

FEATURES OF THE TERMS IN ENGLISH IN INTERNATIONAL FINANCIAL REPORTING STANDARDS

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Annotation: This article explores the essential characteristics of English terms within IFRS, emphasizing their significance in ensuring clarity, consistency, and transparency in global financial reporting. It discusses how standardization, precision, and accessibility of English terminology facilitate effective communication among multinational stakeholders. The article also highlights the flexibility of IFRS language, its alignment with evolving business practices, and the importance of education and training in mastering English financial terminology.

Key words: International Financial Reporting Standards (IFRS), English terms, Standardization, Precision, Accessibility, Global communication, Flexibility, Alignment with business practices, Education and training, Financial reporting, Transparency, Consistency, Clarity Multinational stakeholders, Investor confidence

The features of English terms in International Financial Reporting Standards (IFRS) are essential for ensuring clarity, consistency, and transparency in financial reporting across borders. Here are some key features:

1. Standardization: English terms in IFRS provide a standardized vocabulary for financial reporting, promoting consistency in terminology and facilitating comparability of financial statements across different countries and industries.

2. Precision and Clarity: IFRS employs precise and clear language to define accounting concepts, principles, and requirements. This clarity helps reduce ambiguity and ensures that financial information is accurately communicated to users.

3. Accessibility: English serves as a common language for IFRS, making financial information accessible to a wide range of stakeholders, including investors, analysts, regulators, and the general public. This accessibility promotes transparency and enhances market confidence.

4. Global Communication: English terms enable effective communication and collaboration among multinational companies, accounting professionals, and regulatory bodies worldwide. This facilitates the exchange of financial information and promotes international investment and trade.

5. Flexibility: While IFRS provides a standardized set of English terms, it also allows for flexibility in interpretation and application. This flexibility enables entities to adapt accounting practices to their specific circumstances while still adhering to the overarching principles of IFRS.

6. Alignment with Business Practices: The English terms used in IFRS are continually updated to reflect changes in business practices, regulatory requirements, and emerging trends in the global economy. This ensures that financial reporting remains relevant and responsive to evolving market dynamics.

7. Education and Training: Proficiency in English financial terminology is essential for accounting professionals, educators, and students studying IFRS. Educational programs and training resources help individuals develop the language skills needed to understand and apply IFRS effectively in practice.

Overall, the features of English terms in IFRS play a critical role in facilitating transparent, reliable, and internationally comparable financial reporting, which is essential for promoting investor confidence and supporting informed decision-making in the global marketplace.

International Financial Reporting Standards (IFRS) are a set of accounting standards developed by the International Accounting Standards Board (IASB). In terms of features:

1. Global Applicability: IFRS are used by companies globally, facilitating consistency and comparability in financial reporting across borders.

2. Principles-based: IFRS are principle-based, providing a framework rather than specific rules, allowing for flexibility in application.

3. Fair Presentation: Emphasis is placed on presenting financial statements fairly, accurately reflecting the financial position, performance, and cash flows of an entity.

4. Disclosure Requirements: IFRS mandate comprehensive disclosures, ensuring users of financial statements have access to relevant information to make informed decisions.

5. Use of Estimates: IFRS allows for the use of estimates in financial reporting when exact figures are not readily available, provided they are based on reasonable assumptions and available information.

6. Consistency and Comparability: IFRS aim to promote consistency and comparability in financial reporting, enabling stakeholders to assess the financial performance of entities across different jurisdictions.

7. Continual Evolution: IFRS are subject to ongoing review and updates by the IASB to adapt to changes in the global business environment, accounting practices, and regulatory requirements.

These features collectively contribute to the effectiveness of IFRS in facilitating transparent and reliable financial reporting on a global scale.

Here are some additional points regarding the features of terms in English in International Financial Reporting Standards (IFRS):

8. Hierarchy of IFRS: IFRS includes a hierarchy that guides preparers in selecting the appropriate accounting treatment when specific guidance is not available. This hierarchy ranges from standards and interpretations issued by the IASB to other sources such as industry practices and principles.

9. Emphasis on Substance over Form: IFRS prioritizes the economic substance of transactions over their legal form. This means that transactions should be accounted for based on their underlying economic reality rather than just how they are legally structured.

