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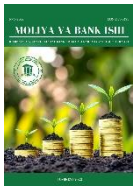

COMPLIANCE WITH INTERNATIONAL STANDARDS IS A REQUIREMENT OF THE TIMES

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Abstract

The article is devoted to the consideration of the problems arising in the process of globalization and experienced in adjusting the National Accounting Standards (NAS) in Uzbekistan, including the standard related to intangible assets, in compliance with the International Financial Reporting Standards (IFRS), as well as the solutions proposed thereof. Herewith the author proposes the recommendations worked out for recognition of intangible assets, assessment of book value, the method of calculating amortization, revaluation model, the order of disclosure of information on intangible assets in the financial statements in accordance with international standards (IFRS 38). Moreover, there some considerations on the revaluation model of intangible assets to assess their impact on initial value, amortization, long-term and total assets.

Introduction

Currently ongoing the process of globalization requires particular attention to the creation of intangible assets based on new knowledge and technologies, their targeted and efficient use. Nowadays the growth rates of the intangible asset market account for over 10 percent per year (in China – 23 percent, in the USA and Russia – 5 percent and in France – 2 percent). For example, as a result of the issuance of more than 1 billion patented objects, which constitute the basis of intangible assets, digital platforms and services for the efficient management of intangible assets have been introduced. According to statistics, the total assets of companies in developed economies amounted to more than 90.0 trillion USD and out of this amount 47.8 trillion USD (52.6 percent) are represented by tangible assets and 42.2 trillion USD (47.4 percent) of intellectual property falls on the share of intellectual property rights. Therefore, it is crucially important to make effective use of the experience of international accounting practices in the national economy in the assessment of intangible assets created in all countries, organization of their accounting, calculation of their depreciation and the disclosure of information in financial statements.

According to the Resolution of the President of the Republic of Uzbekistan №PR-4611 “On additional measures for transition to international financial reporting standards”dated February 24, 2020, starting from January 1, 2021, joint stock companies, commercial banks, insurance companies and enterprises included in the category of large taxpayers, must handle accounting and preparation of financial statements for 2021 on the IFRS basis. According to this resolution, a special “Roadmap” has been worked out on the gradual introduction of the international standards with the account of advanced foreign experience. Thus, there is the need to improve national accounting standards by adjusting them in compliance with the IFRS. To achieve this aim, the following primary objectives have been set:

first, preparing comprehensive information on essential differences between national accounting standards and the IFRS with the involvement of international experts;

second, developing new national accounting standards and making amandments to existing national standards.

Thus, one of the most urgent issues is introduction of modifications to existing national accounting standards or development of new standards in accordance with the IFRS requirements. As a result, in accordance with the Roadmap developed on the basis of Resolution №PR-4611, in cooperation with the Ministry of Finance, two existing standards are being adjusted in compliance with IAS 38 “Intangible Assets” [2]. In this regard, what is the reason for amending or updating the existing NAS, is it actually necessary? The following brief answer to this question is

that the rules (principles) of accounting for experimental design with intangible assets are consolidated in a single international standard (IFRS 38). However, in our practice, these are reflected in two standards (NAS 7 and NAS 11). As a result, there is a need to generalize both standards, to adjust the concepts, terms and methodology presented in them in compliance with the international standards and to introduce a single national standard. In this regard the article focuses on aligning intangible asset revaluation procedures with the international standards, as well as relevant ideas and solutions.

Literature review

Some considerations of economists, scholars and experts on the concept of intangible assets and their accounting, as well as disclosure of information in the financial statements are discussed.

Tomac P. Carlin describes intangible assets as the most obscure and qualitatively insignificant item of the balance sheet. He emphasizes significance of valuing intangible assets[3]. In our view, if intangible assets were to be used more efficiently, it would be possible for the balance sheet assets to become the most profitable item, even the whole activity of the enterprise may depend on a single patent or trademark that seems to be neglected.

