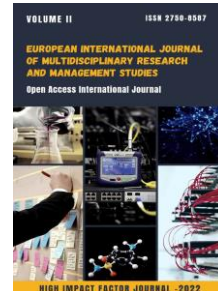


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**REGULATORY AND LEGAL BASES OF ORGANIZATION OF ACCOUNTING AND
CALCULATION OF MOTOR TRANSPORT ENTERPRISES IN UZBEKISTAN*****Abdullaev Khurshidjon Nazrullo Ugli****Independent Researcher Of Tashkent Institute Of Finance, Uzbekistan***ABOUT ARTICLE****Key words:** Transport services, law, tax, motor transport, accounting, calculation**Received:** 20.01.2023**Accepted:** 25.01.2023**Published:** 30.01.2023**Abstract:** This article highlights the role of transport enterprises in the economy of the Republic of Uzbekistan and the issues of organization of accounting in them. Besides, the opinions of scientists and the existing legal base are analyzed and conclusions are given.**INTRODUCTION**

After gaining independence, Uzbekistan paid special attention to multi-ownership relations during the transition to a market economy. The step-by-step process of privatization opened a wide way for enterprises with different types of ownership to operate in the economy.[1] As a result of this, the activities of economic entities operating in various sectors of the economy are expanding.

Legal reforms are being carried out in our country on a wide scale. We can clearly see this in the legal reforms being conducted in business activities. As a result of the reforms implemented in this area, wide opportunities were created for business activities, and the practice of transferring state-owned properties to the private sector was introduced.

Reforms in the field of liberalization of the transport services market, gradual reduction of state monopoly and restrictions are especially important.

The transport network is important in the development of the economy of Uzbekistan, and this network includes railway, air, river, sea, underground and surface transport. Due to the geographic location of our republic, natural and climatic conditions, lack of rivers and sea routes connecting it with other countries of the world, as well as other objective and subjective conditions, road transport occupies a

special place in the transport network of our country. For example, 85% of the volume of cargo transported in our republic, 96% of the volume of passenger transportation corresponds to motor transport. This, in turn, means that enterprises providing motor transport services are of great importance in the economy of our country, and that they are one of the important subjects of accounting.[2]

In particular, the Decree of the President of the Republic of Uzbekistan dated January 28, 2022 "On the Development Strategy of New Uzbekistan for 2022-2026" No. 60 based on the availability of opportunities for activity and their specialization, setting priority tasks such as simplifying the procedures for obtaining licenses and other permitting documents, taking into account the possibility of engaging in certain activities in a mobile manner, including using motor vehicles, developing the transport services market in our country means that it is considered an important step.

A number of normative legal documents regulating the organization of accounting and calculation in motor transport enterprises were adopted :

1. Law of the Republic of Uzbekistan "On Accounting". This Law is the main legal document aimed at regulating relations in the field of accounting organization, management and reporting.

Pursuant to Article 4 of this Law, the concept of accounting is defined as a regulated system of collecting, recording and summarizing accounting information by recording all business operations in a holistic, continuous, document-based manner, as well as drawing up financial and other reports based on it.

Moreover, in accordance with Article 6 of the Law, it is established that public authorities and management bodies, legal entities registered in the Republic of Uzbekistan, their subsidiaries, representative offices, branches and other structural divisions located in the territory of the Republic of Uzbekistan and beyond are considered accounting subjects.

According to Article 22 of the Law, the financial report consists of systematic information about the financial status of the accounting entity as of the reporting date, the financial result of its activity during the reporting period, and the movement of funds.

The annual financial report includes:

- accounting balance;
- report on financial results;

- cash flow statement;
- report on private capital;
- comments, calculations and explanations.

Requirements for financial reporting prepared according to international standards are defined in international standards of financial reporting.

The accounting entity must include the accounting balances of its representative offices, branches, and other structural divisions, as well as other reporting forms, when compiling the financial report.

It can be seen that the Law "On Accounting" is considered the main legal document regulating relations in the field of accounting organization, management, and reporting, and other regulatory legal documents are regulated on the basis of this law.

2. Tax Code of the Republic of Uzbekistan. In this Code, certain rules and norms related to the transport network in the accounting of motor transport enterprises are reflected.

In particular, calculation of vehicle depreciation, according to Article 306 of the Tax Code, depreciation rates for tax purposes are calculated as a percentage of the initial value based on uniform standards established by the state (Table 1). [3]

Table 1

Depreciation allowances for vehicles of Article 306 of the Tax Code of the Republic of Uzbekistan

| Groups sequence number | Small groups sequence number | Name of depreciation groups (subgroups). | Depreciation rate, in percent |
|-------------------------------|-------------------------------------|--|--------------------------------------|
| IV | | Transport equipment | |
| | 1 | Aircraft and related equipment, ships and boats, locomotives and rolling stock (railway stock) | 10 |

| | | | |
|--|---|--|----|
| | 2 | Motor vehicles, car bodies (bodies), trailers and semi-trailers, other transport equipment | 20 |
|--|---|--|----|

As shown in the table, aircraft and space vehicles and related equipment, ships and boats, locomotives and rolling stock (railway stock) 10% for transport, motor vehicles, car bodies (bodies), trailers and semi-trailers, for other transport equipment and 20% depreciation norms are set. The depreciation of fixed assets affects the formation of the value of transport tickets or transport services.

