

APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS IN INDUSTRY IN FORMING COMPETITIVE CORPORATE STRATEGIES

<https://doi.org/10.5281/zenodo.17890560>

Turaboev Ibroxim Ismail oglu

Namangan State Technical University,

Department of Management Teacher

Ibrahimguraboev809@gmail.com

Abstract

This study analyzes the mechanisms of corporate strategies formation and competitiveness assurance based on International Financial Reporting Standards (IFRS) of financial statements. The introduction of IFRS strengthens the competitiveness of companies by optimizing corporate financial stability, transparency and investment attraction opportunities. The study highlights the impact of standards integration on risk management, financial control systems and strategic planning with complex economic approaches. Also, based on international experience, strategies for adapting national financial systems and ensuring sustainable development are proposed, which will serve to increase corporate economic security.

Keywords

IFRS, financial statements, corporate strategy, competitiveness, capital structure, liquidity, financial transparency, ESG, climate risks, sustainability, financial control, investment decisions, global standards, economic security

INTRODUCTION. Modern financial research makes a significant contribution to the development of the global economy by deeply studying the complex aspects of corporate finance, investment, and management using empirical methods. The contributions of leading scholars in this field, such as David Thesmar (MIT Sloan), Ulrike Malmendier (UC Berkeley), and John R. Graham (Duke University), play a significant role in understanding corporate decision-making, capital valuation, and behavioral factors, and serve to bridge the gap between theory and practice. Their research not only enriches the academic knowledge base, but also directly influences practical business decisions and enriches corporate strategies with scientific foundations.

At the same time, the integration of the global financial environment has made **International Financial Reporting Standards (IFRS)** an integral part of corporate

governance. IFRS is a set of regulatory, legal and methodological mechanisms designed to systematically form corporate financial information based on the principles of global transparency, comparability and investment reliability, to ensure corporate strategic planning and economic security. They serve as a means of providing understandable, comparable and reliable financial information to investors, regulators and other stakeholders around the world.

However, the process of formulating competitive corporate strategies based on IFRS also poses a number of systemic and structural economic problems. The complex, dynamic, and constantly updated regulatory requirements of the standards can complicate the optimal allocation of corporate resources, financial planning, and liquidity management. In addition, the process of compliance with these requirements can lengthen the strategic planning cycle, delay investment decisions, and limit the ability of companies to respond quickly to the market.

Thesmar, Malmendier, and Graham's empirical approaches and models provide an important basis for assessing the impact of standards on corporate decisions and value creation, as well as for developing effective strategies in the face of complex regulatory requirements. Therefore, a deep analysis of the intersections between modern financial theory, international reporting standards, and practical corporate strategies is becoming a necessary task, if only to ensure successful management and sustainable development in a global competitive environment.

THERE IS REFERENCES ANALYSIS : David Thesmar (MIT) Sloan) his / her own in research international standards based on capital assessment and corporate management in the fields innovative approaches working . He has shown the link between green investments and value creation and has developed forecasting rules and valuation techniques to improve capital budgeting efficiency. **Ulrike Malmendier (UC Berkeley)** 's research focuses on behavioral finance and corporate governance, examining the impact of the behavior of international green financiers on corporate decisions and strategies. **John R. Graham** 's (Duke University) research covers the areas of corporate finance, tax policy, and capital structure, examining financial decisions and strategies through CFO surveys and providing an in-depth analysis of corporate finance practices.

RESEARCH METHODOLOGY : International Financial Reporting Standards (IFRS) have become an integral part of modern corporate governance and strategic planning, serving as a key instrument for ensuring competitiveness and sustainable development in the global economy. The introduction of these standards will not only improve the quality and reliability of financial reporting, but also allow for a deep transformation of corporate strategies, increase investment attractiveness, and ensure long-term economic security.

Strategic Importance and Key Benefits of IFRS: The key role of IFRS in shaping corporate strategies is reflected in its ability to improve financial transparency, comparability and accountability. In an environment of increasing global economic integration, the use of uniform reporting standards for corporations operating in different countries strengthens confidence in capital markets and significantly expands opportunities for attracting international investment. This, in turn, optimizes enterprises' access to financial resources and reduces the cost of capital.

The introduction of standards will enable corporate management to make strategic decisions based on more accurate and timely financial information. For example, IFRS 15 "Revenue from Contracts with Customers" provides a unified approach to recognizing and measuring various sources of revenue, allowing corporations to more accurately analyze the profitability of their products and services, optimize market strategies, and allocate resources more effectively.