From the point of view of K.Sveiby, in its model the company divides intangible assets into three groups: external structure (trademark, corporate image and product recognition), employee competency (knowledge, intellectual knowledge, work experience and skills), internal structure (patent, copyright, management) systems, databases and scientific developments) [4]. B.Leontyev includes intangible assets in intellectual capital and, in addition, shows that the value of all assets available in the enterprise consists of a database of intellectual news, knowledge, skills, aggregate knowledge [5]. L.Dontsova evaluates intangible assets in terms of economic analysis as depreciable assets of the enterprise and considers that they consist of exclusive rights to various scientific developments, computer programs, patents, copyrights, films, trademarks and service marks [6]. Moreover, she emphasizes significance of focusing on revenue or reducing the costs of the enterprise in determining the economic benefits (income) of intangible assets, and focuses on the methodology of analysis to evaluate them as long-term assets of the enterprise. I.Ivanov considers the person creating intangible assets as an absolute right to the results of intellectual activity and emphasizes that their composition consists of a trademark, company name, place of origin, service mark. Summarizing his views, he assesses intellectual property as a part of these intangible assets [7]. In the opinion of I. Pokrovsky, the use of intangible assets, including the use of the achievements and technical inventions of each inconvenient intellectual property owner (author), may be published and reproduced without his consent [8]. L. Lytneva proposes to divide intangible assets into the following groups: objects of industrial property, objects of copyright and means of goods individualization [9]. This grouping is almost close to international practice and is grouped according to the intellectual property objects used in the majority of companies.

R. Dusmuratov believes that intangible assets, by their nature, are referred to the income-bearing funds, which do not possess any physical nature, but included in the other assets used in the performance of the enterprise. In addition, R. Dusmuratov particularly notes that the concept of intangible assets is a complex and diverse at the international level, and that there are no uniform standards for their accounting resulting [10]. I. Ochilov: Intangible assets are the assets of non-tangible nature intended for long-term use in economic activities [11].

According to A.Sotivoldiev, intangible assets are the assets of the enterprise that can be appreciated [12]. From the point of view of R. Rakhimbekova, intangible assets are the assets that do not have a physical appearance and will generate income in the future [13]. In the opinion of B.Isroilov, intangible assets are included in the structure of goods and chattels in the classification of property tax objects. According to this scholar, in the conditions of market relations, the result of the human intellectual labour, that is, intangible benefits,are also recognized as property [14]. F.Gulomova supposes that intangible assets include objects that do not have a physical appearance and provide an opportunity to generate additional income [15]. I.Ismanov considered the issues of transforming some peculiarities of recognizing objects of intangible assets and reflecting in the accounting into the international financial reporting [16]. In the opinion of Sh.Ilkhamov, patents, licenses, know-how, trademarks, industrial samples, software, the rights to use land and natural resources, organizational costs, linking the value of intangible assets with the minimum wage to a minimum service economic life of more than one year, franchisees, copyrights and other assets [17]. M.Pulatov investigated intellectual property, which he considered the main component of intangible assets and according to the model proposed by A. Brooking [18], intangible assets represent a structural component of the intellectual capital of the enterprise [19]. According to this model:

Intellectual capital of the enterprise > intellectual property>patent, copyright, trade mark, know-how and service mark.

As can be seen from the model, intellectual property is part of intellectual capital in terms of its objects.

IAS 38 “Intangible Assets” sets out the criteria for recognizing and measuring intangible assets and requires disclosures about them. An intangible asset is an identifiable non-monetary asset without physical substance. Such an asset is identifiable when it is separable, or when it arises from contractual or other legal rights. Separable assets can be sold, transferred, licensed, etc. Examples of intangible assets include computer software, licenses, trademarks, patents, films, copyrights and import quotas [20].

According to NAS 7 “Intangible assets”: “Intangible assets - identifiable objects of property that do not have a material content, which the enterprise contains in order to use them in the process of manufacturing products, performing work, providing services or selling goods, or for performing administrative and other functions for a long period”[21].

“Accounting of intangible assets” (Regulation on

accounting 14/2007): "Intangible assets include, for example, works of science, literature and art; software for electronic computers; inventions; utility models; selection achievements; production secrets (know-how); trademarks and service marks" [22].

Analyzing the content of legal and regulatory documents on the organization and maintenance of the accounting of intangible assets at the level of foreign countries, we can see that these countries apply several regulations.

