

Small Business in the Republic of Uzbekistan: Organization of Accounting and Reporting

Eshonqulov Akmal Qudratovich ¹

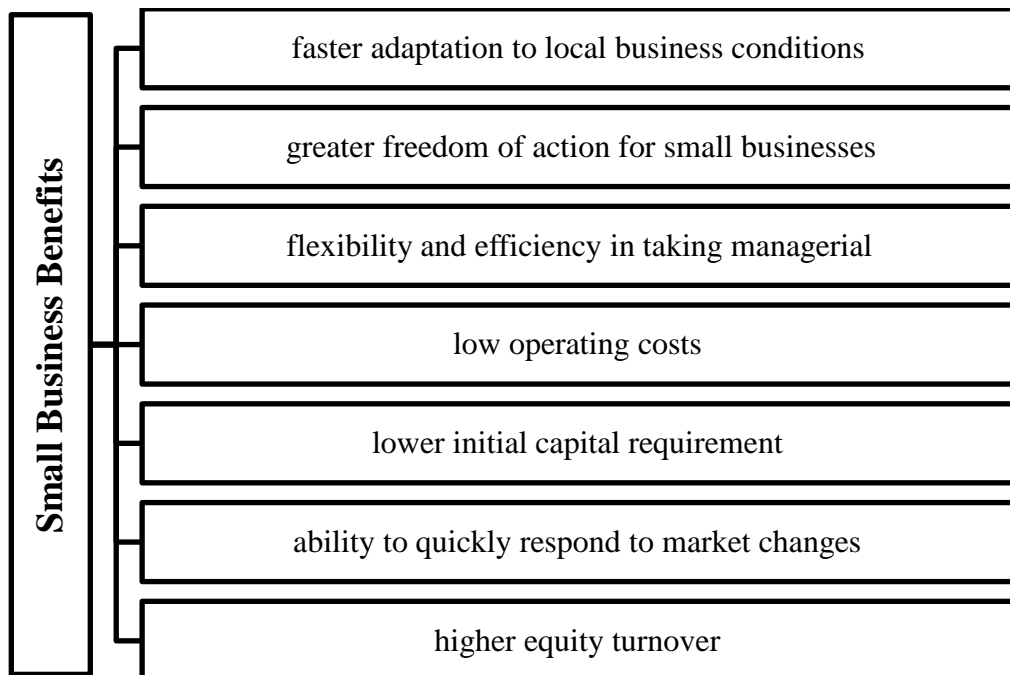
Annotation

The article defines the advantages of small business and private entrepreneurship in the current conditions of economic development. Statistical data reflecting the share of small business in the economy of the Republic of Uzbekistan are given. The features of accounting inherent in small businesses are outlined, an overview of legislative and regulatory acts regulating the organization of accounting and reporting of small businesses is given.

Keywords: *market economy, entrepreneurship, small business, private entrepreneurship, accounting, simplified accounting system, outsourcing, electronic reporting, working chart of accounts.*

¹ Assistant of the Department of Accounting Samarkand Institute of Economics and Service

From the first days of independence in the Republic of Uzbekistan, a course was set for the creation and development of a market economy with a social orientation. The market economy implies a number of priorities. One of such important priorities of a market economy is entrepreneurship. In the current conditions of the development of the world economy, preference is given to small businesses and private entrepreneurship, due to their advantages over large capital-intensive industrial enterprises.



The sphere of small business in Uzbekistan is developing steadily. This is evidenced by the statistical data of the State Committee of the Republic of Uzbekistan on Statistics.

