



# IMPROVEMENT OF ACCOUNTING IN CONSTRUCTION ORGANIZATIONS IN THE CONDITIONS OF SUSTAINABLE DEVELOPMENT ON THE BASIS OF INTERNATIONAL STANDARDS

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Article history:	Abstract:
<b>Received:</b> 10 <sup>th</sup> April 2026 <b>Accepted:</b> 8 <sup>th</sup> May 2026	The article examines the issues of improving accounting in construction organizations based on International Financial Reporting Standards (IFRS) in the context of global sustainable development and the transition to a "green economy". Taking into account the specific characteristics of the construction industry, in particular, the long-term nature of projects and high capital intensity, the mechanisms for applying IFRS 15 ("Revenue from Contracts with Customers") and IFRS 16 ("Rents") are analyzed. Also, practical proposals and recommendations are developed for accounting for environmental costs and obligations and digitization of construction processes in the context of sustainable development.

**Keywords:** sustainable development, construction organizations, IFRS, revenue recognition, environmental obligations, ESG principles, digitalization, investment attractiveness.

**Annotatsiya:** Maqolada global barqaror rivojlanish va «yashil iqtisodiyot»ga o'tish sharoitida qurilish tashkilotlarida buxgalteriya hisobini Moliyaviy hisobotning xalqaro standartlari (MHXS) asosida takomillashtirish masalalari tadqiq etilgan. Qurilish sohasining o'ziga xos xususiyatlari, xususan, loyihalarning uzoq muddatligi va kapital sig'imi yuqoriligi inobatga olingan holda, 15-son MHXS («Xaridorlar bilan shartnomalar bo'yicha tushumlar») va 16-son MHXS («Ijara») standartlarini qo'llash mexanizmlari tahlil qilingan. Shuningdek, barqaror rivojlanish kontekstida ekologik xarajatlar va majburiyatlarni hisobga olish hamda qurilish jarayonlarini raqamlashtirish bo'yicha amaliy taklif va tavsiyalar ishlab chiqilgan.

**Kalit so'zlar:** barqaror rivojlanish, qurilish tashkilotlari, MHXS, tushumni tan olish, ekologik majburiyatlar, ESG tamoyillari, raqamlashtirish, investitsiya jozibadorligi.

**Аннотация:** В статье рассматриваются вопросы совершенствования бухгалтерского учета в строительных организациях на основе Международных стандартов финансовой отчетности (МСФО) в контексте глобального устойчивого развития и перехода к «зеленой экономике». С учетом специфики строительной отрасли, в частности, долгосрочного характера проектов и высокой капиталоемкости, анализируются механизмы применения МСФО 15 («Выручка от договоров с заказчиками») и МСФО 16 («Арендная плата»). Также разработаны практические предложения и рекомендации по учету экологических издержек и обязательств, а также цифровизации строительных процессов в контексте устойчивого развития.

**Ключевые слова:** устойчивое развитие, строительные организации, МСФО, признание выручки, экологические обязательства, принципы ESG, цифровизация, инвестиционная привлекательность.

**Abstract:** The article examines the issues of improving accounting in construction organizations based on International Financial Reporting Standards (IFRS) in the context of global sustainable development and the transition to a "green economy". Taking into account the specific characteristics of the construction industry, in particular, the long-term nature of projects and high capital intensity, the mechanisms for applying IFRS 15 ("Revenue from Contracts with Customers") and IFRS 16 ("Rents") are analyzed. Also, practical proposals and recommendations are developed for accounting for environmental costs and obligations and digitization of construction processes in the context of sustainable development.

**Keywords:** sustainable development, construction organizations, IFRS, revenue recognition, environmental obligations, ESG principles, digitalization, investment attractiveness.

**INTRODUCTION.** The construction industry is one of the sectors that are recording stable growth rates

among the sectors of the national economy of Uzbekistan as a priority direction of the economy. The



construction industry plays an important role in the economic development of each country, as this sector not only ensures economic growth, but also improves infrastructure and living conditions. The Development Strategy of Uzbekistan for 2022-2026 and "Uzbekistan-2030: New Development Strategy" pay special attention to the construction sector.