For example, in accordance with USGAAP requirements in the US accounting system, such rules and regulations as FAS 142-3 "Determining the useful economic life of intangible assets", EITF 08-7 "Protected intangible assets", 141R "Business Consolidation" are developed by the Bureau of Accounting Standards (FASB) [23].

Summarizing the considerations, specified above, the following approach is applied to the category of intellectual property, which is an essential component of intangible assets: "Intangible asset (intellectual property) is knowledge that arises due to the human mental capacity, which requires legal protection as an object or asset (funds)" [24].

Research Methodology

In this paper, based on the revaluation model of the value of intangible assets, in order to assess the impact of their increase on the initial, depreciation and residual values,correlation - statistical relationship (variable) of two or more random variables has been widely used. Two main random variables have been selected: the revaluation value of intangible assets and their initial or depreciable or long-term or total asset value. The ten largest joint-stock companies with intangible assets in the balance sheet have been selected to perform these analyses.

The correlation coefficients for revaluation of intangible assets in the taken objects are expressed at different levels, which resulted in the development of positive and negative conclusions. The implied forecasts whether intangible assets depreciated to their initial value or depreciable cost.

In our research, the revaluation of intangible assets had a correlation coefficient relative to their initial value: r = 0.996. This has demonstrated that there is a very strong and correct relationship between the factor and the outcome, and that the factor's effect on the outcome is that the coefficient of determination is r2 = 0.992 (positive correlation). In the second case, when the value of intangible assets after revaluation relative to the value of total assets is estimated, the correlation coefficient is r = 0.22, and the relationship between factor and outcome is very weak, which can be considered insignificant. The reason is that the effect of the factor on the result on the revaluation indicator accounted for 4.8% (negative correlation).

In addition, the article presents the results of a descriptive statistical analysis, in which the standard deviation of output and long-term assets from the sale of selected objects has been much higher than other variables (this is due to the fact that the selected objects are operating in different fields). In the analysis, the minimum and maximum values among the objects in terms of the minimum values have been taken.The mutual correlation of these variables constitutes an important part of the empirical analysis, and the following table presents the correlation matrix of the variables. The main goal of the regression analysis of intangible assets is to estimate how much increase in total revenue would occur from the increase in output, and in this regard there are 3 models calculated by means of least square method. According to the results of various model of regression analysis, the positive effect of intangible assets on product revenue has been empirically proven. It has been revealed that the effect of intangible assets on output is positive and of high statistical significance in the properties of all models.

Analysis and results

In reliance upon the financial statements, the share of intangible assets in long-term assets and total assets of enterprises is considered on the basis of the following analytical data. Large tax-paying joint-stock companies with intangible assets have been selected to analyze the status of intangible assets. "Uztransgaz" (the share of intangible assets accounted for 64375 million UZS at the beginning of the year and 64375 million UZS at the end of the year) and "Navoiazot" (the share of intangible assets amounted to 133220 million UZS at the beginning of the year and 143478 million UZS at the end of the year) can be referred to enterprises with a small share of intangible assets.

Table 1. Estimation of the share of intangible assets in relation to long-term assets and total assets [25]

№	Joint-stock companies	Intangible assets at the beginning of the period		Intangible assets at the end of the period		Difference of share in relation to long-term assets	Difference of share in relation to total assets
		in relation to long-term assets, %	in relation to total, %	in relation to long-term assets, %	in relation to total, %		
1	"Maxam – Chirchik"	0,03	0,01	0,008	0,003	-0,022	-0,011
2	"Uzbekistan Metallurgical Combine"	0,12	0,04	0,10	0,03	-0,02	-0,01
3	"Uzbekistan railways"	0,009	0,006	0,009	0,006	0	0
4	"Navoiyazot"	0,001	0,001	0,001	0,01	0	0,009
5	"Uzhimprom"	0,004	0,004	0,004	0,004	0	0

6	"Almalyk Mining and Metallurgical Combine"	0,22	0,14	0,16	0,12	-0,06	-0,02
7	"Uzdonmahsulot"	0,08	0,01	0,08	0,01	0	0
8	"UzAuto Motors"	4,32	0,95	2,15	0,46	-2,17	-0,49
9	"Uztransgaz"	0,019	0,0002	0,001	0,002	-0,018	0
10	"Kvarts "	0,046	0,019	0,04	0,009	-0,006	-0,01

These data show that the share of intangible assets in the selected objects is long and varies in terms of total assets. The best performance indicator belongs to "UzAuto Motors", which accounts for 4.32% (!) compared to the beginning of the reporting period. This can be assessed as a record level among enterprises in sectors of the economy. This is due to the fact that the share of intangible assets is not only higher than we expected in our country, but also in developed countries. Below is one reason why intangible assets have a lower share than enterprise assets.

