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APPLICATION OF IFRS IN THE CONDITIONS OF DIGITAL TECHNOLOGIES

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Abstract. Nowadays the world is called a global village because of the forces of globalization, the most important thing is that developing economies are gradually integrating with developed economies through cross-border transactions for successful business, but understanding international financial information has become a very serious issue due to local accounting and reporting practices that create confusion in the minds of stakeholders. In this regard, it is important to have a universal set of standards to meet the needs of stakeholders. The International Accounting Standards Board (IASB) provided a permanent solution to this problem, earlier International Accounting Standards (IAS) were issued by the International Accounting Standards Committee (IASC), then they were changed in accordance with International Financial Reporting Standards, which attached greater importance to the clarity and comparability of financial accounting information to improve assessment and analysis of financial statements by users.

Keywords. Digital technologies, international financial reporting standards, digitalization, digital economy, XBRL.

Introduction

Financial statements prepared in accordance with IFRS allow Uzbekistan companies to enter foreign capital markets and attract foreign investors (Akamah, Mason&Shafron, 2022). Consequently, companies that disclose financial statements according to IFRS standards are subject to the requirements of the information revolution (Yuryeva, Pudeyan, Medvedskaya, Zaporozhtseva&Zemlyakova)/

The development of international financial reporting standards in the context of the introduction of digital technologies goes beyond the electronic interaction between users of the

information contained in the statements and affects the issues of collecting, processing and analyzing data (Chernykh&Baybulatova, 2023).

Domestic and foreign scientists are engaged in research in the field of application of digital technologies in the financial sector, namely for collecting, processing and processing data for the preparation of financial statements in accordance with IFRS: Ergasheva S. T.(2020), Kaspin L.E., Bulyga R.P. (2020), Karpova T.P. ., Kushnarenko T.V. (2021), Rozhnova O.V. (2018), Fourny Ghislain (2020).

Almost all Uzbekistan experts in this field argue that the main subject of studying the application of IFRS in the context of digital technologies is the need to create a unified concept of digitalization and/or a unified standard for digital tools.

Materials and methods

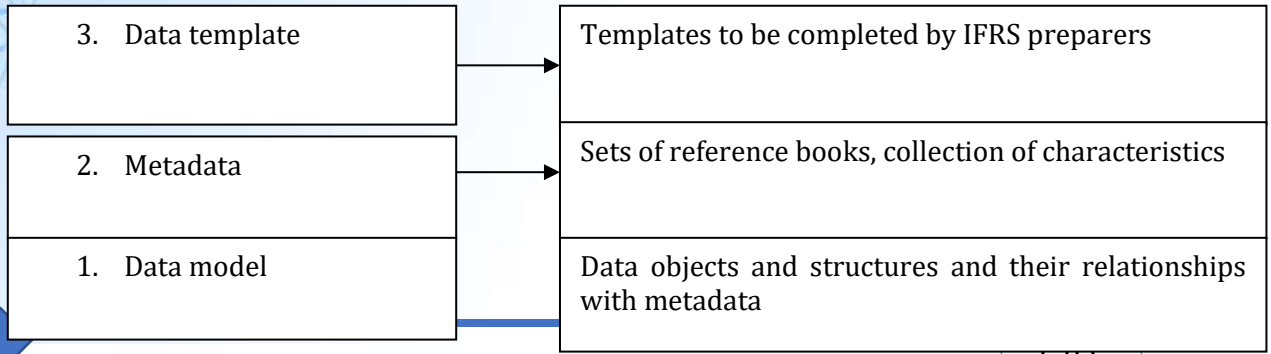
The purpose of the scientific article is to analyze the prospects for digitalization of IFRS reporting through the introduction of the XBRL format, as well as the development of a unified digital data model that allows standardization and digitization of IFRS using XBRL. The object of scientific research is IFRS reporting, the subject is digital technologies in financial accounting. In preparing the theoretical section of the scientific research devoted to determining the development of IFRS in the context of digital technologies, general scientific methods were used: observation, analysis and synthesis, and the method of logical reasoning. For the practical part of the study, special methods were used: systematization, modeling and expert assessments.

