ENGLISH TERMS OF INTERNATIONAL FINANCIAL REPORTING STANDARDS IN SPEECH

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Annotation: this article provides information about the English terms of International Financial Reporting standards in speech

Key words: International Financial Reporting Standards (IFRS), Accounting standards, Financial reporting, Language consistency, Clarity, Transparency, Cross-border transactions, Principles-based approach, Key standards, Convergence efforts, Interpretations, Disclosure requirements, Monitoring and enforcement, Updates and amendments, Education and training, Assets, Liabilities, Equity, Revenue, Expenses, Fair value, Depreciation, Impairment, Consolidation, Hedge accounting

The term "English terms" generally refers to the vocabulary and terminology used in the English language. In the context of International Financial Reporting Standards (IFRS), "English terms" specifically refer to the terminology and language used within the standards themselves, which are primarily written in English. These terms include accounting principles, concepts, definitions, and terminology used to describe various financial transactions and reporting requirements.

Here are some examples of English terms commonly used in International Financial Reporting Standards (IFRS):

1. Assets: Economic resources owned or controlled by a company, expected to generate future economic benefits.
2. Liabilities: Present obligations of the company arising from past events, which will result in an outflow of resources.
3. Equity: The residual interest in the assets of the company after deducting liabilities. It represents the owners' claim on the company's assets.
4. Revenue: The inflow of economic benefits (or savings in outflows) arising from the ordinary operating activities of the company, such as sales of goods or services.
5. Expenses: Outflows of economic benefits (or incurrences of liabilities) arising from the ordinary operating activities of the company, such as the cost of goods sold or administrative expenses.
6. Fair Value: 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.
7. Depreciation: The systematic allocation of the depreciable amount of an asset over its useful life.
8. Impairment: The recognition of a decrease in the carrying amount of an asset below its recoverable amount.

9. Consolidation: The process of combining the financial statements of a parent company and its subsidiaries into a single set of financial statements.

10. Hedge Accounting: The accounting treatment for mitigating risks associated with fluctuations in fair values or cash flows of recognized assets, liabilities, or forecasted transactions.

These are just a few examples of English terms used in IFRS. Each term has specific definitions and requirements outlined within the standards to ensure consistent and transparent financial reporting.

Here's some more information on International Financial Reporting Standards (IFRS):

1. Background: IFRS are developed and maintained by the International Accounting Standards Board (IASB), an independent, private-sector body based in London, UK.

2. Objective: The primary objective of IFRS is to provide a globally consistent framework for financial reporting, ensuring transparency, comparability, and understandability of financial statements across different jurisdictions.

3. Scope: IFRS applies to the preparation and presentation of financial statements of companies and other reporting entities worldwide. It covers various financial reporting aspects, including recognition, measurement, presentation, and disclosure of financial information.

4. Principles-based Approach: Unlike some national accounting standards that are rules-based, IFRS adopts a principles-based approach, focusing on overarching principles rather than detailed rules. This allows for flexibility in application while promoting professional judgment and interpretation.

5. Key Standards: Some key standards under IFRS include IFRS 9 (Financial Instruments), IFRS 15 (Revenue from Contracts with Customers), and IFRS 16 (Leases), among others. These standards address specific accounting treatments for various financial transactions and events.

6. Adoption: Many countries around the world have adopted or converged their national accounting standards with IFRS. However, the degree of adoption and implementation may vary, with some jurisdictions allowing for modifications or additional requirements.

7. Benefits: The adoption of IFRS aims to enhance the quality and comparability of financial reporting globally, facilitate cross-border investment and capital flows, and reduce the cost of preparing financial statements for multinational companies.

Here's some additional information on International Financial Reporting Standards (IFRS):

8. Convergence Efforts: In the past, there were significant differences between IFRS and other accounting standards, particularly U.S. Generally Accepted Accounting Principles (GAAP). However, there have been ongoing convergence efforts between the IASB and the Financial Accounting Standards Board (FASB) to minimize differences and achieve greater consistency in global financial reporting.

9. IFRS Interpretations: In addition to the core standards, the IFRS Interpretations Committee (formerly known as the International Financial Reporting Interpretations Committee or IFRIC) issues interpretations and guidance on the application of IFRS. These interpretations provide clarification on specific accounting issues not addressed directly in the standards.

10. Disclosure Requirements: IFRS places significant emphasis on disclosure requirements, ensuring that financial statements provide users with relevant and transparent information to make informed decisions. Disclosures often include information about significant accounting policies, key assumptions and estimates, and potential risks and uncertainties.

11. Monitoring and Enforcement: While the adoption of IFRS is voluntary in some jurisdictions, regulatory bodies and standard-setting organizations monitor compliance with IFRS and may enforce penalties for non-compliance. This helps maintain the credibility and integrity of financial reporting under IFRS.

12. Updates and Amendments: The IASB regularly updates and amends existing standards to reflect changes in the business environment and address emerging accounting issues. Stakeholders, including investors, preparers, and auditors, are encouraged to participate in the standard-setting process through public consultations and comment letters.

13. Education and Training: As IFRS continues to evolve and gain widespread adoption, education and training initiatives play a crucial role in ensuring that accounting professionals, including preparers, auditors, and regulators, have the necessary skills and knowledge to apply IFRS effectively.

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