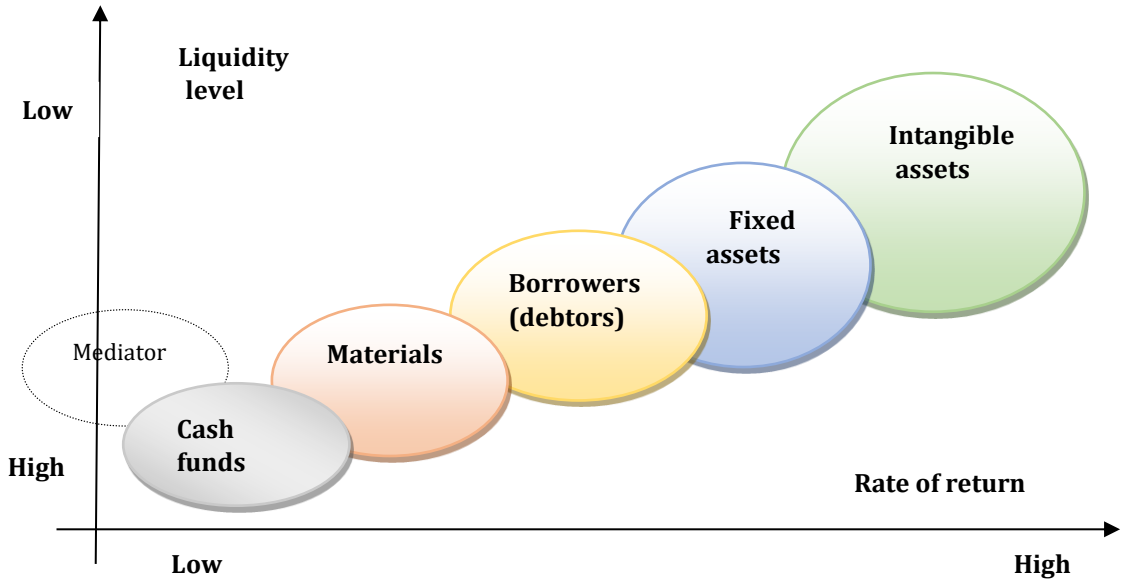

Figure 1. Comparison of the level of return on intangible assets in relation to other assets.

Intangible assets have the least liquidity in the long-term assets of the enterprise (or may not be liquid at all). On the other hand, intangible assets appear to be the most profitable asset.

There are interrelationships and differences between the International Financial Reporting Standard (IFRS 38) and the National Accounting Standard (NAS 7) used in the accounting for intangible assets:

Aim of IFRS 38:	Aim of NAS 7:
focuses on defining an accounting approach for intangible assets	determining the methodology of accounting and financial reporting of intangible assets belonging to enterprises

Moreover, international standard requires an entity to recognize an intangible asset only when it meets certain criteria and determines how the book value of the intangible asset is evaluated and discloses specific information about the intangible asset.

The aim of both standards is almost identical, focusing on the formation of complete information about intangible assets based on the definition of the approach or methodology in accounting. The main difference of NAS 7 from IFRS 38 is that it fully covers the processes from the recognition of intangible assets to their write-off the balance. One of the important aspects of standards is in which cases the rules of this standard apply, i.e. which standards are covered by the scope or activity.

It should be noted that the definitions and terms given in the national standard (NAS 7) do not use terms such as fair value, non-monetary asset, research, experimental design (for these terms, separate rules of IFRS 11 apply). In our opinion, it is expedient to unify NAS 7 and NAS 11.This will improve the standard for intangible assets, which is unique, and adjust it in compliance with the rules of the international standard. The following table illustrates acomparison of the rules of the international standard for recognizing and revealing intangible assets.