Results

Standards XBRL (eXtensible Business Reporting Language) developed based on XML format. The XBRL language specification is developed and published by an independent international organization XBRL International Inc.

The XBRL language is intended for the exchange of electronic data of financial and management reporting, describing the provided reporting not in the language of forms, but in the language of basic indicators structured in a data model (XBRL financial statements).

The capabilities of XBRL reporting when preparing IFRS are presented in Figure 1.



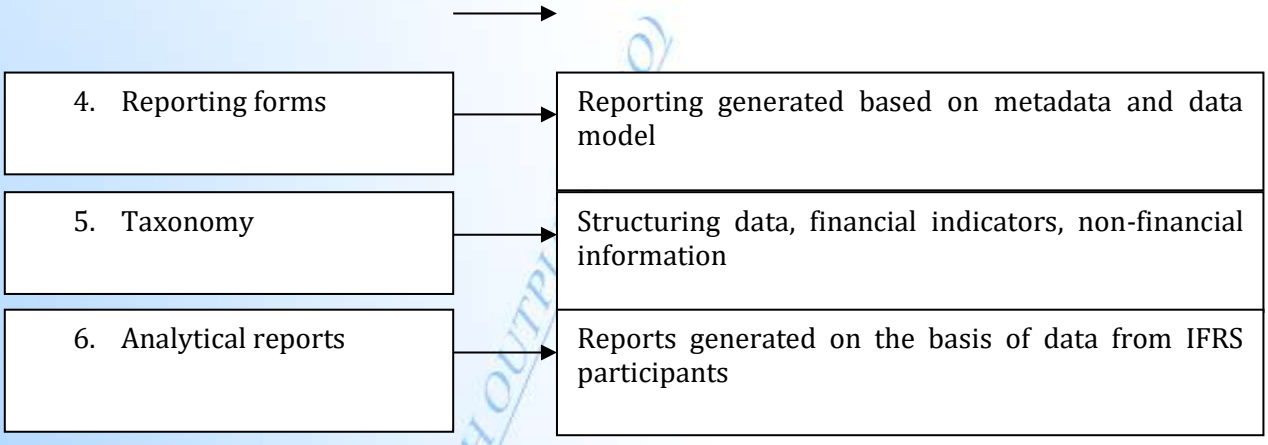


Figure 1. XBRL reporting capabilities for IFRS

The capabilities of XBRL make it possible to harmonize IFRS financial reporting forms (Official website of IFRS) and bring reports of different companies into single digital components, which allows investors and other interested parties to compare and analyze the financial performance of companies.

To compare the financial indicators of different companies, it is necessary to bring IFRS reporting in XBRL format into a single digital data model (Table 1).

Table 1

Unified digital data model

Characteristics	Description
Metadata	A unified list of financial and non-financial indicators, catalogs, classifications of counterparties to unify digital channels for information exchange. This list includes explanations, a glossary and links to regulations.
Validation	Measurement control and digital data model management tools

Examination	Issuance of information messages about identified technical, stylistic and mathematical errors
Documentation	Links to definitions of indicators contained in the reporting and reporting regulations
Digital channels	Relationship between financial indicators and their analytical features
Expenses	Software certification costs

The use of a unified digital data model will allow external and internal users of financial statements prepared in accordance with IFRS to conduct in-depth analytics.

