

## Cooperation of Electronic Preparation Systems and Financial Preparation Systems in Economic Subjects in the Republic of Uzbekistan

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**Annotation:** The article studies the directions of electronic delivery and preparation of financial accounting, automation of accounting and information flows on accounting accounts.

**Key words:** accounting, financial reporting, statistical reporting, workflow, personal income tax (personal income tax), "1C: Accounting 8".

### Introduction

Today, in the context of the digitalization of the economy, the issues of improving the system of electronic preparation and submission of financial statements are relevant, since the preparation and submission of financial statements using computer processing tools facilitates the routine work of accountants and contributes to the improvement of this process.

To date, many measures have been taken in the Republic of Uzbekistan in order to electronicize document circulation, taxation and accounting in general. This, in turn, ensures an effective accounting procedure in business entities, government organizations, banks, etc.

### Research methodology

Accounting is an information system that collects, measures, processes and transmits financial information about an independent economic entity for making economic decisions. In the accounting subsystem, tax, financial and management accounting are distinguished.

Financial accounting is one of the components of accounting systems, the main purpose of which is the preparation of financial statements for external users, which is based on accounting rules (standards) generally accepted in a particular country, and the organization of management accounting is completely dependent on the decision of the management of each company.

Financial reporting in the Republic of Uzbekistan consists of the following types of reporting:

- ✓ balance sheet - form No. 1;
- ✓ report on financial results - form No. 2;
- ✓ report on cash flows - form No. 4;
- ✓ Report on equity - form No. 5.

"Notes, calculations and explanations (explanatory note)" - the same form of financial statements as the balance sheet and other forms.

The structure and content of the financial statements are determined by the Ministry of Finance, namely clause 4 of appendix. No. 7 to the Order of the Minister of Finance No. 1209 of January 24, 2003:

Small enterprises and microforms present only annual financial statements consisting of:

- ✓ balance sheet – Form No. 1;
- ✓ report on financial results - form No. 2.

The criteria for classifying enterprises as small businesses are defined by the Law “On Guarantees of Freedom of Entrepreneurial Activity”.

In addition, in accordance with clause 6 of the Presidential Decree “On improving the reporting system submitted by business entities and strengthening responsibility for its illegal collection” dated June 15, 2005 No. PP-100, the Tax Committee and the State Statistics Committee were instructed to ensure unconditional compliance with the established procedure and terms of submission of financial and statistical reporting by business entities. According to this order, microforms and small enterprises represent:

- financial statements, consisting of the balance sheet - form No. 1 and the statement of financial results - form No. 2 - annually;
- Statistical reporting - quarterly or annually, depending on the types of reporting.

So, an explanatory note (explanations) as a form of financial statements is not provided for in the list of financial statements that are mandatory for submission to the tax authorities by small businesses. Therefore, I believe that small businesses are not required to provide an explanatory note to the tax inspectorates.”

On the basis of the Regulation of the Ministry of Finance of the Republic of Uzbekistan "On the deadlines for submitting quarterly and annual financial statements" dated June 15, 2000, the following deadlines for submitting consolidated quarterly and annual reports are established for ministries, departments, associations, corporations, concerns and other state property management bodies:

- ✓ for quarterly reporting within 40 (forty) days after the end of the reporting quarter;
- ✓ For annual reporting no later than March 15 of the year following the reporting one.

For enterprises with foreign investments and representative offices of foreign firms, the deadline for submitting annual financial statements is set no later than March 25 of the year following the reporting one.

Budgetary organizations with the status of a legal entity submit to the financial authorities a report on financial results once a year until March 15 of the year following the reporting one.

Business entities submit quarterly and annual financial statements within the following periods:

- ✓ for quarterly financial statements until the 25th day of the next month after the end of the reporting period;
- ✓ For annual financial statements no later than February 15 of the year following the reporting one.

Small enterprises and microforms submit only annual financial statements, no later than February 15 of the year following the reporting one.

Ministries, departments, associations, concerns, associations and other state property management bodies, as well as business entities, including those with foreign investments, are liable for violation of this Regulation in accordance with the legislation of the Republic of Uzbekistan.

An important aspect in improving the system of preparation and submission of financial statements in business entities are the regulations governing this activity.

Preparation and submission of reports in electronic form has a number of advantages:

- Saving time. An accountant or taxpayer does not have to visit the tax office and spend time waiting in line. Also, it provides an opportunity to correct errors and resubmit the report on time without financial consequences;
- Cost savings. The overhead costs associated with the preparation and submission of reports are significantly reduced;
- The quality of documentation is due to the fact that if there are errors, the system will not accept a document with an error, which increases the efficiency of employees, etc.

The Decree of the President of the Republic of Uzbekistan dated June 15, 2005 No. 100 "On improving the reporting system submitted by business entities and strengthening responsibility for its illegal collection" became the most important regulatory document, as well as the impetus for improving the system of electronic reporting in the Republic of Uzbekistan.

