

**IMPROVING SEGMENT ACCOUNTING AND REPORTING IN TRADE
ENTERPRISES UNDER TRANSFER PRICING CONDITIONS:
EVIDENCE FROM SAMARKAND REGION**

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Abstract. This study explores ways to improve segment accounting and reporting in trade enterprises of the Samarkand region under transfer pricing requirements. Although Uzbekistan lacks a dedicated national standard on segment reporting, the growing use of IFRS increases the need for transparent and management-oriented segment disclosure.

Keywords: segment accounting, IFRS 8, transfer pricing, management reporting, Uzbekistan.

**TRANSFER NARXLASH SHAROITIDA SAVDO KORXONALARIDA
SEGMENTAR HISOB VA HISOBOTNI TAKOMILLASHTIRISH:
SAMARQAND VILOYATI MISOLIDAGI TAHLIL**

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Annotatsiya. Ushbu tadqiqot Samarkand viloyati savdo korxonalarida transfer narxlash sharoitida segmentar hisob va hisobotni takomillashtirish yo‘llarini o‘rganadi. O‘zbekistonda segmentar hisobot bo‘yicha alohida milliy standart mavjud bo‘lmasa-da, MHS (IFRS) qo‘llanilishining kengayishi segmentlar bo‘yicha shaffof va boshqaruvga yo‘naltirilgan ma‘lumotlarni taqdim etishga bo‘lgan ehtiyojni oshirmoqda.

Kalit so‘zlar: segmentar hisob, MHS 8, transfer narxlash, boshqaruv hisobotlari, O‘zbekiston.

**СОВЕРШЕНСТВОВАНИЕ СЕГМЕНТНОГО УЧЁТА И
ОТЧЁТНОСТИ В ТОРГОВЫХ ПРЕДПРИЯТИЯХ В УСЛОВИЯХ
ТРАНСФЕРТНОГО ЦЕНООБРАЗОВАНИЯ: НА МАТЕРИАЛАХ
САМАРКАНДСКОГО РЕГИОНА**

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Аннотация. В данном исследовании рассматриваются пути совершенствования сегментного учета и отчетности в торговых предприятиях Самаркандского региона в условиях применения трансфертного ценообразования. Несмотря на отсутствие в Узбекистане отдельного национального стандарта по сегментной отчетности, расширяющееся применение МСФО усиливает потребность в прозрачном и ориентированном на управление раскрытии информации по сегментам.

Ключевые слова: сегментный учет, МСФО 8, трансфертное ценообразование, управленческая отчетность, Узбекистан.

Introduction. In recent years, Uzbekistan has undertaken large-scale economic modernization and financial transparency reforms, including the gradual expansion of IFRS-based reporting practices across business sectors. Trade enterprises—being among the most dynamic actors in the domestic market—require up-to-date managerial tools that ensure accurate performance evaluation, compliance with transfer pricing rules, and enhanced internal decision-making capacity. Segment accounting and segment reporting serve as one of the key mechanisms for achieving these objectives, as they provide disaggregated information on revenue streams, cost structures, and segment profitability indicators essential for strategic management.

Despite the growing integration into global markets, Uzbekistan still lacks a dedicated national standard on segment reporting, which creates methodological fragmentation in how enterprises identify segments, allocate costs, and present managerial information. The adoption of IFRS 8 “Operating Segments” is therefore becoming increasingly relevant, as it offers a management-approach-based framework that aligns internal reporting with external disclosure requirements [1]. At the same time, the national Tax Code (2020) introduces detailed rules on transfer pricing, arm’s-length principles, and controlled

transactions, making segment-level profitability analysis crucial for compliance and risk management [2]. The convergence of these regulatory and managerial needs highlights the importance of developing an improved segment accounting model tailored to the conditions of trade enterprises in the Samarkand region.

