

IMPROVEMENT OF ELECTRONIC REPORTING SYSTEM: A TIME AND COST SAVING FACTOR FOR BUSINESSES

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Abstract: This article study comprehensively analyzes the impact of the transformation of the electronic reporting system in the Republic of Uzbekistan on the economic efficiency of business entities. The study examines the reforms implemented in the period 2023–2026, in particular, measures implemented within the framework of the "Digital Uzbekistan - 2030" strategy, factors for optimizing reporting types and reducing transaction costs. The report scientifically substantiates the practical results of the Resolution of the President of the Republic of Uzbekistan No. PQ-8 and other regulatory and legal acts, in particular, the importance of the "Unified Reporting System" and "Start a Business in 15 Minutes" platforms, which will be introduced from 2026. It also conducts comparative analyses with international experience, in particular, the Estonian "Real-Time Economy" model and the Dutch SBR (Standard Business Reporting) system, and formulates proposals for further development of the national system. The results of the study show that the full digitization of reporting processes will reduce the administrative costs of entrepreneurs by up to 90 billion soums per year and reduce the time for interaction with government agencies by up to 15 days.

Keywords: Electronic reporting, digital economy, transaction costs, Resolution No. PQ-8, Unified Reporting System, SBR standard, business entities, eStat 4.0, digital transformation, administrative burden, tax administration, risk-scoring, real-time economy.

Introduction

Optimizing the exchange of information between public administration and business processes has become one of the most important factors of economic growth. Improving the business environment in Uzbekistan, eliminating unnecessary

bureaucratic barriers, and fully digitizing interactions with government agencies have been identified as strategic tasks. A significant part of the administrative burden for business entities is statistical, financial, and tax reporting submitted to various government agencies. Improving these processes will not only save time, but also minimize the operating costs of the enterprise.¹ The relevance of the topic is also associated with Uzbekistan's aspiration to become a member of the World Trade Organization (WTO) by 2026 and its integration into international financial markets. In this process, transparency of reports, compliance with international standards (IFRS), and submission in electronic form are among the main requirements. The Resolution of the President of the Republic of Uzbekistan No. PQ-8 of January 9, 2024, marked the beginning of a new stage in reducing the administrative burden for entrepreneurs and organizing reporting processes based on the "Once Only" principle.² Saving time and resources spent by business entities creates a multiplier effect of economic growth. For example, a 20% reduction in trade costs and increased efficiency of digital corridors can attract more than \$1 billion in additional investments to Uzbekistan over the next five years. Also, the fact that 94.2% of the country's population is expected to use the Internet by 2025 creates broad opportunities for the expansion of digital services to all regions. This study provides a scientific and practical analysis of the mechanisms for saving time and costs for entrepreneurs by improving the electronic reporting system.

Analysis of literature on the topic

Studied within the framework of institutional economics and digital transformation theories. Theoretically, this topic is closely related to the theory of transaction costs. According to this theory, founded by Ronald Coase and Douglas North, the costs associated with collecting, processing information, and regulating relations with the state hinder the efficiency of the market mechanism. Digital platforms significantly reduce these costs by reducing information asymmetry and automating transactions. In international experience, the Estonian and Dutch models are cited as the most successful examples. The Estonian concept of "Real-Time Economy" involves the automatic transfer of data from the enterprise's accounting software to government agencies, without human intervention. Through this system, more than 400 data fields in Estonia were reduced to 32, which saved entrepreneurs 14 million working hours per year. The Dutch SBR (Standard Business Reporting) system,

¹Saidov, A., and Rakhimov, B. (2023). Innovation clusters and startup ecosystem development in Uzbekistan. *Journal of Innovation Economics*, 11(3), 122-135. <https://journals.innovationeconomics.org>

²US Department of State. (2025). Investment climate statements: Uzbekistan. <https://www.state.gov/reports/2025-investment-climate-statements/uzbekistan>

by standardizing data in XBRL (eXtensible Business Reporting Language), eliminated the need for multiple requests for the same information by different agencies.³