Along with financial accounting, tax accounting is one of the most important components of financial accounting, since each business entity conducting its activities calculates and pays taxes, draws up a tax return, submits tax returns, etc. In order to improve the system of electronic preparation and submission of financial statements in this direction in the Republic of Uzbekistan, active work is being carried out by the State Tax Committee together with the UN Development Program within the framework of the "Improving Tax Administration in Uzbekistan" Project. Also, on the basis of the Decree of the President of the Republic of Uzbekistan "On additional measures to improve tax administration" No. PP-4389 dated July 10, 2019, the Strategy for improving tax administration was approved, which stated:

b) together with the Ministry for the Development of Information Technologies and Communications of the Republic of Uzbekistan, by December 1, 2019, develop and implement a Unified Accounting Information System (hereinafter referred to as the Unified Information System), integrated with a tax reporting system that allows accounting and exchanging data between taxpayers and tax authorities in real time.

It can be noted here that all reports on accounting, statistics, financial reporting, as well as the process of calculating and paying taxation, are currently performed electronically, which greatly facilitates the work of an accountant. Among the interactive services provided, the most popular is "Reception of electronic tax reporting", which allows business entities to send tax and financial statements to the state tax authorities in electronic form. At the same time, due to the presence of an electronic digital signature (EDS), electronic reporting has the status of an official document.

In order to create conditions for the active participation of the population in improving tax administration by expanding the level of exchange and dissemination of information, increasing the publicity and transparency of the activities of the state tax service, 16 types of state interactive services have been established on the official website of the State Tax Committee, and other useful information is also provided. in all relevant areas for businesses and individuals.

In addition, measures were taken to improve the system for preparing and submitting reports to the Committee of Statistics of the Republic of Uzbekistan. On the basis of the Decree of the President of the Republic of Uzbekistan "On measures to further improve and develop the national system of statistics of the Republic of Uzbekistan" dated No. PP-4796 on 03.08.2020, priority areas for improving the national system of statistics of the Republic of

Uzbekistan were identified: “..organization of an integrated system for collecting, processing, analyzing , publication and accumulation of statistical information with the wide use of advanced information and communication technologies” . The National Strategy for the Development of Statistics of the Republic of Uzbekistan in 2020-2025, developed with the assistance of the World Bank, was also designated.

As a result of the measures taken in the Republic of Uzbekistan, it has become simple and accessible to submit tax, statistical and financial statements. Now all accountants in the country have the opportunity to submit tax returns, financial statements and other documents necessary for the calculation and payment of taxes and fees, electronically using the usual Internet access. Also, taxpayers have the opportunity to receive the necessary information and administrative materials from the tax authorities, as well as statements on the status of settlements with budgets of different levels without visiting the inspection. This, in turn, saves time and money. A particularly topical issue today is the transition to an electronic form of tax reporting.

The Decree of the President "On additional measures to create the most favorable environment for the further development of small businesses and private entrepreneurship" (dated August 24, 2011 N UP-4354) provides for a phased transfer by the end of 2014 of all small businesses and private entrepreneurship to an electronic system for submitting tax and financial reporting. Also, the Decree of the State Tax Committee (registered by the Ministry of Justice on July 12, 2016 No. 2808) approved the Regulations on the procedure for submitting financial and tax reporting through telecommunication channels to the state tax authorities.

Based on this resolution, reporting in the form of an electronic document is allowed when:

- ✓ availability of EDS, mandatory details of financial and tax reporting;
- ✓ Reporting in the prescribed form.

If reporting is submitted in the form of an electronic document in an unspecified form, the tax authority, within three days from the date of its receipt, sends a written or electronic notification to the taxpayer about this and returns it for revision with specific comments.

When submitting reports in the form of an electronic document, the taxpayer and the tax authorities ensure that they are stored in electronic form in the manner and within the time limits established by law. Deadlines should not be less than the deadlines set for reports on paper.

Submission of electronic reporting is carried out within the time limits established by law.

The tax authority must provide automatic confirmation of receipt of statements indicating the date. The date of reporting is the date of receipt of the electronic document to the electronic address of the tax authority.

Electronic reporting is considered not submitted to the tax authority if it contains:

- TIN, tax period and (or) amount of tax or other obligatory payment are not indicated or incorrectly indicated;
- Violation of the requirements for the preparation of tax reporting.

The procedure for using EDS when submitting electronic reporting is regulated by the Rules for the use of electronic digital signature in all types of services provided by state and economic authorities, local government bodies and commercial banks.

Next, consider the submission of electronic reporting on personal income tax.

Reporting on personal income tax and social tax is submitted monthly until the 15th day of the month following the reporting one. The report is drawn up in the form approved in Appendix No. 4 to the State Tax Committee resolution (registration No. 3221 dated February 24, 2020). If the last day of the term falls on a day recognized in

accordance with the legislation as a weekend and (or) non-working day, the expiration day of the term is considered to be the working day following the weekend and (or) non-working day of Part 1 of Art. 344 NK.

