

## INTEGRATION OF ACCOUNTING IN ORGANIZATIONS OF THE WORLD COMMUNITY

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**Abstract:** The article is devoted to the consideration of the prospects of the economic cooperation of the member countries of the Organization of Turkic States (OTS), including strengthening of interdependence, expansion of cooperation in the fields of tourism, industry, energy and agriculture, as well as integration of accounting and financial reporting between the countries. Moreover, the article analyzes activities performed to ensure implementation of the objectives specified in the Resolution of the President of the Republic of Uzbekistan № 4611 dated February 24, 2020 "On additional measures to the transition to international financial reporting standards" regarding accounting and financial reporting system in our Republic, as well as between OTS member countries. In reliance upon the research results, the authors have formulated relevant proposals and recommendations.

**Key words:** Organization of Turkic States, foreign trade, gross domestic product, international financial reporting standards, national financial reporting standards, small and medium businesses, financial reporting.

### Introduction

It is known that the shortest transcontinental routes between Europe and Asia pass through Turkic countries. Therefore, their unification and integration will not only increase the volume of transit cargo, but also actively contribute to the development of all countries of the Eurasian continent.

Currently the population of the member and observer states of the Organization of Turkic States (OTS) constitutes approximately 150 million people, who are residing in a large and important geopolitical area of 4200000 square kilometers. The role of member states of the organization in the world economy is also very important. The gross domestic product of the CIS countries accounts for 1.2 trillion USD.

This is equivalent to 5.5 percent of the GDP of Asia. At the same time, the economy of the countries of the region is developing rapidly. The average annual growth rate of the industry constitutes 8-12 percent. Trade turnover within the OTS countries accounts for 21 billion USD.

Uzbekistan joined the OTS in October 2019, and the main goal of its participation in this organization is to promote cooperation relations between member and observer countries in a completely new environment in the areas of trade and economy, agriculture, transport, industrial cooperation, climate change and ecology, digital technologies, culture and tourism, as well as the youth policy. In this focus area our country is interested in developing and implementing large-scale projects.

According to statistics, in 2021 foreign trade turnover of Uzbekistan with the member countries of the Organization of Turkic States amounted to 8.3 billion USD, including export volume worth 3.1 billion USD and import volume worth 5.3 billion USD. Moreover, compared to 9 months of the previous year, the volume of cargo transportation with the

participation of the ports of Kazakhstan and Turkmenistan has more than doubled, that is, from 337 thousand tons to 701 thousand tons.

It is known that, according to the results of the Summit of the Organization of Turkic States held in Samarkand city on November 11-12, 2022, the focus was made on further expansion of multilateral cooperation within the organization. As a result, there was adopted Samarkand Declaration of the Summit of the Organization of Turkic States.

It is important to ensure mutual integration of accounting and financial reports between the countries in the prospects of economic cooperation of the member countries of the Organization of Turkic States, including strengthening of interdependence, expansion of cooperation in the fields of tourism, industry, energy and agriculture. In this regard, it is natural that the state of the accounting and financial reporting system in the OTS member states and the procedure of management will be interesting for everyone.

Nowadays there are two standards in the existing accounting system in the world: *the first* is Generally Accepted Accounting Principles of the USA (USGAAP - Generally Accepted Accounting Principles), *the second* is International Financial Reporting Standards (IFRS).

Continental, British-American, South American and Islamic models of accounting are currently in use according to this standard. The accounting system of the OTS member countries is also formed according to the models selected on the basis of these two standards.

### Analysis and results

We will consider the concept of accounting and financial reporting in member countries of the OTS below.