Table 2. Interrelationships and differences between international and national standards in the recognition of intangible assets [26].

Intangible assets (NAS 7)	Intangible assets (IAS 38)
The patent owner's exclusive right to inventions, industrialsamples and utility models	Patents
Absolute right to computer software and databases	Software
Absolute right to topologies of integrated circuits	
The exclusive right to a trademark and service mark, as well as the right to use the name of the place of origin of the goods	Trade brands, marketing rights, import quotas
Absolute right to selection achievements	Right of authorship (copyright)
The right to use natural recources	Licenses and franchises
The right to use property	
Other intangible assets (products, works, services, other rights)	

IFRS 38 requires the following aspects when recognizing an asset as an intangible asset:

first, the definition of an intangible asset;

second, recognition criteria.

These requirements apply to the cost of purchasing or creating an intangible asset and the cost of adding, replacing or servicing the part. In addition, herewith application of recognition criteria for separately acquired intangible assets, initial valuation of intangible assets acquired through government grants, conversion of intangible assets, accounting for internally generated goodwill and initial recognition of internally created intangible assets are covered and evaluated.

The peculiarity of an intangible asset in compliance with an international standard is that, in most cases, there is no asset or replacement part to be added. Consequently, most of the deferred costs may retain the expected future economic benefits embodied in the current intangible asset instead of meeting the definition and recognition criterion of the intangible asset in this standard.

However, it is usually more difficult to determine whether deferred costs are directly attributable to a particular intangible asset relative to the entire business. Regardless of whether the purchase is internally created, subsequent costs on bends, title titles, publication names, customer lists, and essentially similar items are always recognized in profit or loss. The reason is that such costs are no different from the costs directed to the development of the whole business.

An intangible asset is recognized in accordance with IFRS 38 in the following cases:

- there is a possibility that the entity will receive future economic benefits associated with the intangible asset;
- the cost of the asset can be measured in the reliable manner.

The entity should estimate the probability of future economic benefits expected using reasonable and well-thought assumptions that reflect management's best estimate of the set of economic conditions that will operate during the useful economic life of the intangible asset. The entity uses competent consideration in assessing the degree of accuracy of future economic benefits obtained from the use of the intangible asset, based on the evidence available at the time of initial recognition, rather than external evidence. The initial evaluation of an intangible asset is disclosed in an international standard separately. IFRS 7 states that the original cost of all types of intangible assets should be the initial cost and that they are accounted for at that cost.

Table 3. Differences between IFRS and NAS in the recognition and evaluation of intangible assets

Recognition and evaluation of intangible assets	
IAS 38	NAS 7
separate purchase; purchase as part of a business unit; current costs for the purchased research and development projects on progress; purchase of assets with the help of a state grant; exchange of assets; internally created goodwill; internally developed intangible assets.	delivery and acceptance of the created object after completion of development; purchase of the object under the contract of sale; receipt in the charter capital in the form of the founders' contribution; accounting for government subsidies; exchange; identification of surplus intangible assets.

The concept of subsequent evaluation of intangible assets basically means that they are revalued. In the international standard, the object is accounted in the following two cases:

- accounting model by prime-cost;
- revaluation model.

Both of these models should be selected in the entity's accounting policies. If an intangible asset is accounted for using the revaluation model, all other assets in its category must be accounted for using the same model. Herein there is no active market for these assets.

A category of intangible assets is a grouping of assets in terms of the same property and use in the entity's operations. Items in the category of intangible assets are revalued at the same time, avoiding the selective revaluation of assets and the presentation in the financial statements of amounts that reflect the combination of cost and value at different dates.

Accounting model by prime-cost:	after initial recognition in accordance with the model, the intangible asset takes into account any accumulated depreciation and any accumulated impairment loss, which is less than its prime-cost.
Revaluation model:	under the revaluation model, an asset is carried at its fair value (i.e. revalued amount) less any accumulated depreciation and any accumulated impairment losses.Revaluations should be made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of the reporting period.

Therefore, regardless of the order of recognition of intangible assets in the accounting and their reflection in the accounts, the most important thing is to pay close attention to the order of their valuation.