There is an electronic report format in the taxpayer's personal account.

The report is submitted electronically through the taxpayer's personal account on the website [my.soliq.uz](http://my.soliq.uz). The reporting consists of Calculation and six appendices. (Table 1.)

Table 1. Form of calculation of personal income tax and social tax<sup>1</sup>

№ №	Name of physical faces	INN	Income not related to general salary	Including property income paid in the reporting month	Personal income tax		Cause of error	"Degree of similarity (%)"	Names and surnames of citizens in the TIN, in this report on the GNK database
					Amount of tax withheld at the general source of payment	Including the amount of tax withheld in the reporting month			
1 1	Nasirova Ozoda Akhatovna	445565525	1260000,00	1800000,00	1 512 000,00	216 000,00			
2 2	Atoev Nodir Azizovic	445563432	1260000,00	1800000,00	1 512 000,00	216 000,00			
	Total								

In 2020, the form for calculating personal income tax and social tax was updated. In the updated version, you can also indicate errors. In the event of a decrease in the amount of accrued personal income tax, it should be reflected by submitting updated reports for the month in which there are errors. If an error is found in the submitted tax reporting, the taxpayer has the right to submit an updated calculation within 5 years (Article 46 of the Tax Code).

To reflect the written-off deposited salary, it should also be included in line 019 and column 6, respectively, since this amount should not be reflected in the balance from the moment it is recognized as income. Appropriate explanations should be given in the annex to the form. At the same time, in such a situation, it is recommended that the form itself be submitted to the tax authorities not in electronic format.

Also, in order to automate accounting, business entities use the 1C: Accounting 8 program. 1C: Accounting 8 is a professional tool for keeping records, preparing and submitting mandatory reports. The main key features of "1C: Accounting 8":

- understandable accounting in accordance with the legislation of the Republic of Uzbekistan and business needs;

<sup>1</sup>Table compiled by the author

➤ saving time when making settlements with counterparties, processing documents and business transactions; Effective user support combined with high work comfort, etc.

The configuration can be used in any commercial structure, regardless of the type of activity and scale - from small enterprises to large holdings. "1C: Accounting 8" allows you to keep records in companies engaged in wholesale, retail, commission trade, the provision of professional and personal services, and production.

The composition of the accounts, the organization of analytical, currency, quantitative accounting on the accounts complies with the requirements of the legislation of Uzbekistan on accounting and reporting data. If necessary, users can independently create additional sub-accounts and sections of analytical accounting.

The chart of accounts in the configuration is implemented in accordance with the national accounting standards of Uzbekistan (NAS No. 21, approved by the Ministry of Finance of the Republic of Uzbekistan on September 9, 2002 No. 103 and registered by the Ministry of Justice of the Republic of Uzbekistan on October 23, 2002 No. 1181).

The program initially implemented the most common accounting schemes, while providing flexible customization for the individual characteristics of the business and the accounting principles adopted by the company. The program allows you to create new directories and change the forms of documents, text, tabular and graphic reports.

## Conclusion

In recent years, there has been a trend of computerization, not only of the economy, but also of all areas of activity. With the help of a computer, you can present information in a form convenient for a particular user, significantly speed up and simplify the operations of its input and processing, increase the clarity and simplicity of the final reports.

Thus, we can say that the electronic preparation and submission of financial statements is a process in which, as a result of the transfer of accounting to a computer, efficiency is increased, the quality and convenience of accounting at the enterprise are improved.

Analyzing the research topic, we can say that in addition to using the 1C program in the Republic of Uzbekistan, a number of measures have been taken to simplify the work of an accountant.

Automating the process of preparing financial, tax or management reports allows companies to solve such problems as reducing the time for preparing reports, saving time for responsible employees, minimizing errors, and many others.

## References

1. Tax Code of the Republic of Uzbekistan.
2. Law on Accounting of the Republic of Uzbekistan dated April 13, 2016 no. LRU-404.
3. Law of the Republic of Uzbekistan "On electronic digital signature" dated December 11, 2003 No. 562-II
4. Law of the Republic of Uzbekistan "On electronic document management" dated April 29, 2004 No. 611-II.
5. Decree of the Cabinet of Ministers of the Republic of Uzbekistan dated August 4, 2006 No. 157 "On further improvement of information services for taxpayers and the information system of the state tax service"
6. Decree of the President of the Republic of Uzbekistan dated June 15, 2005 No. 100 "On improving the reporting system submitted by business entities and strengthening responsibility for its illegal collection."

7. Decree of the President of the Unitary Enterprise No. 4354 "On additional measures to create the most favorable environment for the further development of small businesses and private entrepreneurship" dated 24.08.2011.

**Internet sites:**

1. <https://my.soliq.uz> - Portal of electronic state services of tax authorities
2. <https://www.bss.uz>