*Accounting system in Uzbekistan* In our republic, the following two stages launched the period of essential reforms on transition to international financial reporting standards (IFRS) and compliance with its rules:

*first*, the Decree of the President of the Republic of Uzbekistan №PD-4720 dated April 24, 2015 "On measures to introduce modern corporate management methods in joint-stock companies" and its paragraph 9 specifies that the annual financial reports of all joint-stock companies in 2015-2018 should be published and published in the International Financial Reporting Standards. It was decided to conduct an external audit based on international financial reporting standards (IFRS) and international audit standards. This Decree confers the executive body of joint stock companies with the right to appoint foreign managers. This fact, that is, attraction of foreign managers and other investors, raises their interest in studying and familiarizing themselves with the financial statements of commercial banks cooperating with these joint-stock companies. This requires that commercial banks prepare their annual financial reports based on the requirements of the IFRS in due time;

*second*, on February 24, 2020 the President of the Republic of Uzbekistan signed the Resolution №PR-4611 "On additional measures for the transition to international financial reporting standards", which launched a new page in the history of the transition to IFRS in the Republic of Uzbekistan. According to the Resolution, it is necessary to transfer to IFRS, to provide foreign investors with reliable and necessary information about financial activities of existing joint-stock companies, commercial banks, insurance organizations in our republic, to expand the opportunities for enterprises to enter international financial markets, to train experts in the fields of accounting and financial reporting and auditing according to international standards. For this purpose, joint-stock companies, commercial banks, insurance organizations and large taxpayers must:

- *organize accounting on the IFRS basis from January 1, 2021;*
- *provide accounting service staff sufficient for quality application of international standards.*

As a result, from the end of 2021, the organizations, specified in this list, will prepare financial statements based on the IFRS. That is, it transforms its financial statements to international standard.

Moreover, as the *third* stage, the international financial reporting standards (IFRS) are to be translated into the official state language and adopted for practical use (April 2022) and the national financial reporting standards (NFRS) for small and medium-sized enterprises are to be developed (September 2022).

According to the Resolution №PR-4611 “On additional measures for the transition to international financial reporting standards” dated February 24, 2020 “On additional measures for the transition to international financial reporting standards”, the Ministry of Finance is empowered to be the competent body for the introduction of the International Financial Reporting Standards (IFRS) in our republic and currently this ministry fully ensures the performance of the assigned tasks. In particular, during the past period, the ministry signed an agreement with the IFRS Foundation on November 11, 2020, providing for the right to translate the IFRS documents into the state language and to obtain the right to use them in other languages.

As a practical implementation of this agreement, the Ministry recommended a total of 41 international standards (IFRS), comments provided by the Standing Committee to 2 standards, as well as comments provided by the Standing Committee on the IFRS to 17 standards to be translated into the state language and implemented in practice together with the “Conceptual basis of presentation of financial statements” (according to the conclusion of the IFRS experts group). As a result, the regulation “On the procedure for recognizing the wording of international financial reporting standards and comments” approved by the resolution of the Cabinet of Ministers on August 24, 2020 № 507 established the procedure for recognizing the wording of the International Financial Reporting Standards and the wording of the explanations adopted by the International Financial Reporting Foundation for use in the territory of the Republic of Uzbekistan

In addition, a new agreement was signed with the IFRS Foundation in order to develop a national financial reporting standards (NFRS) adjusted in compliance with international standards by summarizing the current 24 national accounting standards (NAS). As a result, the Asian Development Bank (ADB) supported the Ministry of Finance within the framework of the small and medium business development program, which is being implemented in order to raise the capacity of small and medium business entities of Uzbekistan to prepare financial reports in reliance upon the IFRS.

According to the contract signed the IFRS Foundation, the project of national financial reporting standards (NFRS) developed by the Ministry of Finance on the basis of IFRS (IFRS for SMEs) for small and medium-sized business entities is scheduled to be put into practice from January 1, 2024.

The users of NFRS (IFRS for SMEs) developed for small and medium-sized business entities operating in Uzbekistan are allowed to publish the standard for the following purposes:

- *professional use by the user;*
- *self-study and academic purposes.*

Herewith professional use means the use of this standard in the user's professional capacity in connection with the provision of accounting services to the user's customers as a user accountant or for the purpose of applying this standard to the organization for the

preparation of financial statements or analysis of financial statements. Moreover, non-professional users will need to contact the Ministry of Finance and the IFRS Fund for a separate individual license in accordance with mutually agreed terms and conditions.