"Uzbekistan-2030: New Development Strategy" envisages "making the construction sector competitive, developing sustainable production methods aimed at saving resources, and taking into account environmental aspects. As a priority direction of the economy, the strategy of sustainable growth among the sectors of the national economy supports initiatives aimed at introducing the necessary infrastructure and technologies for the production of building materials, while increasing competitiveness in international markets." [1].

Proper implementation of analytical and synthetic accounting in construction entities creates a transparent basis for auditing. Comprehensive control (financial, technical and quality control) is the only effective mechanism to eliminate systemic risks such as wasteful spending of capital investments and unjustified overestimation of the estimated cost.

The construction industry is distinguished from other industries by its long-term operating cycle, phased financing and complex contractual relations. In the context of sustainable development and within the framework of ensuring the implementation of the Resolution of the President of the Republic of Uzbekistan No. PQ-282 dated September 15, 2025, the transition of construction companies to IFRS has become an objective necessity.

In a modern economy, the principles of sustainable development (Sustainable Development) require not only environmental balance, but also financial stability and transparency of enterprises. The construction industry is a sector with high capital intensity and is directly related to investment attractiveness. Therefore, transforming the accounting system in construction organizations based on International Financial Reporting Standards (IFRS) is a key factor in gaining investor confidence and adapting to the requirements of the "green economy".

**LITERATURE REVIEW:** "The problem of harmonizing financial and non-financial reporting of enterprises in the context of sustainable development is widely discussed on a global scale.

In particular, R. Kaplan and D. Norton [2] emphasize in their studies that traditional accounting cannot reflect the long-term sustainability of the

enterprise, and therefore it is necessary to integrate environmental and social indicators into the accounting system.

The specific complex economic features of the construction industry and the issues of the application of IFRS 15 are also being actively studied by our local scientists. Professor B.A. Khasanov [3] showed ways to improve project efficiency and optimize costs by improving management accounting in construction organizations. In turn, Dr. A.K. Ibragimov [4] specifically touched upon the mechanisms for increasing the reliability of reports and their attractiveness for investors in the context of the transformation of the national accounting system to IFRS.

Also, Professor K.B. Urazov [5] justifies the need to harmonize the differences between national and international standards in the volume of work performed in construction and the precise distribution of income by periods, based on the characteristics of the industry. However, within the framework of the requirements of modern sustainable development and a green economy, the issues of reserving environmental liabilities in construction organizations and introducing ESG principles into accounting policies have not yet been sufficiently studied and require additional research.

**ANALYSIS AND RESULTS.** The transition from the traditional national system (BHMS) to IFRS in construction organizations is not just a technical process, but a transformation that fundamentally changes the financial stability indicators of the company.

When improving accounting in construction organizations, special attention is paid, first of all, to the following two international standards: IFRS 15 - "Revenue from Contracts with Customers" and IFRS 16 - "Leases".

Fulfillment of the performance obligation: Construction organizations usually recognize revenue over time, that is, as the construction process progresses. Two methods are used for this (Figure 1).