After an initial recognition of an intangible asset, it shall be carried at an amount that is revalued. It is a revalued amount being its fair value at the date of revaluation less than any subsequently accumulated amortization and any other subsequent accumulated impairment losses. Revaluations shall be carried out with a regularity that at the end of the period to report, the carrying amount of the intangible asset does not differ according to material from its fair value.

In terms of intangible asset revaluation model, the standard does not allow the following:

first, a revaluation of an intangible asset that has not been previously recognized as an asset;

second, the recognition of intangible assets at values other than prime-cost.

In addition, the standard notes that the periodicity of revaluation depends on the variability in the fair value of the revalued intangible assets. If the fair value of the revalued item differs significantly from its book value, a revaluation is required. In some cases, the requirement is not required for intangible assets that do not have large fluctuations in fair value.

The purpose of the valuation of an intangible asset after it has been recognized as an item of intangible assets is to obtain the income from the item being valued. In most cases, the valuation of items is used when writing-off or selling intangible assets.

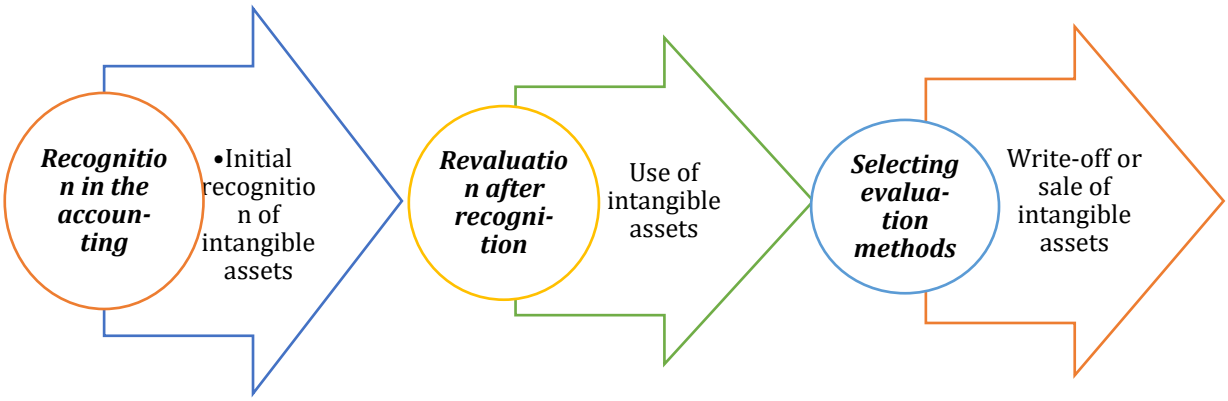

Figure 2. Stages of intangible assets valuation.

The following wording is stated in paragraph 28 of NAS 7 used in our republic: "An entity may revaluate based on evidence of fair value at the date of the revaluation, provided that the fair value can be reliably determined from an active market. Revaluations must be carried out with sufficient regularity so that the carrying (replacement) value does not differ from the market value at the date of the balance sheet". However, nowadays there is no annual normative order in terms of the revaluation of intellectual property objects. That is, while the required guidelines are set out in the National Accounting Standards for the revaluation of intangible assets, no indices have been developed for each group of intangible assets.

In this regard, I. Davletov states the following: "While the regulatory framework for revaluation of intangible assets has been created, their revaluation is not carried out at current market prices.As a result, it is possible to provide users with reliable and accurate information from this financial report" [27].

The following is stated about revaluation of intangible assets in the national standards of accounting: "...revaluations must be carried out with sufficient regularity so that the carrying (replacement) value does not differ from the market value at the balance sheet date.

When revaluing an intangible asset, the entire group of homogeneous intangible assets to which this revalued asset belongs should also be revalued, unless there is no active market for such assets. Intangible assets as a result of revaluation are reflected in accounting and financial statements at their current (replacement) cost". The applicable national standard rules specify the use of an indexingmethod. At this point, the present value of the intangible asset is accounted for in relation to its initial value.This situation is reflected in foreign experience, in the practice of the Russian Federation, in which the market value of intangible assets is determined in relation to their residual value in the balance sheet [28]. It is also clear from these regulatory documents that there is no a single annual index for revaluation of intangible assets. This indicates that different coefficients may be used in their reassessment or that reassessment may not be carried out in practice in general.

