
Conditions and Requirements for the Formation of Cloud Accounting in Uzbekistan

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Abstract: This article presents the importance, development and conditions of creation of cloud accounting, which is developing all over the world. The accounting profession is very conservative, and therefore its representatives are wary of such new products and quite rightly want to first get a thorough analysis of the effectiveness of cloud programs, their functionality and reliability, and only then make a decision on the possibility of their use. It must be said that in Western countries, online accounting has already become widespread, becoming a familiar way for businesses to organize the accounting process.

Key words: Accounting, cloud accounting, profession, analysis, cloud programs, functionality, reliability, business, process.

Accounting has long been considered the heart of an enterprise. However, despite the invariance of its importance, the forms and methods of accounting have changed and evolved. The labor-intensive process of traditional manual accounting has been automated, computer programs have become widespread and seem to have simplified accounting work to the utmost. Nevertheless, the development of the Internet has made it possible to talk about a new stage in the development of accounting technology, in which an accounting program is an Internet service. The basis for the operation of such programs is the so-called cloud computing, from which the name “cloud accounting” comes.

Cloud accounting is a very young service that emerged in 2010–2011, but has already managed to win the recognition of many entrepreneurs around the world. The essence of this technology is that a business owner, an accountant working for an enterprise or a third-party organization - in a word, the user is given, for a fee, access to a program on the Internet, with the help of which it is possible to ensure the implementation of all traditional accounting processes with the least labor costs. For example, online accounting allows you to generate primary accounting documentation, calculate taxes and contributions for compulsory insurance, prepare electronic accounting, tax and statistical reporting, etc. That is, accounting in the “cloud” is used for the same purposes as familiar software installed on a computer.

But what is innovative here in this case? The fact is that the distinctive feature and novelty of this construction of the accounting process, in comparison with any of its other forms, is that an accountant only needs access to the Internet to work. This is due to the fact that all the information necessary for work is stored on a remote server in the cloud. This placement of data is currently the latest achievement in accounting practice. However, the accounting profession is very conservative, and therefore its representatives are wary of such new products and quite rightly want to first get a thorough analysis of the effectiveness of cloud programs, their functionality and reliability, and only then make a decision on the possibility of their use. It must be said that in Western countries, online accounting has already become widespread, becoming a familiar way for businesses to organize the accounting process.

In Uzbekistan, meanwhile, cloud software is just beginning to find its feet, and therefore one can note both an increased interest in this technological phenomenon and a strong distrust of the “unknown.” An important and pressing question is how effective is the merging of accounting and cloud computing in one technological product, how far this integration can go and, most importantly, whether they will become a full-fledged replacement of computer software in the future. An accountant in a modern enterprise performs many functions depending on qualifications, position, work experience, and sometimes personal qualities.

Electronic accounting services currently already have a fairly extensive range of options, which allows you to perform a significant part of these functions. At the same time, the capabilities of cloud systems are not the same and, as a rule, depend on the provider company. In Russia, the pioneers, as well as the largest and most successful representatives of the cloud accounting industry, are the companies “Moe Delo”, “Accounting. Kontur and Bukhsoft. Therefore, to study the functionality of accounting programs based on cloud technologies, the capabilities of the three above services were analyzed (Table 1). From the table 1 shows that cloud accounting performs very interesting and versatile functions. Moreover, the differences in capabilities are minimal, and this is due to the fact that cloud accounting is becoming increasingly popular, and therefore companies are improving and expanding capabilities in order to attract customers and remain in the lead. Online accounting services have become most widespread and popular among medium and small businesses, including micro-enterprises. As you know, it is these forms of organization of entrepreneurial activity that form the basis of the economy in the modern world. Thus, in Uzbekistan, in particular as of the end of 2022, about 1 million small enterprises were registered, which is approximately 43% of the number of all economic entities. The turnover of small businesses, excluding microenterprises, is about 31% of the turnover of all organizations in Uzbekistan, which shows a fairly large impact on economic development and the growth of gross domestic product. That is why the emergence of new, functional tools that make accounting easier is an important stage for business development, and therefore for the economy as a whole. As for the sphere of activity of cloud accounting clients, trade definitely prevails here: most of the users are retailers and owners of online stores.