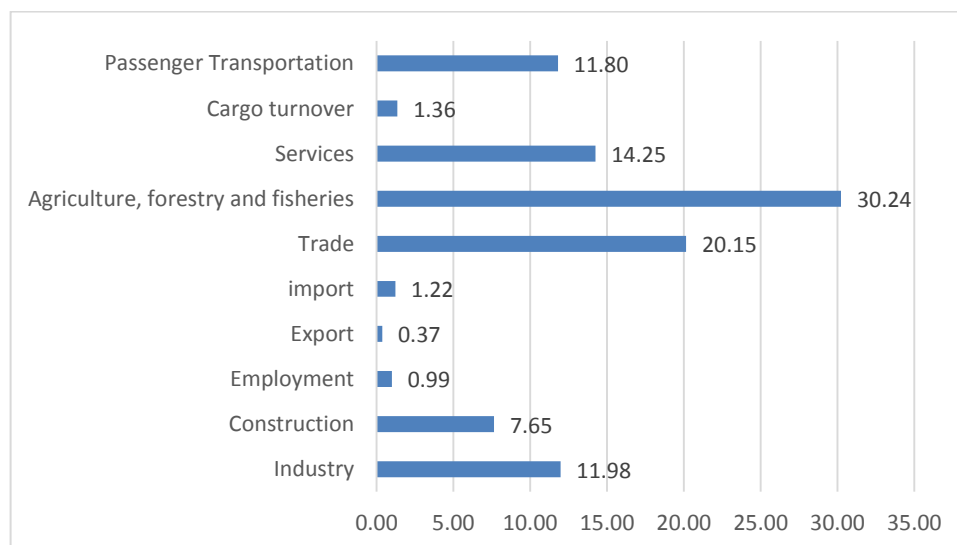


Table 1. The volume of the main indicators of small business and private entrepreneurship in sectors of the economy

The table above shows the volume of small business and private entrepreneurship in sectors of

the economy. These statistics testify to the importance of small business in the economy of the republic. Taking into account the experience of the developed countries of the world, Uzbekistan pays great attention to the development of small business and entrepreneurship as one of the strategic directions of economic reforms. At the same time, one of the most important tasks is to provide small businesses with the necessary legal and regulatory framework, accounting system, tax preferences and benefits, which are designed to become a support and leverage for the development and stimulation of entities engaged in their entrepreneurial activities in the field of small business.

The organization of accounting at small businesses is carried out in accordance with the following legislative and regulatory acts, reflecting the features of accounting for them:

- Law of the Republic of Uzbekistan "On Accounting" dated April 13, 2016 No. LRU-404; - Law of the Republic of Uzbekistan "On guarantees of freedom of entrepreneurial activity", dated May 2, 2012 no. :LRU-328;
- National Accounting Standards (NAS No. 1 - 24), in particular NAS No. 20 "Simplified accounting procedure for small businesses", registered by the Ministry of Justice on August 14, 2013 No. 2501;
- The order of the Minister of Finance on approval of the "Forms of financial statements and rules for their completion" was registered by the Ministry of Justice of the Republic of Uzbekistan dated January 24, 2003, registration No. 1209, etc.

According to Article 7 of the Law of the Republic of Uzbekistan "On Accounting", the head of the enterprise has the right both to create an accounting service under the leadership of the chief accountant, and to delegate accounting on contractual terms to specialized, so-called outsourcing firms [2]. Over the past few years, outsourcing has become popular among small businesses and private entrepreneurship. At the same time, speaking of small enterprises and microforms, the main criterion for choosing ways to organize and maintain accounting and reporting should be the expediency and efficiency of accounting, i.e. the benefits of accounting should be weighed against the costs of accounting. This criterion is due to the relatively small amount of financial resources possessed by small enterprises.

In accordance with Article 17 of the Law of the Republic of Uzbekistan "On Guarantees of Freedom of Entrepreneurial Activity", small businesses submit financial statements only to the state statistics authorities and the state tax service [3]. For several years, the bodies to which financial reports of accounting entities are submitted have been accepting reports in electronic form, which is certainly beneficial and convenient for entrepreneurs, in particular, small businesses. Firstly, the principle of economy is observed - saving time, resources involved in the paper form of reporting. Secondly, with the introduction of electronic reporting, it became possible to promptly correct errors in reports, receive online consultations from specialists of statistical and tax authorities on accounting and financial reporting issues of interest.

The fundamental normative act on the organization of accounting in small businesses and private entrepreneurship is the National Accounting Standard No. 20 "Simplified Procedure for Conducting Accounting by Small Business Entities"[4]. This standard determines the ability of small businesses to independently form an accounting policy, which gives freedom in choosing the form of accounting. In addition, the standard allows you to draw up a working chart of accounts based on a standard Chart of Accounts for financial and economic activities. This creates convenience for the accountant in the implementation of accounting and financial

reporting, because. The working chart of accounts contains only the main accounts used by the subject, excluding unnecessary accounting accounts.

In accordance with the Order of the Minister of Finance on the approval of the "Financial Reporting Forms and Rules for Completing Them", small businesses must submit only annual financial statements, which include Form No. 1 "Balance Sheet" and Form No. 2 "Financial Results Statement", the rest of the reports that are submitted by large enterprises are not submitted, which is also considered a criterion for simplifying accounting by small businesses [5].

Thus, the sphere of small business in Uzbekistan, as in other developed and developing countries, has a special place in the process of reforming and modernizing the economy. And it is precisely from the correctly substantiated organization of the accounting system in this area that its further prosperity depends.

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