“General provisions” part of the NFRS (*IFRS for SMEs*) consists of 13 chapters and it covers purpose, scope, concepts and basic principles of the standard, presentation of financial statements, statement of financial position, statement of consolidated income, statement of changes in equity, statement of cash flows, notes to financial statements, consolidated and separate financial statements, accounting policies, estimates and errors, events after the reporting period and transition to this IFRS. So, it is obvious that in this section attention is mainly focused on the preparation of financial statements and accounting policy formation.

“Specific provisions” part of the NFRS (*IFRS for SMEs*) includes 23 chapters. These chapters fully reveal the objects of direct accounting, that is, the elements of financial reporting. They are fixed assets, investments, real estate objects, intangible assets other than goodwill, business combinations and goodwill, investments in related entities, joint venture arrangements, impairment of assets, reserves, leases, financial instruments, fair value measurements, liabilities and equity, estimated liabilities and contingencies, income, government grants, borrowing costs, share-based payment, employee benefits, income tax, accounting for foreign currency transactions, hyperinflation, related party disclosures, and special business.

“Appendix” part for the NFRS (*IFRS for SMEs*) consists of 3 appendices: Appendix 1 “Glossary of Terms”, Appendix 2 “Practical instructions on the procedure for carrying out an inventory” and Appendix 3 “Practical instructions on the classification of costs”.

It should be noted, that this draft NFRS includes or changes the name of some provisions on the application of international standards in addition to the existing 24 NAS. Such changes include “Employee’s Income”, “Profit Tax”, “Hyperinflation”, “Related Party Information Disclosure” and “Special Business”, which did not exist before in NAS.

Another important innovation in the process of applying the new wording of the IFRS is the announcement by the Ministry of Finance of the “Information letter” on support for business entities in the process of applying the IFRS. According to this, the following was prepared by the leading specialists of the Ministry of Finance on the application of the IFRS to support business entities in the process of applying the IFRS:

*first*, standard (sample) chart of accounts;

*second*, forms of financial reporting based on the IFRS.

In this case, it is noted that the sample chart of accounts has a recommendatory nature and based on it, and the working chart of accounts of the entity can be prepared by business entities with the account of the nature of their activity. Such manuals and instructions prepared by the Ministry of Finance for the introduction of the IFRS will create an opportunity to gradually approach and coordinate accounting in business entities, regardless of the form of ownership.

In turn, the attached financial reporting forms based on the IFRS are filled out by business entities for submission to competent authorities, including tax authorities. In this case, business entities have the right to fill them with separate lines when providing the necessary information.

The Ministry of Finance is also revising the deadlines for submitting these financial reporting forms. As a result, it is envisaged that the periodicity of preparation of the financial report and the terms of compilation will be determined independently by the business entities.

<i>These are the deadlines for submitting financial statements by business entities that prepare financial statements based on national accounting standards (NAS):</i>	<i>These are the deadlines for submitting financial statements by business entities that prepare financial statements based on the IFRS:</i>
<i>for the annual report - not later than April 1 of the year following the reporting year;</i>	<i>for the annual report - not later than June 15 of the year following the reporting year;</i>
<i>for a quarterly report - within 40 (forty) days after the end of the reporting quarter.</i>	<i>for a quarterly report - starting from 2023 within 40 (forty) days after the end of the reporting quarter.</i>

The proposed deadlines for submitting this financial reporting have been determined based on the comprehensive analysis and study of the practice of a number of developed countries, including: France, Great Britain, Belgium, Germany, South Korea, Singapore, Indonesia, China, CIS member states

As a result, it is planned to amend a number of regulations on filling out financial statements or to cancel some of them.