Literature Review. The evolution of segment accounting in international practice is closely linked to the development of management accounting concepts such as responsibility centers, contribution margin analysis, and internal performance measurement systems. Early works in managerial accounting (Anthony, 1965; Kaplan & Atkinson, 1998) laid the foundation for modern segment reporting frameworks, emphasizing that decision-useful information must be disaggregated according to managerial needs. Later scholarly studies affirmed that segment information increases the relevance and transparency of financial reporting for both internal and external users [3].

Research conducted in European and Asian markets shows that segment disclosure aligned with internal reporting improves comparability, enhances the predictive value of financial statements, and reflects the actual operational structure of enterprises. Nichols et al. (2013) and Haller & Wehrfritz (2021) highlight that firms applying IFRS 8 tend to disclose more meaningful segment data, although differences in cost allocation methods and managerial judgment still create variability across countries [4].

Methods. This research is based on a mixed-methods approach. First, a comparative analysis of IFRS 8 and national legislation was conducted to identify methodological inconsistencies. Second, a case study of three trade enterprises was carried out using internal reports and cost data. Third, management accounting tools such as ABC costing and contribution margin analysis were applied to model cost allocation. Additionally, transfer pricing methods (CUP, cost-plus, TNMM) were used to assess segment profitability. Finally, an expert survey involving CFOs and accountants supported the evaluation of current practices and the development of an improved reporting model.

Results. The results of the study show that trade enterprises in the Samarkand Region still lack a unified methodological approach to segment accounting. Most organizations identify segments only by product groups or store locations, while ignoring managerial criteria such as responsibility centers, cost drivers, or internal pricing mechanisms. The analysis also indicates that cost allocation is frequently based on proportional or percentage methods, which reduces the precision of segment profitability indicators.

Empirical observations confirm that enterprises do not systematically apply transfer-pricing-based metrics such as TNMM margin or cost-plus calculations. As a result, internal segment reports often fail to provide enough information for evaluating arm's-length compliance or for supporting pricing decisions. When the proposed structured model was tested, the accuracy and analytical value of segment reports significantly improved. Segments were more clearly defined, direct and indirect costs were distributed according to economic drivers, and profitability indicators reflected more realistic financial performance.

Table 1. Sample Segment Profitability Indicators

Segment	Revenue (bln UZS)	Direct Costs	Indirect Costs	Segment Profit
Food Products	12.4	7.8	1.9	2.7
Household Goods	8.7	5.4	1.1	2.2
Construction Materials	15.1	11.2	2.4	1.5

The results demonstrate that applying a structured segment reporting model increases transparency, strengthens internal control, and provides management with more reliable data for performance evaluation. The improved approach also enables enterprises to better align internal prices with transfer pricing principles, thus reducing potential tax risks.

Discussion. The findings reveal that improving segment accounting requires both methodological and organizational changes within trade enterprises. The

inconsistencies observed in segment identification and cost allocation confirm earlier research emphasizing the need for standardized managerial reporting frameworks. The weak integration of transfer-pricing-based indicators indicates that enterprises are not fully utilizing analytical tools that support compliance and strategic pricing decisions.

The implementation of the proposed segment reporting model shows that applying structured cost drivers, clearer responsibility centers, and profitability indicators aligned with transfer pricing improves managerial decision-making. These results support the argument that IFRS 8 principles, when adapted to local conditions, can enhance internal transparency, reduce informational asymmetry, and strengthen performance evaluation systems. Furthermore, the study demonstrates that digitalizing segment reporting processes can significantly increase the reliability and timeliness of managerial information.

Conclusion. The study demonstrates that the current practice of segment accounting in trade enterprises of the Samarkand Region remains fragmented and insufficiently aligned with international standards. Inconsistent approaches to segment identification, simplified cost allocation methods, and limited integration of transfer-pricing-based profitability indicators reduce the analytical value of internal reports.

The proposed structured model—built upon clear segment boundaries, cost-driver-based allocation rules, and transfer-price-adjusted performance metrics—significantly improves managerial decision-making and internal transparency.

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