Table 1. Comparative characteristics of the main capabilities provided by cloud accounting

Key Features	Name of cloud accounting		
	My business	Accounting. Contour	Bukhsoft
Accounting (maintenance of the bank, cash desk, purchases, sales, creation of transactions)	+	+	+
Preparation and sending of reports (generation of reports, Pension Fund and Social Insurance Fund, transfer of electronic reports to regulatory authorities)	+	+	+
Salaries and personnel (calculation of wages, taxes and related charges)	+	+	+
Accounting for contracts	+	-	+
Professional advice	+	+	-
Trade and services (generation of invoices, acts, invoices and other documents)	+	+	+
Built-in reporting calendar	+	+	-

The principles of operation of cloud accounting software, in fact, do not differ from the long-standing and successfully used outsourcing (transferring the functions of accounting and reporting

to third-party specialized organizations), and also echo the operating parameters of accounting software for personal computers, combining the advantages these two popular forms of organizing the accounting process. However, this technology is not without its drawbacks. The positive and negative features of cloud accounting are given. Despite the obvious numerical superiority of the advantages of cloud accounting systems, many small and medium-sized business owners, as well as accountants, do not use such a service, which means the question arises about what is preventing the transition to cloud accounting. In Uzbekistan, unfortunately, research in this direction has not been carried out, however, there are research results from other countries on this issue. In the United States, a study was conducted in 2022 aimed at analyzing changes in the opinions of managers and accountants about cloud accounting over 3 years. The survey showed that they have transformed from hesitant early adopters to experienced users who say that cloud-based systems have not only competed with computer accounting programs, but have left them far behind.

Thus, some of the interviewed managers confidently stated that they would never return to the previous accounting system, and therefore, one can argue about the beginning of a new era in accounting, the era of the “clouds”. It is worth noting that European and American online accounting systems are more functional than their domestic counterparts. For example, Xero and Kashoo (foreign cloud accounting services) allow you to calculate depreciation of fixed assets, keep records in multiple currencies, and are even presented as mobile applications, which significantly increase their competitiveness.

Thus, cloud technologies represent a very promising direction in the field of organizing the accounting process. For businesses, transferring the accounting process to the “cloud” means reducing transaction costs for both small and large firms, which can organize accounting in certain areas in this way, and most importantly, keep records of several enterprises at once. There is a good chance that in the future, computer software will be completely replaced by cloud-based accounting systems. This can be confirmed by the fact that even such a large company as 1C, which is a leader in the Uzbek accounting software market, also launched an Internet service based on cloud technologies in September 2011.

However, at present it is difficult to talk about the indisputable advantage of cloud accounting, which would allow us to move away from previous methods of organizing accounting.

Firstly, the degree of functionality and efficiency of Uzbek systems has not yet increased sufficiently.

Secondly, there are risks associated with data security, and these are an important criterion for users. Eliminating this problem requires clearer legislative regulation regarding the protection of users’ personal data. For example, it would be reasonable to legally oblige companies to report information leaks, since such a requirement exists in many developed countries.

Thirdly, the very idea of cloud technologies, cloud accounting is still little known to the public, and without proper trust in the system there will not be a massive transition to a new way of organizing the accounting process. Nevertheless, the development of new, high-tech approaches to accounting has a positive impact on the business environment and the economy as a whole.

Cloud programs are increasingly becoming part of everyday life, and what is noteworthy is that government services and tax inspection portals are already operating using this technology. For example, in 2019, the Ministry of Finance of Uzbekistan launched a special cloud service that allows you to store and process data coming directly from electronic cash registers, thanks to which information about checks can now be stored not in a secure EKLZ4 flash drive, but directly in the “cloud”. Moreover, according to the decree “On the universal automated budget accounting system,” all metropolitan government agencies and executive authorities must switch to using such a budget accounting system, which is also based on cloud technologies, by May 2022. Of course, such trends that can be traced at the state level make it possible to judge the progressiveness and increasing reliability of cloud computing. An additional argument confirming

the above can be the fact that credit institutions have also begun to integrate with cloud accounting programs.

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