telecom	-	Obligations	=	Capital
In accordance with IFRS	asset, Telecom	=	Capital	+	Obligations
In accordance with IFRS, the relevant sections of the balance sheet	.Complaints muddatli aktivlar + or orij asset, Telecom	=	Private capital	+	Current obligations + Long-term obligations
	YMA + ЖА	=	K	+	GM + UMM
	I + II	=	I	+	II

Figure 3. Elements of financial statements

At the beginning of the twentieth century, the conditions for the preparation of the statement of financial position have already been formed, which now has a direct impact on the interpretation of the obligation in the statement of financial position. This, according to the IFRS Council, has led to the implementation of projects aimed at resolving the differences between the British-American and Continental-European schools.

In order for users of financial statements to see how obligations affect the liquidity and profitability of a business entity, the accounting data requires them to be classified according to different criteria. The main ones are:

- the accuracy of the quantitative volume of obligations;
- terms of obligations;
- creditors of the subject;
- types of security obligations;
- terms of coverage of obligations and others.

Conclusions and suggestions

The system of accounting and bookkeeping in Uzbekistan, especially financial reporting, is characterized by the fact that most of the information is very detailed. This can be explained by the scale of the implementation or the breadth of the data set for the users and the complexity of the set of detailed information for each user., it is expedient to focus on the study of the causes of the existing problems in the

calculation and preparation of the report and the methods of solving the problems encountered.

Typically, IFRS generalizes the global operations of accounting and adapts it to drastic economic changes in the context of globalization and digitalization of the economy. Thus, we consider it expedient to make the following comments on the nature of the calculation of obligations in Uzbekistan in accordance with the IFRS and IFRS:

- In order to harmonize the calculation of obligations from IFRS to IFRS, it is necessary to clarify the specific definition of the currently controversial concept of "compulsion" and the conceptual basis for the calculation of obligations in accordance with international standards;
- In the IPSAS, in accordance with IFRS, obligations should be considered not as a debtor and a creditor, but as a creditor;
- It is necessary to include criteria and classification of obligations in order to calculate the obligations in accordance with IFRS and IFRS;
- Currently, the IFRS does not disclose the recognition of reserves in the accounting of liabilities, so it is necessary to include the requirements for the recognition of reserves in the accounting of obligations in accordance with

IFRS and the compulsory obligation to create reserves;

- It is necessary to recognize the accounting of liabilities in the IFRS as a financial instrument in accordance with IFRS, in particular, the receivables and payables in the IFRS should be considered in accordance with the requirements for the types of financial instruments.

Based on the above, we would like to emphasize that the term "obligations" is used not only from a legal or civil point of view, but also from an economic or accounting point of view.

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