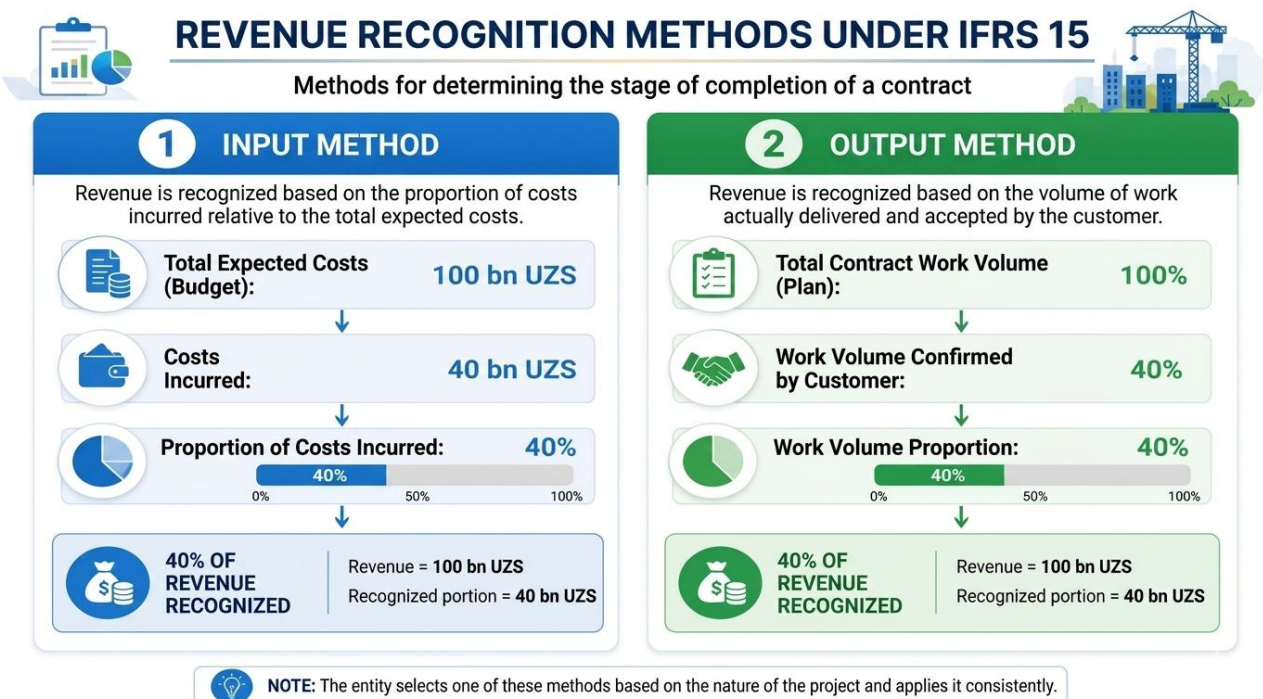
Construction enterprises lease a large number of heavy equipment and vehicles.

According to IFRS 16, all long-term leases must be reflected in the balance sheet as a "Right-of-use asset" and a "Lease liability". This shows the real state of the balance sheet indicators.



**Figure 1: The objective necessity of transition to IFRS in construction organizations.**

In the context of sustainable development, accounting should cover not only traditional financial indicators, but also environmental and social costs.





**Figure 2: Revenue recognition methods under IFRS 15 – “Revenue from Contracts with Customers”.**

Key areas for improvement in the estimated liability for warranty obligations using IAS 37 “Estimated Liabilities, Contingent Liabilities and Contingent Assets”:

Environmental Liability Provision: Upon completion of construction, the costs of reclamation (restoration of the area), planting trees or waste disposal should be included in the cost as a “Provision for Expected Liabilities” at the beginning of the project.

Energy and Resource Efficiency Accounting: Maintaining the costs of energy-efficient materials in separate sub-accounts when constructing “Green Buildings” and assessing their future economic effectiveness.

Digitalization (ERP and BIM integration): Creating a mechanism for real-time (online) transformation of costs to IFRS standards by integrating the construction process modeling (BIM) system with accounting programs (1C, SAP).

**CONCLUSION.** Improving accounting in construction organizations based on IFRS is not just a change in the reporting format, but also an adaptation of the enterprise management philosophy to the principles of sustainability.

For the successful implementation of the system, the following are recommended:

Digitalization of accounting for expenses and revenues for each construction object, based on the requirements of IFRS No. 15.

Introduction of the concepts of environmental obligations and environmental costs into the accounting policies of enterprises.

Systematic improvement of the qualifications of construction specialists and accountants in IFRS and ESG principles.

These measures will create a basis for Uzbek construction companies to enter the international market, attract cheap and long-term foreign loans and “green investments”.

**LIST OF USED LITERATURE:**

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