Therefore, the accounting system implemented by economic entities operating in Uzbekistan includes the following:

*first*, from January 1, 2021 joint-stock companies, commercial banks, insurance organizations and legal entities included in the category of large taxpayers have been organizing accounting on the basis of the IFRS and from the end of 2021 they have been developing financial statements based on the IFRS;

*second*, starting from January 1, 2024 financial reports are presented for small and medium-sized business entities according to the national financial reporting standards (NFRS) developed on the basis of IFRS for SMEs.

As a result, the system of accounting and reporting in Uzbekistan has been gradually moving to international standards and be fully harmonized. This gives the possibility of homogeneity and mutual integration with the accounting system of the member countries of the Organization of Turkic States.

*Accounting system in Turkey* In Turkey, which is the largest member of the Organization of Turkic States (19% of the territory of the OTS, 68% of the GDP, and 50% of the population), the accounting system is developed compared to the OTS member states and has its own characteristics.

Turkey IFAD GAAP Convergence Survey National Professional Organization Website: Union of Chambers of Certified Public Accountants of Turkey;

Developer of accounting standards: Kamu Gözetimi, Muhasebe ve Denetim Standartlari Kurumu (KGK);

Response to IFAC Members' Inquiry on Standard Setting and Regulation World Bank Accounting and Auditing ROSC Report.

It has been announced that starting from 2022 the accounting system in Turkey has been regulated by a number of local and international legal documents, i.e.:

*first*, according to the newly adopted Commercial Code in Turkey, the jurisdictional organizations are required to maintain accounting, calculations and individual or consolidated financial statements in accordance with Turkish Accounting Standards (TAS) and Turkish Financial Reporting Standards (TAS / TFRS). Herewith Turkish Financial Reporting Standards (TFRS) are a direct translation of International Financial Reporting Standards (IFRS);

*second*, Trade Code of Turkey;



*third*, regulations of the securities market.

Kamu Gözetimi, Muhasebe ve Denetim Standartları Kurumu (KGK) determines accounting standards in Turkey. As mentioned above, it entirely complies with Turkish Financial Reporting Standards (TFRS). New and amended standards are adopted permanently upon publication in the official bulletin.

Due to delays in the translation of International Financial Reporting Standards (IFRS) into Turkish, one of the following may apply:

- companies use the official English translation of the IFRS issued by the IFRS Fund, in which case the auditor's report and presentation-based comment clearly state compliance with the IFRS;

- companies can fully apply the IFRS. Due to the delay in translation, the basis of the auditor's report and presentation notes indicate that the financial statements are in accordance with "IFRS Adopted for Application in Turkey".

*Composition of the financial report presented in Turkey based on national standards:*

- Accounting balance;

- Statement on Income;

- Report on the prime-cost of goods sold;

- Cash flow statement;

- Statement of retained earnings;

- Statement of changes in capital.

*Composition of the financial report presented in Turkey based on the IFRS:*

- Statement of financial position;

- Statement of income and expenses and gross income;

- Statement of cash flows;

- Statement of changes in capital;

- Notes to financial statements.

Therefore, the existing accounting and reporting system in Turkey is fully formed according to the international standards of financial reporting, which is important in expanding comprehensive relations between the OTS member countries.

*Accounting system in Kazakhstan* It is the largest in terms of territory of the Organization of Turkic States (it makes up 64% of the territory of the OTS).

Accounting for small businesses in Kazakhstan is regulated by the Law "On Accounting and Financial Reporting" (February 28, 2007, № 234-III) and the Order of the Ministry of Finance dated December 31, 2013 № 50 "On National Standards of Financial Reporting" (Ministry of Justice of the Republic of Kazakhstan, February 8, 2013, № 8328). In addition to the above national standards, business entities operating in Kazakhstan may apply international financial reporting standards of (IFRS) or international financial reporting standards for small and medium-sized enterprises (IFRS for SMEs).

Compilation of financial statements by large entities and organizations of public interest is made on the basis of the IFRS. In this case, the rules of the international standard are fully observed.