It is also advisable to publish annual revaluation indices for intangible assets (for facilities where the useful economic life is expected to increase).For this purpose, intangible asset revaluation indices are proposed.

Table 4. Proposed annual indices of revaluation of intangible assets

№	Intangible assets grouping	Revaluation index (in coefficient)
I.1.	Patents (inventions, utility models and industrial samples)	1.20
I.2.	Franchising and licenses	1.25
II.1.	Trademarks	1.25
II.2.	Country of origin of the goods manufactured	1.20
II.3.	Company names	1.20
III.1.	Software	1.25
III.2.	Database	1.20
IV.1.	Rights to use property and natural resource	1.20
IV.2.	Selection achievements	1.25
V.1.	Authorship rights (copyrights)	1.15

These proposed revaluation indices provide an opportunity to bring the value of intangible assets closer to the current market value. On the other hand, it will be possible to reduce the costs (other operating expenses) paid to appraisal organizations in determining their market value each year. The choice of intangible asset revaluation indices is strictly determined by the accounting policy of the enterprise (unless there are changes in the legislation). The accounting policies of the enterprises selected for the study include the following information on the revaluation index of intangible assets:

Table 5. Indices selected in the accounting policies of enterprises for revaluation of intangible assets

№	Joint-stock companies	Selected valuation indices for intangible assets (in coefficients)
1	"Maxam – Chirchik"	1,20
2	"Uzbekistan Metallurgical Combine"	1.20
3	"Uzbekistan railways"	1,20
4	"Navoiyazot"	1,20
5	"Uzhimprom"	1,20
6	"Almalyk Mining and Metallurgical Combine"	1,20
7	"Uzdonmahsulot"	1,20
8	"UzAuto Motors"	1,20
9	"Uztransgaz"	1,20
10	"Kvarts"	1,20

In the data, illustrated in the table below, it is obvious, that the amounts increased as a result of revaluation of intangible assets in 10 objects selected for the research(enterprises with intangible assets on the balance sheet).

Table 6. Introduction and changes in the revaluation index of intangible assets in relation to their residual value

№	Joint-stock companies	Residual value of intangible assets			
		Beginning of the period	Change from revaluation*	End of the period	Change from revaluation*
1	"Maxam – Chirchik"	31502.00	+6300.4	27642.00	+5528.4

2	"Uzbekistan Metallurgical Combine"	650627.00	+130125.4	424654.74	+84890.94
3	"Uzbekistan railways"	441575.00	+88315.00	170156.00	+34031.1
4	"Navoiyazot"	76570.00	+15314.00	81266.00	+16253.2
5	"Uzhimprom"	67200.00	+13440.00	50400.00	+10080.00
6	"Almalyk Mining and Metallurgical Combine"	19319098.00	+3863819.6	16591696.00	+3318339.2
7	"Uzdonmahsulot"	172086.00	+34417.2	61731.00	+123462.00
8	"UzAuto Motors"	56862435.93	+11372487.18	51388831.71	+10277766.43
9	"Uztransgaz"	21995.00	+4399.00	12338.00	+24676.00
10	"Kvarts"	36743.00	+73486.00	25214.00	+50428.00

* *The residual value of intangible assets increased by 1.20*.

When revaluing the initial (replacement) cost of an intangible asset, its accumulated depreciation at the revaluation date is adjusted to the relevant indices of the change in the initial (replacement) value of the intangible asset and subsequently amortized from the revalued (replacement) value.The revaluation index is determined by dividing the present value of an intangible asset by its initial value. The amount of increase in the value of intangible assets as a result of revaluation is transferred to the reserve capital account "Adjustments for revaluation of long-term assets".

The amount of decrease in the value of intangible assets as a result of revaluation is performed to reduce the reserve capital on the account "Adjustments for revaluation of long-term assets" within the limits of the amount of decrease in the value of this object in previous reporting periods.The results of the revaluation of intangible assets are reflected in the financial statements in the current period in which the revaluation of intangible assets is performed.