National researcher M.Sh. Toshpulotov studied the importance of the eStat 4.0 system in compiling statistical reports of small business entities and analyzed the legal and technical advantages of using an electronic digital signature (EDS). Vokhidova in her work showed the role of the "Single Window" principle in improving Uzbekistan's position in the "Doing Business" rating. Also, research on the transition to international accounting standards (IFRS) shows that transparent and electronic financial reporting accelerates the flow of investments. In scientific debates, the main focus is on the balance between the "control" and "service" functions of digital systems. Some scholars consider digitalization as a means of strengthening the state's control function (for example, a risk-scoring system), while others interpret it as a factor in supporting entrepreneurship and creating a "transparency ecosystem". In the experience of Uzbekistan, these two approaches are being combined: on the one hand, reporting is being simplified, and on the other, the shadow economy is being combated using artificial intelligence.

Research methodology

This study used a systematic approach, comparative and statistical analysis, and economic-mathematical modeling methods. The methodological framework of the study includes the following stages:

1. **Regulatory and legal analysis:** A comparative study was conducted of the decrees and resolutions of the President of the Republic of Uzbekistan for 2022–2026, in particular, Resolution No. PQ-8, Resolution No. PQ-366, and the norms of the new edition of the Tax Code.
2. **Statistical data analysis:** The dynamics of digital infrastructure and electronic transactions were analyzed based on official data from the Statistics Agency of the Republic of Uzbekistan, the Central Bank, and the Tax Committee for 2021–2025.
3. **Comparative international analysis:** The experiences of Estonia (Real-Time Economy) and the Netherlands (SBR) were compared with the current reforms in Uzbekistan, and the specific features of the national model were identified.

6. Main part problem analysis and results

in Uzbekistan in recent years has been based on the principle of "digital service". However, analyses show that by 2024, business entities will have to submit duplicate

³European Labor Authority. (2024). Real-Time Economy Vision 2020–2027.

https://www.ela.europa.eu/sites/default/files/2024-07/PF_2023_EE_RealTimeEconomy_CL.pdf

information to various agencies (tax, statistics, finance, employment). This has led to a loss of time and an increased likelihood of errors.

Digital infrastructure and usage dynamics

The success of the electronic reporting system depends on the technical capabilities of the users . Internet coverage and the level of use of digital services in Uzbekistan have increased dramatically over the past 3 years.

Indicators	2021	2022	2023	2024	2025
Percentage of population using the Internet (%)	76.6	83.9	89.0	93.3	94.2
Digital payment users (%)	39.0	48.0	59.0	66.0	72.0
Number of bank cards (millions)	27.0	34.0	45.0	58.0	71.0
Number of digital government services	120	150	200+	250+	300+

Source: Prepared based on data from the Statistical Agency and the Central Bank.⁴

The table shows , in 2023 only 39% of the population used digital payments, while by 2025 this figure is expected to reach 72%. This dynamics indicates the readiness of entrepreneurs for electronic communication and the high level of coverage of the system . However, regional differences still exist: while digital activity in Tashkent is 84% , digital literacy in rural areas needs to be increased.

Resolution No. PQ-8 and the reduction of administrative burden

Uzbekistan No. PQ-8 dated January 9, 2024 became the legal basis for reducing the a

- **Streamlining reporting:** 8 types of reports required from entrepreneurs that were mutually exclusive and that government agencies could obtain from other agencies have been eliminated.
- **Unified list :** A limited list of reports that entrepreneurs are required to submit has been approved. Requesting reports not included in this list is strictly prohibited and administrative liability (a fine of 20 to 60 times the minimum wage) is established for this.
- **Abandoning paper forms:** All types of reports will now be accepted only electronically through information systems.

As a result of these reforms, it is expected that the costs of business entities interacting with government agencies will be reduced by 90 billion soums per year. These funds can be directed to increasing the working capital of enterprises and technological modernization.