Medium-sized business entities, as well as state-owned enterprises in operational management - small and medium-sized business entities – develop financial reporting based on the IFRS. These standards belong to the IFRS Foundation and follow the rules developed by the Foundation. Moreover, if desired, these enterprises can develop financial reporting entirely based on the IFRS. Therefore, accounting and financial reporting in Kazakhstan are implemented based on the above three types of rules.

Below we will discuss the structure of national financial reporting standards (NFRS) in Kazakhstan. This standard defines the principles and quality characteristics of financial reporting and includes the following sections and paragraphs:

1. *General provisions.*
    1. Paragraph. Field of application.
    2. Paragraph. Definitions used in the standard.
    3. Paragraph. Principles and quality characteristics of financial reporting.
  2. *Accounting.*
    1. Paragraph. Accounting documents.
    2. Paragraph. Accounting for fixed assets and intangible assets.
    3. Paragraph. Reserves (Inventories) accounting.
    4. Paragraph. Accounting for rent.
    6. Paragraph. Accounting for long-term production costs and assets under construction.
    7. Paragraph. Accounting for investments and exchange rate differences.
    8. Paragraph. Income and expense accounting.
  3. *Compiling financial report.*
    1. Paragraph. Financial reporting.
    2. Paragraph. Elements of financial reporting.
4. *Transitive period rules.*

It can be concluded that the accounting system of Kazakhstan is at the stage of transition to international standards (IFRS), which ensures mutual coherence with the accounting system of the OTS member states.

*Accounting system in the Kyrgyz Republic* In the Kyrgyz Republic, which is a member of the Organization of Turkic States, accounting is implemented on the basis of the law related to the regulation of accounting, like in the Republic of Uzbekistan.

That is, the Law "On Accounting" was adopted in the Kyrgyz Republic on April 29, 2002 (the law was last amended on August 9, 2022 (№93)).

In Kyrgyzstan, regardless of the form of ownership, the only methodological basis of accounting and financial reporting used in the territory of the Kyrgyz Republic for state-interested persons and large economic entities is the International Financial Reporting Standards (IFRS) officially translated into the state language (according to the procedure established by the Cabinet of Ministers of the Kyrgyz Republic, published in official languages). Entities of public interest and large business entities have the right to apply the changes made to the Financial Statements before their announcement, in accordance with the procedure established by the Cabinet of Ministers of the Kyrgyz Republic, and then disclose them in the comments to the financial statements.

In addition, in Kyrgyzstan, medium-sized business entities, as well as state-owned enterprises in operational management - small and medium-sized business entities, compile financial reports on the IFRS basis.

Accounting for small business entities is implemented in accordance with the simplified rules established by the government of the Kyrgyz Republic (there is no separate system of standards for these small business entities). Most importantly, small business entities have the right to prepare their financial statements on a voluntary basis, in accordance with the selected accounting policy, based on the IFRS rules for small and medium-sized business entities.

According to accounting legislation, a small business entity is defined as an entity that does not exceed one of the following criteria:

*first*, enterprises with a total asset value equal to 35 million Kyrgyz soms at the end of the previous reporting year;

*second*, enterprises with the amount of income from the sale of products (works and services), construction contracts, leasing contracts, interest income, as well as other income related to the core business of the enterprise at the end of the previous year, equal to 30 million Kyrgyz soms for the reporting year.

The legal basis is organized in the following areas:

- accounting and its methodological foundations;
- general requirements for the organization of accounting;
- financial reporting.

Therefore, the accounting system in the Kyrgyz Republic is characterized by the widespread implementation of international financial reporting standards. This serves as one of the essential tools for the further development of economic cooperation between the OTS countries.

*Accounting system in Turkmenistan* Accounting in Turkmenistan, which is unique among members of the Organization of Turkic States, is regulated by the Law of Turkmenistan "On Accounting and Financial Reporting" (November 27, 2010, № 155-IV).

This law defines the foundations of the accounting and financial reporting system in Turkmenistan, establishes general rules for the preparation and submission of accounting, financial statements in compliance with international standards.