In order to improve tax accounting in motor vehicle enterprises, it is necessary to compile a list of transport costs in the same way as accounting. For this, the accounting policy of taxation is used. Vehicle expenses must be written off in accordance with the procedure approved by the tax code.

Changes and/or additions to the accounting policy for taxation purposes are made by the taxpayer using one of the following methods:

- 1) approval of a new accounting policy or a new section of it developed in accordance with the legislation on accounting;
- 2) making changes and (or) additions to the current accounting policy or section of the current accounting policy developed in accordance with the legislation on accounting.

The accounting methods chosen by the taxpayer for the purpose of taxation in the formation of the accounting policy are applied from January 1 of the year following the approval of the relevant accounting policy.

A newly established legal entity or a permanent establishment of a foreign legal entity shall make a decision on accounting methods for taxation purposes during the first reporting period after its establishment.

Furthermore, according to Article 77 of the code, the accounting policy in the purposes of taxation is not changed during the calendar year. When changing the tax legislation or the conditions of taxation, and only in the part to which these changes apply, it is established that changes are made in the taxpayer's accounting policy, the tax code relies on the recognition of the object under the analysis of production activities as a single whole, in particular, the automobile transport enterprise is considered as a complex system.

In turn, the results of the activity depend on many factors and the reserves and resources at the disposal of the enterprise. The more complex the operating model of the transport enterprise is, the more factors depend on the evaluated indicator of the final work.

For example, according to the National Accounting Standard No. 5 entitled "Fixed Assets" [4], there are the following methods of calculating depreciation for fixed assets:

- uniform (straight-line) method;
- a method proportional to the volume of work performed (production method);
- method of write-off based on the sum of years of the useful life of fixed assets (cumulative method);
- is the method of decreasing the remainder.

However, in companies providing road transport services, depreciation on vehicles is calculated according to a fixed procedure and standards based on the straight-line method. We will consider the calculation of depreciation on the example of an enterprise of conventional road transport (providing passenger transportation services). According to our information, the initial cost of the car is 60,000,000 UZS, and the final cost is 5,000,000 UZS. The term of service is 5 years. We will make the calculation based on the application of the 20% depreciation rate according to the Tax Code to the passenger car. Most practitioners recommend using the quick method of calculating depreciation in this case. The norms given in the Tax Code of the Republic of Uzbekistan are given for taxation purposes. That is, in order to tax the profit of the enterprise, the depreciation expenses calculated according to the depreciation rate established by the Tax Code are deducted, if the amount of depreciation is more than the amount calculated according to the tax code norm, the increased part is taxed for the current period even if it is an expense.

On the one hand, if it seems that there is an inconsistency in the national accounting standard of the Tax Code, clarifying that tax relations arise only when fast methods are used will lead to the solution of this issue. The method of calculating depreciation in the motor transport enterprises that we have conducted research affects the cost of services, as well as the financial result of the enterprises providing the motor transport service. Therefore, in our opinion, it is necessary to use the method of straight-line calculation and the method of calculating depreciation in proportion to the volume of work performed in motor transport enterprises, as well as to make changes and additions to the Tax Code in this regard.

3. Decree No. PQ-3946 of the President of the Republic of Uzbekistan dated September 19, 2018 "On measures to further develop audit activity in the Republic of Uzbekistan". According to paragraph 6 of

this Decree, within the Department of Accounting and Audit Methodology of the Ministry of Finance of the Republic of Uzbekistan, a department for mutual cooperation with professional organizations consisting of four state units and for external control of the work quality of audit organizations should be established, accordingly, a limited number of management employees of the central office of the Ministry has been shown to increase

Besides, based on paragraph 9 of the Decree, Tashkent Institute of Finance, together with the Ministry of Finance of the Republic of Uzbekistan, the Ministry of Higher and Secondary Specialized Education, based on the study of international practice in the field of accounting and auditing:

- Comprehensive analysis and monitoring of the implementation of training plans and programs in the field of accounting and auditing, as well as measures for their further improvement and introduction of innovative teaching methods are being considered;
- subjects on international audit standards and international financial reporting standards were included in the curricula and programs of accounting and auditing.

4. The Code of Budget of the Republic of Uzbekistan. This Code is also of great importance and regulates relations in the field of formation, compilation, review, acceptance, approval, execution of the budgets of the budget system of the Republic of Uzbekistan, raising of funds by the state and control of the implementation of the legislation on the budget.[5]

5. In order to ensure the implementation of the Resolution No. PQ-4611 of the President of the Republic of Uzbekistan dated February 24, 2020 "On additional measures for the transition to international standards of financial reporting", the development of updated educational programs that provide for the in-depth study of international standards of financial reporting in subjects of undergraduate education and master's specialization and applied to the educational process.