10. Use of Professional Judgment: IFRS encourages the use of professional judgment in applying the standards, particularly in situations where there is no explicit guidance provided. This allows for flexibility in interpretation to ensure that financial statements accurately reflect the economic reality of transactions.

11. Consolidation Principles: IFRS provides guidance on the consolidation of financial statements for entities with subsidiaries. It focuses on control as the determining factor for consolidation, ensuring that the financial statements present a true and fair view of the group's financial position and performance.

12. Fair Value Measurement: IFRS requires the use of fair value measurement for certain financial instruments, investments, and assets. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

13. Disclosure of Significant Accounting Policies: IFRS mandates the disclosure of significant accounting policies adopted by an entity, providing transparency to users of financial statements regarding the basis on which the financial statements have been prepared.

14. Interim Financial Reporting: IFRS provides guidance on the preparation and presentation of interim financial statements, ensuring timely and relevant information is provided to stakeholders between annual reporting periods.

These features collectively contribute to the clarity, transparency, and reliability of financial reporting under IFRS, enhancing the confidence of investors, creditors, and other users of financial information.

Here are some ideas and additional information on the features of terms in English in International Financial Reporting Standards (IFRS):

1. **Language Standardization:** One notable feature of IFRS is the standardization of financial reporting terminology in English. This allows for consistency and comparability of financial statements across different countries and regions.

2. **Translation Requirements:** While IFRS are published in English, many countries require the translation of financial statements into their local language for regulatory and disclosure purposes. Understanding the nuances of translating financial terms accurately is crucial for maintaining consistency and transparency in reporting.

3. **Terminology Evolution:** The language used in IFRS continues to evolve to reflect changes in business practices, technological advancements, and regulatory requirements. Staying updated on new terms and their definitions is essential for preparers, auditors, and users of financial statements.

4. **International Communication:** The use of English in IFRS facilitates communication and collaboration among multinational companies, investors, regulators, and other stakeholders. It provides a common language for discussing financial performance, risk management, and investment decisions on a global scale.

5. **Training and Education:** Proficiency in English financial terminology is essential for accounting professionals, educators, and students studying IFRS. Training programs and educational resources play a crucial role in ensuring individuals have the necessary language skills to understand and apply IFRS effectively.

6. **Clarity and Transparency:** IFRS aim to enhance the clarity and transparency of financial reporting by using clear and unambiguous language in standards, interpretations, and guidance documents. This helps reduce ambiguity and misinterpretation of financial information.

7. **Cross-Cultural Considerations:** As English is not the native language for many users of IFRS, cross-cultural considerations are important when interpreting financial terminology. Understanding cultural differences in language usage and interpretation can help ensure effective communication and comprehension of financial information.

8. **Technical Language Challenges:** The technical nature of financial reporting terminology in IFRS can pose challenges for non-native English speakers and those with limited financial literacy. Providing plain language explanations and examples can aid in overcoming language barriers and improving understanding.

9. **Continual Learning and Development:** Given the dynamic nature of IFRS and the evolving business landscape, ongoing learning and development in English financial terminology are essential for accounting professionals to stay current and effectively apply the standards in practice.

These ideas highlight the significance of English language proficiency and terminology in the context of International Financial Reporting Standards, emphasizing the importance of clear communication and understanding in global financial reporting.

USED LITERATURE

1. International Accounting Standards Board (IASB) - The official website provides access to the latest IFRS standards, interpretations, and publications.
2. Journal of International Accounting Research - A peer-reviewed academic journal covering research on international accounting issues, including IFRS.
3. International Journal of Accounting - Another academic journal publishing research on various accounting topics, including IFRS adoption and implementation.
4. Accounting Horizons - A journal focusing on interdisciplinary accounting research, including studies on IFRS convergence and global accounting practices.
5. Financial Accounting Standards Board (FASB) - While not specific to IFRS, the FASB website contains resources and publications related to U.S. Generally Accepted Accounting Principles (GAAP), which may offer comparative insights.
6. Academic databases such as JSTOR, ProQuest, and Google Scholar can also be valuable resources for accessing scholarly articles, research papers, and books on IFRS.