According to the decision of the President of Turkmenistan. Regardless of the form of ownership from January 1, 2019 all business entities are required to adopt international financial reporting standards (IFRS). In connection with the integration of the country's economy into the system of world economic relations, it is focused on conducting accounting and financial reporting in accordance with international standards.

The legal and regulatory bases of accounting in Turkmenistan are as follows:

Law "On Accounting and Financial Reporting";

National Financial Reporting Standards for budgetary organizations;

National financial reporting standards for entrepreneurship entities;

Concept of development and presentation of financial statements;

Methodological guidelines for accounting based on national financial reporting standards.

National Financial Reporting Standards (NFRS) in Turkmenistan include the following standards: presentation of financial statements; consolidated report; statement of cash flows; events after the reporting period; disclosure of information between related parties; accounting policies, changes and errors in accounting estimates; reserves; fixed assets; intangible assets; investment property; agriculture; exploration and evaluation of minerals; long-term assets intended for sale; investment and associated enterprises; financial instruments; valuation reserves; employee motivation; profit tax; borrowing costs; income; rent; reflect changes in the exchange rate; contracts for construction; accounting for state subsidies and disclosure of information; and the first application of national financial reporting standards.

The transition of economic entities to international financial reporting standards (IFRS) in Turkmenistan from 2019 indicates that the country's accounting system has entered a new stage of development. In turn, it ensures that the process of economic integration between OTS will be active.

*Accounting system in Azerbaijan* In Azerbaijan, which has been an active member of the Organization of Turkic States in recent years, the legal basis of accounting was created with the Law "On Accounting" (№ 716-IIQ) adopted on June 29, 2004



(last amended on October 29, 2021 № 391-VIQD).

In Azerbaijan, the concept of international financial reporting standards includes international standards of accounting, international financial reporting standards adopted by an international organization specializing in this field, and comments of this international organization on these standards.

In the country, international standards of public sector accounting are perceived as international standards adopted by an international organization specializing in this field and presented for the public sector. International standards (IFRS for SMEs) adopted by the international organization specialized in the field for small and medium-sized businesses (IFRS Foundation) and provided for small and medium-sized businesses are used as well. Therefore, the accounting system in Azerbaijan also fully meets the requirements of international standards. This, in turn, serves as an important source of information for the further development of economic relations between the OTS member countries.

India's accounting system has its own characteristics. We explain the concept of accounting policy, which is more important. In this regard, we would like to focus on the experience of India, which has been successfully applying the IFRS. In the Indian Accounting Standard (Ind AS), the accounting policy and its formation have been fully adjusted in compliance with the requirements of the International Standard (IFRS). For example, there is almost no difference between the definition of an accounting policy and the definition of an IFRS: "An accounting policy is a set of specific principles, techniques, conventions, rules and practices used by an entity in preparing and presenting financial statements" (Indian Accounting Standard (Ind AS) 8 Accounting Policies, Changes in Accounting Estimates and [http://www.mca.gov.in/Ministry/pdf/IndAS8\\_2019.pdf](http://www.mca.gov.in/Ministry/pdf/IndAS8_2019.pdf) ).

This standard sets out the requirements for disclosure of accounting policies set out in Ind AS 1 "Presentation of Financial Statements" (except for disclosures of changes in accounting policies).

It can be seen from the above information that there is almost no big difference between the accounting system of the member countries of the Organization of Turkic States (OTS).

Table 1

Accounting system in the OTS member countries

№	The member countries of the Organization of Turkic States (OTS)	Standards introduced in the accounting and financial reporting system			Provides an opportunity to obtain reliable information on the economic cooperation of the OTS
		For large joint-stock companies, banks and insurance companies - based on the IFRS	For small and medium-sized businesses - based on the IFRS (IFRS for SMEs)	For other business entities – based on the NFRS	
1.	Turkey	+	+	+	
2.	Kazakhstan	+	+	+	
3.	Kyrgyzstan	+	+		
4.	Azerbaijan	+	+	+	
5.	Turkmenistan	+		+	
6.	Uzbekistan	+	+	+	

Interdependence of the accounting system of the OTS member countries results in the further development of their trade and economic relations and an increase in the flow of investments between the countries.