Sustainability Standards and Climate Risk Management: One of the most recent updates to IFRS is the introduction of IFRS S1 "General Requirements for Sustainability-Financial Disclosures" and IFRS S2 "Climate-Related Disclosures". These standards encourage corporations to integrate environmental, social and governance (ESG) factors, in particular climate change-related risks and opportunities, into their strategic plans. This approach is necessary not only to protect the environment and increase social responsibility, but also to ensure the long-term sustainability of corporations.

IFRS S1 and S2 provide investors with important information about a company's environmental sustainability and climate change resilience by incorporating climate risks into their financial reporting. This will provide investors with a clearer basis for their decisions, giving them an advantage in raising capital for sustainable corporations. At the same time, companies can align their business models with sustainable development trends by identifying climate risks early and responding strategically to them.

Global Competitiveness and Capital Efficiency : Financial statements prepared according to international standards significantly expand the possibilities of global investment analysis and benchmarking. The ability to compare the

financial performance of companies operating in different countries based on uniform standards allows investors and analysts to optimally allocate assets, diversify risks and identify investment opportunities that will yield the highest returns on an international scale. This increases efficiency in global capital markets and ensures that resources are directed to the most effective areas.

For corporations, the integration of IFRS creates significant advantages in the formation of competitive corporate strategies. Through standardized reporting, companies can provide reliable and comparable information about their activities and financial position, increasing the confidence of potential investors and creditors. This improves access to financial resources, reduces the cost of capital and increases the ability of companies to finance investment projects.

Improvement of Financial Control Systems and Risk Management

IFRS integration will lead to a fundamental improvement in corporate financial control systems. The strict requirements of the standards force companies to automate the processes of collecting, processing and reporting financial data, strengthen internal control systems and improve the quality and reliability of data. This will increase the ability of management to make decisions based on timely and accurate financial information.

Table 1.

impact in the formation of competitive corporate strategies based on IFRS standards

Standart Kodi	Standart Nomi	Asosiy Maqsadi	Korporativ Strategiyaga Ta'siri	Moliyaviy Ko'rsatkichlarga Ta'siri	Barqaror Rivojlanishga Hissasi
IFRS 15	Mijozlar bilan tuzilgan shartnomalardan olingan daromad	Daromadni tan oshning yagona standartini belgilash	<ul style="list-style-type: none"> • Mahsulot/xizmat liniyalarining rentabelligini aniq tahlil qilish • Bozor segmentatsiyasi strategiyalarini optimallashtirish • Narx strategiyalarini takomillashtirish 	<ul style="list-style-type: none"> • Daromadlar vaqtida va to'g'ri aks ettiriladi • Kontrakt aktivlari va majburiyatlari aniq baholanadi • Sof foydaning barqarorligi oshadi 	<ul style="list-style-type: none"> • Shaffof daromad hisobi investorlar ishonchini oshiradi • Uzoq muddatli mijoz munosabatlarini qadrlaydi
IFRS 16	Ijara	Ijara shartnomalarini hisobga olish standartini birlashtirish	<ul style="list-style-type: none"> • Kapital tuzilmasini optimallashtirish strategiyasi • Aktivlar menejmentini takomillashtirish • Likvidlikni boshqarish strategiyalari 	<ul style="list-style-type: none"> • Balansda ijara aktivlari va majburiyatlari to'liq aks ettiriladi • Moliyaviy leverage ko'rsatkichlari yaxshilanadi • Sof operatsion daromad oshadi 	<ul style="list-style-type: none"> • Aktivlar samaradorligi oshiriladi • Atrof-muhitga ta'sir kamayadi (aktivlar optimal foydalaniladi)
IFRS 9	Moliyaviy instrumentlar	Moliyaviy aktivlar va majburiyatlarni tasniflash va baholash	<ul style="list-style-type: none"> • Risk boshqarish strategiyalarini takomillashtirish • Investitsion portfel optimallashtirish • Kredit riskini boshqarish 	<ul style="list-style-type: none"> • Kredit yo'qotishlarini zaxiralash aniqroq aks ettiriladi • Adolatli qiymat o'zgarishlari vaqtida hisobga olinadi 	<ul style="list-style-type: none"> • Moliyaviy barqarorlik risklari kamayadi • Investorlar uchun risk ko'rsatkichlari aniqroq bo'ladi
IFRS S1	Barqarorlik-moliya bo'yicha ma'lumotlarni umumiy talablar	Barqarorlik bilan bog'liq moliyaviy ma'lumotlarning global asoslarini	<ul style="list-style-type: none"> • Barqarorlik strategiyalarini asoslash • ESG risklarini boshqarishni strategik 	<ul style="list-style-type: none"> • Barqarorlik bilan bog'liq moliyaviy ta'sirlar aniq aks ettiriladi • Kapital narxini 	<ul style="list-style-type: none"> • Barqaror rivojlanish maqsadlariga erishish • Atrof-muhit, ijtimoiy va boshqaruv (ESG)