Selection of intangible asset revaluation indices should be strictly defined in the accounting policy of the enterprise (unless there are changes in the legislation).The revaluation index is considered in the following example: "UzAuto Motors" has intangible assets in the amount of 111719829.33 thousand UZS as of January 1, 2022 (amortization - 54857393.40 UZS).

The revaluation index is considered in the following example: as of January 1, 2022, "UzAuto Motors" has intangible assets of 111719829.33 thousand UZS (amortization - 54857393.40 UZS). As a result of revaluation of intangible assets at the enterprise (coefficient of 1.20 has been applied) in relation to their residual value increased by +12372487.18 UZS (69234923.11 - 56862435.93). Or as a result of the effect of amortization, the residual value of intangible assets increased by 115.7 percent (69234923.11/56862435.93 x 100) compared to the beginning of the period.

Table 7. Revaluation of intangible assets in accounting policy of "UzAuto Motors"

№	**Indicator name**	**Cost (thousand UZS)**
I	The situation before the revaluation:	
1	Intellectual property objects:	
	- initial value	111719829.33
	- amortization value	54857393.40
	- residual value	56862435.93
2	**Revaluation index (coefficient)**	**1.20**
II	*The situation after revaluation:*	
3	Intellectual property objects:	
	- initial value	134063795.19
	- amortization value	65828872.08
	- residual value	69234923.11

It is formalized in the accounting as follows. Initial value:

Debit of "Intangible assets" account - 12372487.18 thousand UZS,

Credit ofAdjustments for revaluation of long-term assets" account - 12372487.18 thousand UZS,

Amortization value:

Debit of "Adjustments for revaluation of long-term assets" account - 10971478.68 thousand UZS;

Credit of "Depreciator of intangible assets" account - 10971478.68 thousand UZS.

One of the problems to be solved here is to ensure the uniformity of the terms related to the accounting. The name of the account that covers the revaluation is interpreted differently in the regulations. For example, NAS refers to the adjustment to the revaluation account for long-term assets, while another standard states that the revaluation of intangible assets is transferred to the revaluation reserve account as part of the revalued reserve

capital. International financial reporting standards, including IFRS 38 "Intangible Assets", state that the revaluation value of an asset is included in the "Reserve capital" account.

The name of the revaluation account in NAS differs from the concepts or accounts in IFRS 38. It is therefore advisable to make amendments in the relevant paragraphs of this standard as follows and to change the name of the account.

Table 8. Revealing intangible assets by the revaluation model

NAS 7	IAS 38
1. Debit of "Adjustments for revaluation of property" account - 220857 thousand UZS. Credit of"Profits of previous year" account – 220857 thousand UZS.	Debit of "Adjustments for revaluation of property" account - 220857 thousand UZS. Credit of "Retained profit (uncovered loss)" account – 220857 thousand UZS.
2. Debit of "Profits of previous year" account – 220857 thousand UZS. Credit of "Final financial outcome" account – 220857 thousand UZS.	
3. Debit of "Final financial outcome" account – 220857 thousand UZS. Credit of "Retained profit (uncovered loss)"– 220857 thousand UZS.	

As it is obvious from the table, our republic requires to adjust the concepts and terms used in the statutory acts, namely in the field of accounting, in compliance with the international financial reporting standards.The revaluation model of intangible assets is based on the following table data in assessing their impact on initial, depreciable and residual values and long-term assets and total assets of the balance sheet.

Conclusions and suggestions

In order to better understand the essence of marketing strategy in the automobiles industry, it is advisable to define it as follows: marketing strategy - marketing based on the selection of target segments of consumers, positioning of the enterprise and its products, is a set of long-term marketing decisions on the elements of the complex.

It should be noted that the main factor in the development of the global car market is the convenience created for consumers. Vehicle safety system, acceleration, fuel consumption rate, stopping capabilities and other devices are important. Innovative ideas introduced to them are of special importance in the development trend of the car market. So, the application of innovative processes in automobiles is of two types: the first is the introduction of innovation in a single device, and the second is the introduction of innovation in a whole system of devices, ie two or more devices together.

Currently, leading automanufactures are working on a number of comprehensive measures to become a leader in the production of environmentally friendly automobiles.

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