The scheme for collecting and generating IFRS reporting in XBRL format using a unified digital data model is proposed to be drawn up as follows (Figure 2):

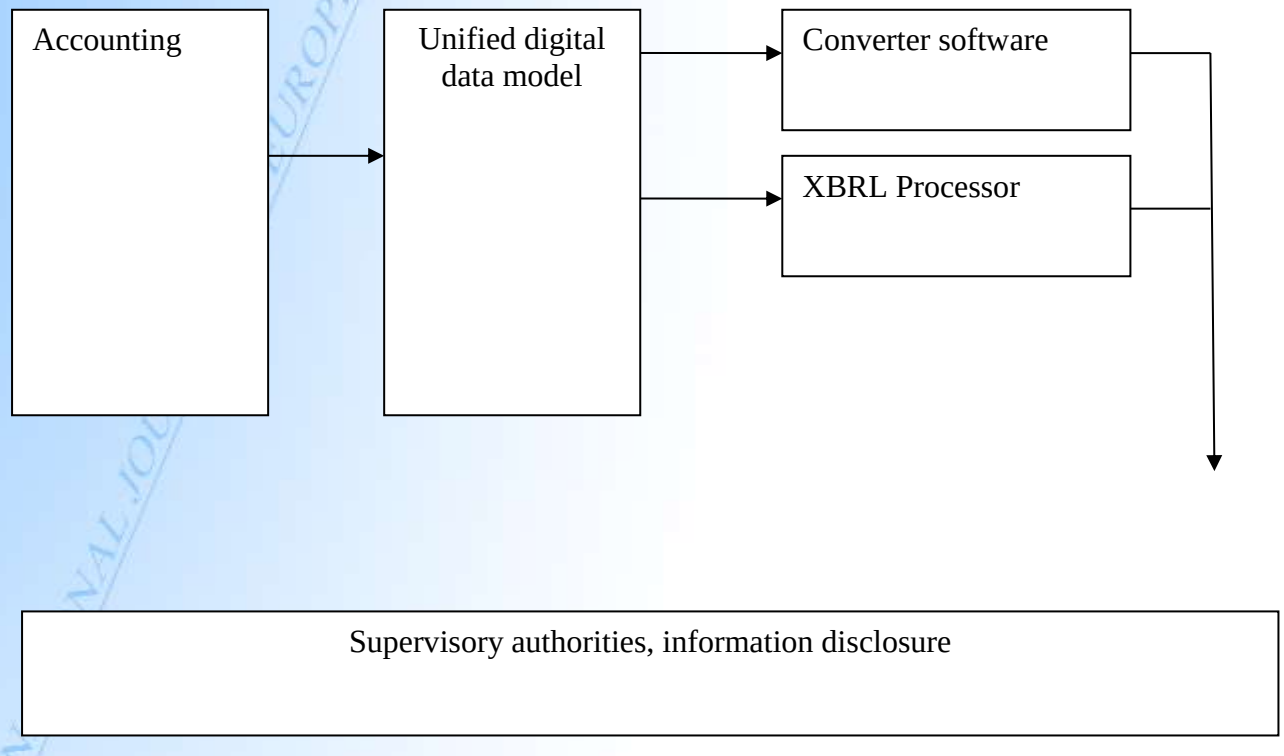


Figure 2. Scheme for collecting and generating IFRS reporting in XBRL format using a unified data model

The Converter software converts the reporting data received after aggregation into a single digital data model and validates it according to the XBRL taxonomy.

A unified digital data model in XBRL format will allow the financial reporting of different companies to be standardized according to a single data taxonomy.

Discussion

The direct benefits of using the XBRL format in a single digital data model when preparing IFRS reporting are to increase the structure and transparency, respectively, the accessibility of financial and non-financial indicators contained in financial statements prepared in accordance with IFRS, and the indirect benefits are to increase confidence in the enterprise - the compiler of such reporting and the growth of his business rating.

The disadvantages of using XBRL are the need to train the accountant preparing financial statements under IFRS to work in the XBRL format, certify the software used and monitor the information security of the data.

The advantage of using XBRL when presenting financial statements in IFRS format is that the reporting data is highly structured - the IFRS taxonomy occurs. The IFRS taxonomy should be understood as the arrangement of all reporting items under the required headings, which will fully meet the requirements of IFRS standards. In addition, clearly structured financial (accounting) reporting data will allow you to choose the most optimal accounting policy for the company and increase compliance control.

