

BENEFITS OF IMPLEMENTING INTERNATIONAL FINANCIAL REPORTING STANDARDS IN ACCOUNTING FOR PROPERTY, PLANT AND EQUIPMENT

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Abstract: *This article examines the requirements of International Financial Reporting Standards (IFRS) regarding the accounting treatment of property, plant and equipment (PPE) and highlights the main differences between international and national accounting standards. PPE constitutes a significant part of enterprise assets and requires accurate recognition, valuation, and depreciation to ensure effective business operations and sustainable economic development. The study analyzes the advantages of applying IAS 16 "Property, Plant and Equipment" and discusses its impact on financial transparency, investment attractiveness, and the development of the digital economy. Furthermore, the article evaluates the positive and negative aspects of implementing international accounting standards in Uzbekistan.*

Keywords: *digital economy, IFRS, IAS 16, property, plant and equipment, accounting standards, enterprise assets.*

Introduction: Accurate accounting for property, plant and equipment remains one of the most important issues in international accounting practice. Financial specialists around the world emphasize the necessity of proper recognition, classification, and valuation of long-term tangible assets according to their functions and operational purposes.

Accounting for PPE is comprehensively regulated under International Financial Reporting Standards. The adoption of unified accounting standards across countries improves the comparability, transparency, and reliability of financial statements. Effective management and utilization of PPE can therefore be significantly enhanced through the implementation of IFRS requirements. IAS 16 "Property, Plant and Equipment" provides enterprises with a reliable framework for asset recognition, depreciation, revaluation, and disclosure. The continuous development of this standard reflects the growing need for improving accounting and auditing practices related to long-term assets.

In Uzbekistan, the transition toward a digital economy and a market-oriented economic system increases the importance of adopting international accounting standards. IFRS contributes to greater financial transparency, strengthens investor confidence, and supports the attraction of foreign investments.

Problem Statement

In the context of economic transformation, digitalization, and globalization, the implementation of international accounting standards has become an essential factor in strengthening economic cooperation and attracting foreign investment.

Modern enterprises require transparent and reliable financial reporting systems to increase their competitiveness in international markets. In this regard, accurate accounting and effective management of property, plant and equipment play a crucial role in improving operational efficiency and investment potential.

According to IAS 16, PPE is recognized as long-term tangible assets that are expected to generate future economic benefits for more than one reporting period. These assets are recognized only when their cost can be measured reliably and when it is probable that future economic benefits will flow to the entity.

Therefore, improving the accounting system for PPE based on IFRS requirements remains one of the priority areas for the development of Uzbekistan's accounting system.

Comparison of National Standards and IFRS Requirements for PPE Accounting

Criteria	National Standards	IFRS (IAS 16)
Asset valuation	Historical cost	Cost or revaluation model
Depreciation	Fixed rules	Based on useful life
Revaluation	Limited	Allowed
Transparency	Lower	Higher
Investor confidence	Moderate	Strong

Research Findings

Recent economic challenges, including the global financial crisis and post-pandemic recovery processes, have significantly influenced the activities of many enterprises. Under such conditions, maintaining transparent, accurate, and reliable financial reporting becomes especially important for both businesses and investors.

The application of IFRS enables enterprises to prepare high-quality financial statements that are understandable and comparable at the international level. In particular, IAS 16 improves the procedures for asset recognition, depreciation, impairment assessment, and revaluation.

Furthermore, the implementation of international standards contributes to:

- improving financial discipline within enterprises;
- increasing investor trust and investment attractiveness;
- ensuring comparability of financial statements across countries;
- supporting digital transformation in accounting systems.

As a result, enterprises that adopt IFRS gain broader opportunities for integration into international financial markets.

Conclusion:

Based on international experience, the implementation of IFRS requirements in accounting for property, plant and equipment leads to several positive outcomes:

1. Increased transparency and reliability of financial information;
2. Growth in investment opportunities due to improved financial reporting quality;
3. Greater comparability of financial statements at the international level;
4. Enhanced analytical opportunities for investors, analysts, and stakeholders;

5. Improved integration of enterprises into the global economic environment.

Overall, the adoption of international accounting standards in PPE accounting contributes to the modernization of accounting systems, strengthens investor confidence, and promotes sustainable economic development.

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