⁴ National Statistics Committee of the Republic of Uzbekistan. (2025, September 29). 94.2 percent of the population of Uzbekistan uses the Internet . <https://stat.uz/uz/matbuot-markazi/qo-mita-yangilkar/64211-zbekistan-a-olisining-94-2-foizi-internetdan-fozdalanidi-2>

2026: New technological stage and Risk-Scoring system

Starting from January 1, 2026, artificial intelligence elements will be widely introduced into the electronic reporting system of Uzbekistan. In particular, a real-time "Risk-Scoring" system has been launched for analyzing electronic invoices (EHF).

Analytical results and scientific explanation: This system automatically classifies each transaction into low (green), medium (yellow) and high (red) risk levels. For enterprises in the "green" category, VAT accounting is carried out automatically and without obstacles. It is predicted that only up to 10 percent of suspicious transactions will fall into the "red" category. This system creates a "green lane" for honest entrepreneurs, minimizing the time they spend on inspections.

Also, the "Digital Government Project Management Center" has been designated as the operator of the "Single Reporting System" from 2026. The implementation of the system will be carried out in the following stages:

1. **From January 1, 2026:** Voluntary access will be created for all entrepreneurs.
2. **From January 1, 2027:** Will be mandatory for small and medium-sized businesses.
3. **From January 1, 2028:** A fully mandatory procedure will be established for all entities.

"Start a Business in 15 Minutes" and the SBR Standard

Starting from 2026, registering a business entity in Uzbekistan and obtaining all

- Issuance of an electronic digital signature (EDS);
- Opening and activating a bank account;
- Automatic receipt of a VAT payer certificate;
- The processes of digitally executing rental agreements are combined in a single application.

From a scientific point of view, this approach is based on the Dutch SBR (Standard Business Reporting) model, which involves informing all interested agencies by entering data once. This reduces transaction costs at the stage of establishing a company to close to zero.

Sustainability rating and its benefits

The "Entrepreneur Sustainability Rating", introduced in 2024, is inextricably linked to the electronic reporting system. The rating is formed automatically, without human

- Tax audits are not conducted;
- The VAT amount will be refunded within 1 day;
- A "green lane" is provided for customs services.

This system encourages entrepreneurs to submit their reports on time and accurately (gamification of compliance). This reduces the state's control costs and allows it to direct resources to high-risk entities.

Conclusion and suggestions

in Uzbekistan is a crucial factor in ensuring the economic stability of business entities. An analysis of reforms for 2023–2026 shows that the country is successfully transitioning from a "bureaucratic control" model to a "digital service" model.

1. **Time savings:** Digitalization of reporting processes will save entrepreneurs an average of 70 percent of their time per year. The "15 Minute Business" system, which will be implemented from 2026, will reduce registration time from several days to minutes.
 2. **Cost reduction:** As a result of the reduction in administrative burden, entrepreneurs will save 90 billion soums per year in direct and indirect transaction costs.
 3. **Transparency and trust:** Risk-scoring and Sustainability Rating systems have taken the relationship between the state and business to a new level. The creation of "green lanes" for honest entrepreneurs serves to reduce the share of the shadow economy.
 4. **Digital readiness:** 94.2% of the population is covered by the Internet and the 3.8-fold increase in digital payments is a solid foundation for the stable functioning of the system.
- **Expanding SBR and XBRL standards:** To further accelerate information exchange between government agencies, it is necessary to convert all reports to XBRL (machine-readable language) format and develop a single national taxonomy.
 - **Integration with accounting programs:** Entrepreneurs' accounting programs (1C, UzASBO, etc.) should be directly connected to the "Unified Reporting S
 - **Increasing digital literacy:** It is necessary to organize regular free training courses on the use of digital systems (especially risk-scoring analysis) for entrepreneurs in the South and rural areas.
 - **International Harmonization:** The full harmonization of National Financial Reporting Standards (NFRS) with IFRS should continue. This will facilitate the access of Uzbek enterprises to international investment markets by 2026 .

Improving the system will increase the competitiveness of the Uzbek economy and further strengthen the country's position in international rankings.

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