Drawing up IFRS reporting in XBRL format allows you to level out the discrepancies between different IFRS standards and compare the reports of different organizations. At the same time, the XBRL digital language does not completely eliminate the possibility of different interpretations, and, therefore, the need for professional judgment of the accounting service.

Currently, reporting in XBRL format in Russia must be submitted to the Bank of Russia only by professional participants in the securities market, collective investment entities and insurance entities. The use of the XBRL standard in the future by companies in the non-financial sector will make it possible to bring their financial statements presented under IFRS closer to the requirements imposed not only by Russian supervisory authorities, but also by international organizations (FRC publishes future of corporate reporting discussion paper).

To digitalize accounting, it is necessary to expand not only digital objects and digital accounting tools, but also to increase the composition of financial reporting indicators (for example, to include cryptography standards) (Ageeva, 2020).

To eliminate the digital divide in the presentation of financial statements in accordance with IFRS, it is necessary to increase the security of digital accounting data and introduce modern digital technologies. In the context of strict sanctions from the West, emphasis must be

placed on the formation of our own digital infrastructure and information security means. Our own solutions that increase the security of digital systems will help accelerate the implementation of domestic digital technologies, including those with integrated information security mechanisms, which are in demand by the state and business in the development of electronic services for the preparation of financial statements in the IFRS format.

After the start of a special military operation in Russia, the Central Bank of the Russian Federation prohibited the publication of financial statements prepared in accordance with IFRS. In this regard, companies transmit financial reporting data only to the regulator. This measure was taken to hide financial indicators and non-financial information of Russian companies from external users located in unfriendly countries. Due to the fact that the XBRL standard belongs to Western developers, a problem has arisen regarding the security of data contained in IFRS reporting and generated in the XBRL format. For the same reason, it is not recommended to use cloud technologies when preparing IFRS reporting.

At the same time, Uzbek developers need to provide software for working with XBRL, which will increase the technological sovereignty of the Uzbekistan Republics, reduce the risk of cyber crimes and secure financial reporting data provided in accordance with IFRS in XBRL format.

The purchase and installation of software products that form the XBRL language, the development and modification of National Bank of Uzbekistan systems, testing and putting them into operation, the creation of a permanent XBRL jurisdiction in Russia will allow the safe integration of IFRS into the world taxonomy reporting language XBRL.

The use of these digital tools will improve accounting and reporting under IFRS and meet the requirements of IFRS participants for the digital transformation of the economy.

Conclusions

Financial statements prepared in accordance with international financial reporting standards are one of the main sources of information when analyzing the financial and economic activities of a company.

Companies presenting financial statements in accordance with IFRS must keep pace with the requirements for digitalization of the economy. In this regard, there is a continuous process of introducing digital tools and technologies into the collection, processing and preparation of financial reporting.

The XBRL standard is used to describe financial statement data in a structured manner. Currently, this language is required only for companies from the financial sector of the

economy. At the same time, the capabilities of this standard can be used to exchange financial indicators and non-financial information by companies in the non-financial sector of the economy.

National companies that use a business language such as XBRL are more quickly integrated into the international business space, which is especially important when our country joins the Eurasian Economic Union (Druzhilovskaya T. Yu.&Druzhilovskaya E. S., 2019).

Many problems with inconsistencies in different reports compiled according to IFRS are solved by bringing them to a single digital data model compiled in XBRL format.

The use of digitalization technologies for financial reporting in accordance with IFRS has a positive effect on its openness and accessibility for investors. At the same time, new digital financial assets are emerging, and hence the need to introduce a method for accounting for them, as well as new requirements for the format of reporting under IFRS to regulatory authorities. All this forces businesses to modernize digital technologies used in enterprises.

Filing financial statements prepared in accordance with IFRS in XBRL format reduces the amount of duplicate information in the submitted statements, which reduces the burden of control by regulatory authorities. In addition, this digital language reduces the number of computational errors.

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