



THE TRANSFORMATION OF THE FINANCIAL REPORTING CONCEPT UNDER THE INFLUENCE OF DIGITAL TECHNOLOGIES

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Article history:	Abstract:
<p>Received: 20th October 2026 Accepted: 14th November 2026</p>	<p>In the context of rapid digitalization of the global economy, the traditional concept of financial reporting is undergoing significant transformation. This article examines the impact of digital technologies—such as artificial intelligence, big data analytics, blockchain, and cloud computing—on the conceptual foundations, structure, and quality characteristics of financial reporting. The study analyzes how digital tools reshape the processes of data collection, processing, disclosure, and interpretation of financial information. The findings demonstrate that digital technologies enhance transparency, reliability, timeliness, and decision-usefulness of financial reports, while also creating new methodological and regulatory challenges. The article concludes with recommendations aimed at improving the financial reporting framework in the digital economy</p>

Keywords digital technologies, financial reporting, digital economy, blockchain, artificial intelligence, Big Data, financial information.

INTRODUCTION. The digital transformation of the economy has become one of the most influential drivers of change in modern business environments. Advances in information and communication technologies have significantly altered how organizations generate, process, and disseminate financial information. As a result, the traditional concept of financial reporting—largely based on periodic, historical, and paper-oriented reporting—no longer fully meets the needs of stakeholders operating in a digital economy. Financial reporting plays a critical role in ensuring transparency, accountability, and efficiency in economic decision-making. However, the increasing complexity of business processes, globalization, and the demand for real-time information require a fundamental reconsideration of existing reporting concepts. Digital technologies enable continuous reporting, automated data processing, and enhanced analytical capabilities, which profoundly influence the nature and purpose of financial reporting. Therefore, the main objective of this study is to analyze the transformation of the financial reporting concept under the influence of digital technologies and to identify key directions for its further development in the digital economy.

RESEARCH AIM AND OBJECTIVES. The primary aim of this research is to examine the transformation of the financial reporting concept under the influence of digital

technologies and to identify key conceptual, methodological, and practical changes occurring in financial reporting within the digital economy.

To achieve this aim, the study sets out the following research objectives:

First, to analyze the theoretical foundations of the traditional financial reporting concept and identify its limitations in the context of digital economic development. This objective provides a conceptual baseline for understanding why transformation has become necessary.

Second, to investigate the role of modern digital technologies—such as artificial intelligence, big data analytics, blockchain, and cloud computing—in reshaping the processes of financial data collection, processing, and disclosure.

Third, to assess the impact of digitalization on the qualitative characteristics of financial reporting, including relevance, reliability, comparability, timeliness, and transparency of financial information.

Fourth, to identify the main challenges and risks associated with digital financial reporting, particularly in relation to cybersecurity, data protection, and regulatory compliance.

Finally, to develop practical recommendations aimed at improving the financial reporting framework and adapting it to the requirements of the digital economy,



with a focus on enhancing decision-usefulness for stakeholders.

RESEARCH METHODOLOGY (METHODS). The research is based on a combination of qualitative and analytical methods. A systematic approach was applied to examine the interaction between digital technologies and financial reporting concepts. Comparative analysis

was used to identify differences between traditional and digitally transformed financial reporting models.

In addition, the study relies on the analysis of international financial reporting standards (IFRS), academic literature, and best practices in digital accounting systems. Logical reasoning, induction, deduction, and abstraction methods were employed to formulate theoretical conclusions and practical recommendations.

Table 1

Transformation of the Financial Reporting Concept under the Influence of Digital Technologies

Aspect of Financial Reporting	Traditional Concept	Digitally Transformed Concept
Information processing	Manual or semi-automated data processing	Fully automated processing using AI and ERP systems
Reporting frequency	Periodic (quarterly, annually)	Real-time or continuous reporting
Data sources	Mainly financial and historical data	Financial, non-financial, and big data sources
Reliability and transparency	Based on internal controls and audits	Enhanced through blockchain and digital traceability
Accessibility of information	Limited access, paper-based or static digital formats	Cloud-based, interactive, and remote access
Role of financial reporting	Compliance-oriented and retrospective	Decision-supportive and forward-looking
User engagement	Passive consumption of reports	Interactive analysis and visualization tools

Explanation of the Table. The table illustrates the fundamental differences between the traditional financial reporting concept and the digitally transformed financial reporting model shaped by modern technologies. In the traditional approach, financial reporting is primarily periodic and retrospective, focusing on historical financial data prepared through manual or partially automated processes. This limits the timeliness and analytical depth of financial information available to stakeholders.

In contrast, the digitally transformed concept emphasizes real-time data processing and continuous reporting. Advanced technologies such as artificial intelligence and enterprise resource planning (ERP) systems enable automatic data collection and analysis, significantly reducing human error and increasing reporting efficiency. Moreover, the integration of big data allows organizations to combine financial and non-financial information, thereby enhancing the predictive and strategic value of financial reports.

Another critical transformation relates to transparency and reliability. Blockchain technology ensures data immutability and traceability, which strengthens stakeholders' trust in financial information. Additionally, cloud-based platforms improve accessibility by allowing users to interact with financial reports remotely and dynamically, rather than relying on static documents.

Overall, the table demonstrates that digital technologies have shifted the role of financial reporting from a compliance-driven function to a strategic, decision-support tool, aligning financial reporting more closely with the demands of the digital economy.

RESEARCH RESULTS (RESULTS). The research findings indicate that digital technologies significantly influence the conceptual framework of financial reporting. First, automation and artificial intelligence improve the accuracy and speed of data processing, reducing human error and increasing operational efficiency. Financial information can now be generated and analyzed in real time, enhancing its relevance for decision-makers.

Second, blockchain technology strengthens the reliability and transparency of financial reporting by ensuring data immutability and traceability. This reduces the risk of fraud and increases stakeholders' trust in financial information.

Third, big data analytics expands the scope of financial reporting beyond traditional financial indicators by incorporating non-financial and predictive data. This shift enhances the decision-usefulness of reports and supports strategic management. Furthermore, cloud-based reporting platforms improve accessibility and comparability of financial information, enabling users to



interact with reports dynamically rather than relying solely on static statements.

DISCUSSION. The transformation of financial reporting under digitalization is not merely a technical change but a conceptual one. The focus is shifting from retrospective reporting to forward-looking and value-oriented reporting. This evolution challenges existing accounting principles, measurement methods, and regulatory frameworks. Despite the advantages, digital financial reporting also presents challenges, including cybersecurity risks, data privacy concerns, and the need for higher digital competencies among accounting professionals. Addressing these challenges requires coordinated efforts from regulators, professional bodies, and educational institutions. The findings of this study align with previous research emphasizing that the future of financial reporting lies in integrated, real-time, and technology-driven information systems.

CONCLUSION. In conclusion, digital technologies are fundamentally reshaping the concept of financial reporting. They enhance the quality, relevance, and transparency of financial information while transforming the role of financial reporting in organizational decision-making. To fully realize these benefits, it is essential to modernize accounting standards, strengthen regulatory frameworks, and invest in digital skills development. The transformation of financial reporting is an ongoing process that will continue to evolve alongside technological progress.

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