In order to ensure the training of accounting pedagogues according to the international standards of financial reporting in accredited educational centers, a training plan for professors of specialized departments was developed and online training was launched.

6. "Regulation on qualification requirements for employees and individual entrepreneurs of legal entities engaged in road transport of passengers and cargo" approved by the Agency of Road and River Transport of the Republic of Uzbekistan and registered by the Ministry of Justice of the Republic of Uzbekistan on June 28, 2004 with number 1377. [6]

In this Regulation, in turn, the criteria for the recognition of accounting objects selected in the accounting policy of motor transport enterprises, like other types of enterprises, the system of documents that are the basis for keeping their accounts, the plan of working accounts, the circulation of initial documents, the organization of archive work, the schedule for carrying out the inventory of goods and material assets, other accounting procedures should be reflected.

In this place, the subjects who conduct accounting in transport enterprises and work related to improving their skills are also included.

In addition, financial reports for small and private business entities are based on the National Accounting Standard of the Republic of Uzbekistan (No. 20 National accounting reporting standards) "On the procedure for simplified accounting and reporting by small business entities" (registration number 879, January 24, 2000) The structure is defined in a simplified form.

The standard defines the procedure for accounting and reporting for small business entities. It is also determined that this standard will be applied to economic entities that fall into the category of small business entities in accordance with the legislation.

According to the law, the composition and content of the financial report are determined by the order of the Ministry of Finance of the Republic of Uzbekistan

"On approval of the forms of financial reports and rules for filling them " (registration number 1209, January 24, 2003).

The Decision of the President of the Republic of Uzbekistan dated February 24, 2020 No. PQ-4611 "On additional measures for the transition to international standards of financial reporting" was adopted. In accordance with this decision, the task of developing revised national accounting standards of Uzbekistan (National accounting reporting standards) that fully meets the requirements of the National Accounting Standards is assigned.[7]

For this, it is necessary to eliminate the differences between International standards of financial reporting and National accounting reporting standards. They should be coordinated as much as possible. It is also necessary to develop standards that exist in International standards of financial reporting, but are not part of National accounting reporting standards. It is necessary to develop interpretations to the standards. Other statutory accounting regulations, including Rules and

Regulations, should be converted into standards. This, in turn, also applies to accounting in transport enterprises.

In the transition to international standards, it is very important to first harmonize the general rules on the international conceptual framework. Nowadays, we believe that it is necessary to improve our national conceptual frameworks based on the definitions given to assets in the new version of the international conceptual frameworks.

It is also necessary to include concepts related to accounting in transport enterprises.

In accordance with international standards[8], for recognition of assets in the balance sheet, (a) the probability of acquisition or loss of economic value associated with it applies; (b) the object has value or value. International standards also provide criteria for recognizing assets as short-term. Assets that do not meet the criteria of short-term assets are recognized as long-term assets. In the sources related to the field, the concept of property is clarified. The following assets are included in tangible property [9]: fixed assets; investment property; non-current assets classified as held for sale; stocks. B. Boronov [10] suggests evaluating and reflecting financial assets, including investments, on the accounting balance sheet based on the equity participation method and dividing receivables into trade and non-trade receivables. However, in this case, the composition of investments and receivables is not fully formed according to international standards. I.K. Ochilov, Sh.Sh. Rakhmatovalar [11] focused on the "assets and liabilities assessment methods" among the main elements of accounting policy in NGOs. S. Robert and M. Ricket [12] in an article published in an international journal studied the issues of presenting financial statements based on GAAP and IFRS standards. S.N. Tashnazarov [13] researched the rules of procedure for reflecting property, buildings, machines and equipment in the accounting balance sheet. In the works of these authors, the procedures for reflecting assets in the balance sheet of transport enterprises in their new structure have not been sufficiently researched.

Based on the above, we can make the following conclusions:

1. Accounting developed a definition of the term assets as the main elements of financial reporting. The inclusion of this proposal in regulatory legal documents serves to improve the conceptual foundations of accounting.
2. The classification of transport enterprise assets should be developed in accordance with international standards. According to it, it is noted that information on the types (classes) of fixed assets

listed in the international standard must be reflected directly in the financial statement (accounting balance sheet) or in the disclosures given in the reports.

It is also proposed to include some items in the current balance sheet, including investment properties, and long-term tax assets. It was noted that long-term assets classified as held for sale should not be included in long-term assets. The inclusion of these proposals in the report creates an opportunity to bring the accounting balance into compliance with the requirements of international standards and to obtain detailed information.

3. In the composition of the current accounting balance, long-term debts are limited to showing only the total amount. Therefore, it is suggested that receivables be reflected in the section of trade and non-trade debts, settlements with buyers and customers, debts of related parties, including subsidiaries, associated enterprises, subsidiaries and separate units, and prepayments. In addition, it is necessary to develop a methodical procedure of reflection in net value for each type of receivables. These proposals serve to align accounts receivable reporting with international standards.

The suggestions and recommendations mentioned above serve to direct the account of assets to the benefit of information users, and also serve to obtain information in reports.

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