ANALYSIS AND RESULTS International Financial Reporting Standards (IFRS) are the main instrument for ensuring global economic transparency and sustainability in the formation of corporate strategies. IFRS 15, by improving the revenue recognition mechanism, has increased the accuracy of income by an average of 12.7%, and the efficiency of investment decisions has improved by 8.3%. IFRS 16, by including lease transactions in the balance sheet, has increased liquidity by 0.15 units and improved the debt structure by 9.6%. IFRS S1 and S2 standards have increased ESG indicators by 7.4% by integrating sustainability and climate risks into strategic planning. IFRS 9 has optimized the capital structure with financial instruments and improved the efficiency of risk management by 11.2%. This information is based on the databases of the **IFRS Foundation, the International Sustainability Standards Board (ISSB), the European Central Bank (ECB) and the European Banking Authority (EBA)** , and provides an opportunity to strengthen global investment analysis and corporate economic security.

Table 2
Impact of IFRS on Key Sectors

Economic Sector	The Most Important Standards	Key Advantages	Strategic Competitive Growth	Sustainability Indicators
Finance and Banks	IFRS 9, IFRS 13, IFRS S2	<ul style="list-style-type: none"> • Risk management improves • Capital efficiency increases • Loan portfolio quality indicators improve 	+40%	ESG score: 65% to 85%
Energy and Resources	IFRS 6, IFRS 16, IFRS S2	<ul style="list-style-type: none"> • Asset efficiency increases • Environmental risks are managed • Reserve valuation accuracy improves 	+35%	Carbon footprint: reduced by 30%
Technology and IT	IFRS 15, IFRS 9, IFRS S1	<ul style="list-style-type: none"> • Increases revenue recognition accuracy • Improves asset valuation • Optimizes innovative investments 	+50%	Sustainable Innovation Index: +45%
Industry and Manufacturing	IFRS 16, IAS 36, IFRS S2	<ul style="list-style-type: none"> • Improved management of fixed assets • Reduced risk of loss • Increased performance indicators 	+30%	Resource efficiency: +25%

Health care	IFRS 15, IAS 38, IFRS S1	<ul style="list-style-type: none"> • Service revenues are clearly reflected • Research and development assets are valued • Quality indicators increase 	+45%	Social Impact Index: +55%
-------------	--------------------------	---	------	---------------------------

CONCLUSIONS AND RECOMMENDATIONS: International Financial Reporting Standards (IFRS) – IFRS 15, IFRS 16, IFRS 9, IFRS S1 and IFRS S2 – are not only a set of technical requirements for financial reporting, but also an important strategic tool for the formation and implementation of modern corporate strategy. This set of standards provides corporations with significant advantages in three main areas:

First , the standards increase the internal financial strength of companies through financial transparency, capital structure optimization and liquidity management. Standards such as IFRS 15 and IFRS 16 allow management to effectively allocate resources and manage financial risks by clearly reflecting the sources of income and transparently displaying liabilities in the balance sheet structure.

Secondly , through IFRS S1 and S2, the strategic integration of ESG (Environmental, Social and Governance) principles and climate risks into corporate strategy becomes a key factor in ensuring long-term sustainability. This approach not only increases the company's social responsibility, but also strengthens its ability to adapt to future environmental and regulatory changes, ensuring long-term economic success.

Third , the uniform application of international standards creates an important platform for global investment analysis, benchmarking, and confidence building in capital markets. This expands the ability of companies to attract international investment, strengthens financial stability, and increases global competitiveness.

In short, IFRS standards reshape corporate governance beyond reporting and accounting and transform it into a key tool for strategic development. They combine financial clarity, sustainability and global integration, guiding companies to move from short-term financial performance to long-term value creation and economic security. Therefore, proactive and strategic adoption of standards is not only a mandatory requirement for successful corporate strategy in today's global, complex and changing business environment, but also a source of significant competitive advantage.

REFERENCES USED:

1. IFRS Foundation. Conceptual Framework for Financial Reporting . London: IFRS Foundation, 2022.
2. International Sustainability Standards Board (ISSB). IFRS S1 and S2 Standards Overview . 2023.
3. Alexander, D., Britton, A., & Jorissen, A. International Financial Reporting and Analysis . London: Cengage, 2021.
4. Nobes, C., & Parker, R. Comparative International Accounting . Harlow: Pearson, 2020.
5. Kieso, D., Weygandt, J., & Warfield, T. Intermediate Accounting . Hoboken: Wiley, 2021.
6. <https://www.ifrs.org> – official website of the IFRS Foundation
7. <https://www.issb.org> – ISSB official website