

RESEARCH ON THE APPLICATION OF CHINA AND UZBEKISTAN IN THE FIELD OF INTERNATIONAL FINANCIAL ACCOUNTING--THE INNOVATIVE APPLICATION OF FINANCIAL ACCOUNTING SYSTEM OF A MULTINATIONAL COMPANY AS AN EXAMPLE



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***Abstract:** Uzbekistan is located in the center of Central Asia, with many neighboring countries, superior resources, and rapid economic development, and is an important node of the extension of the Silk Road. Under the background of "One Belt, One Road" strategy, with the expansion of the overseas business of Chinese enterprises, the refinement of the operation of the group's corporate financial management has ushered in a greater challenge. This paper briefly introduces the establishment and innovative application of international accounting and financial accounting system of overseas subsidiaries of Group A enterprises to provide reference for the establishment of enterprise financial accounting system.*

***Keywords:** transnational corporations; international accounting financial accounting system.*

Body

– Introduction

With the implementation of the "Belt and Road" strategy, more and more Chinese multinational corporations are setting up companies and conducting business in Uzbekistan, which brings greater challenges to the financial management and accounting of the group headquarter due to the differences in the languages, local currencies, applicable accounting standards and accounting software requirements of the two countries' financial accounting.

The first is the challenge of adjusting for differences in accounting standards. Taking multinational Chinese enterprises as an example, due to the differences between the local accounting standards of subsidiaries and the Chinese accounting standards, it is necessary to adjust the consistency of accounting policies based on enterprise accounting standards on the basis of the financial statements of subsidiaries.

Second, there is the challenge of digitization. The current digitalization of enterprises has been upgraded, the accounting environment has been further changed, and the Group's management and monitoring methods for consolidated and subsidiary financial statements have been updated and iterated in line with the digitalization process.

With the increasing business volume of Chinese and Uzbek multinational corporations, innovating the international accounting and financial accounting system of multinational corporations and improving the efficiency of consolidated statements are conducive to providing intuitive and clear data for corporate decision-making at the fastest speed, so as to enable stakeholders to grasp the financial situation of the enterprise in the shortest possible time.

– **Methodology**

First of all, this paper tries to apply some useful theories to support the research, they are including the basic Theoretical Foundations of Accounting and Auditing, Synergistics theory and Case study methodology.

Synergistics Theory, which was founded by Hermann Haken, is an interdisciplinary science explaining the formation and self-organization of patterns and structures in open systems, later it widely used in social scientific field. It has become one of the most respected management consulting firms, partnering and stakeholders to improve operating efficiencies. The core of the theory is that two or more interrelated systems may work together to produce an overall effect greater than the sum of the functions of a single system. This paper innovates the traditional form of accounting by digitizing the double-code treatment.

Second, the paper further innovates the traditional form of accounting through a case study approach.

– **Results**

First, digital technology based on big data, machine learning and artificial intelligence has flourished, and strong digital financial support has become the core of operation and competition for large conglomerates, and the financial digital platform has become the innovation territory of large conglomerates.

Secondly, for the characteristics of accounting of overseas subsidiaries, it integrates multiple languages, multiple local currencies and different accounting standards into one set of financial accounting system to reduce the labor intensity of financial staff.

Finally, with the experience of international accounting and financial accounting of Group A enterprises, it can meet the accounting requirements of multinational companies in Uzbekistan.

– **Analysis**

Group A has accumulated rich experience in accounting in Uzbekistan, and the digitalized dual standard processing has innovated the traditional form of accounting, through which the dual sets of accounts are used to undertake the auditing and tax requirements of the group and the outside group respectively. The main set of accounts is strictly in accordance with local laws and regulations, and local financial statements are issued to meet local tax and audit requirements, while the auxiliary set of accounts is set up as a new set of accounts to carry the financial data of Chinese accounting standards.

First, eliminate the differences in revenue, cost and other accounts under local standards of subsidiaries through elimination and filtering;

Second, the existing financial information system platforms for revenue, cost and other financial information are utilized to separately account for key accounts such as revenue, cost, inventory and other accounts based on China accounting standards, and the data of these accounts are automatically imported into the newly set up auxiliary sets of accounts, which are used to differentiate and account for the key accounts under the local rules;

Thirdly, other accounts are synchronized from the main ledger into the auxiliary ledger through the establishment of double general ledger module, the accounts without standard differences are synchronized from the main ledger into the auxiliary ledger, and the standard difference journals are manually entered in the auxiliary ledger to ensure the consistency between the auxiliary ledger and the China Accounting Standards, and the system gathers the ledgers of the local statements and the accounting policy difference journals to generate the consolidated statements, and finally form the financial statements of subsidiaries under the rules of the group. That is to say, on the basis of the existing financial resources, utilizing the existing professional financial information system, a system process and platform are built to carry the statements that meet the China Accounting Standards.

– Conclusions

The innovative financial digital platform is an independent and specialized platform with each system, one end of which is connected to all business and professional financial systems of the enterprise, and the other end is connected to the accounting system and management accounting system. Multinational Chinese enterprises can set up their own financial digital platforms for all business processes locally in the group and subsidiaries, which can accurately include every financial data of production and operation in real time, such as parameters related to revenue recognition and apportionment, etc., and issue their own financial statements, which can greatly compress the data processing time, improve the traceability of the data, avoid the negligence caused by the manual operation, and liberate the financial staff from the heavy reports.

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