### **Conclusion.**

The economic effect of cooperation within the framework of the Organization of Turkic States is obvious in the example of Uzbekistan. In 2021 Uzbekistan made trade operations with the OTS countries in the amount of 9.3 billion USD. Their share in the foreign trade of Uzbekistan was more than 22 percent. In general, in 2021, compared to 2016, the volume of mutual trade between Uzbekistan and the CIS countries has increased almost 3 times.

Membership in the Organization of Turkic States creates the following opportunities for our country and people:

*first*, implementation of socio-economic reforms that will allow Uzbekistan to enter the ranks of the 50 developed countries of the world and strengthen the modernization processes in all areas of our society, as well as to open a wide way to strengthen the age-old values related to the national identity, historical past, language, culture and spirituality of our people with additional facilities;

*second*, new opportunities will be opened through another major regional international organization in the implementation of its initiatives and proposals at the international and regional level, as well as in the implementation of its friendly and peace-loving foreign policy. In addition, the possibility of bilateral development will be created from multilateral cooperation within the framework of the Organization;

*third*, not only the cultural and spiritual relations between the member and observer countries, but also trade and economic relations will rise to a new level and will provide additional opportunities to restore and strengthen the values of mutual friendship;

*fourth*, the summit in Samarkand was the first meeting of the leaders of the member states in a new format after the establishment of the platform of the Cooperation Council of Turkic-Speaking Countries in Istanbul;

*fifth*, it is strategically important to focus on such potential and opportunities within the framework of one Organization based on the above values and to direct them in a positive direction in the current unstable geopolitical environment. Because in such conditions, solidarity and joint efforts will give new opportunities to easily overcome all the challenges and threats arising in the current world, as well as to solve current problems.

As a result of researching the accounting and financial reporting system in the members of the Organization of Turkish States, it is possible to conclude that the accounting and financial reporting system in these countries are almost close to each other and complement each other, in particular:

- each country has fully transitioned to international financial reporting standards (IFRS) or is undergoing a transition period;
- applies financial standards (IFRS for SMEs) based on IFRS for small and medium-sized enterprises;
- national financial reporting standards (IFRS) have been introduced for business entities that do not have to apply international standards (IFRS and IFRS for SMEs).

Therefore, the commonality of the accounting system in the OTS member states creates an opportunity to provide reliable information on the reforms to be implemented in the following areas, including:

*The first area is to expand economic ties and increase the volume of mutual trade.* The ideas of creating an Investment Fund and a Development Bank under the OTS are also considered promising within this focus area. Such projects allow countries to coordinate their efforts and manage investments more effectively. For the first time in the world, the organization managed to launch the ePermit project between Uzbekistan and Turkey in test mode, and at the next stage there is an agreement with Kazakhstan on the implementation of this project.

*The second direction is digital transformation.* Nowadays digitization is becoming one of the most important areas of development for any country. Therefore, this issue is most relevant for the OTS. The goals in this focus area have been specified in the strategic document "Turkish World Vision – 2040" in 2021. In particular, the document envisages the establishment of interregional digital communication, which will allow to improve the telecommunication infrastructure.

*The third area is to strengthen cultural and humanitarian relations.* Historically, the peoples of the OTS member countries have the same roots. Therefore, the expansion of cultural and humanitarian relations is of special importance for the OTS countries. In particular, it is cooperation between educational and scientific institutions, academic exchange, joint cultural events. In this regard, it is necessary to expand the cooperation points within the organization for the joint development of Turkic culture and art.

In conclusion, it can be said that the OTS is a promising regional organization that unites Turkic-speaking countries and has prospects for development in many areas. Therefore, for all members of this organization, including Uzbekistan, the strengthening of mutually beneficial cooperation within the OTS can serve to ensure comprehensive development and stability, increase economic growth, as well as promote the development of countries.

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