UDC 336.64

LIQUIDITY AND CURRENT ASSET MANAGEMENT: A COMPARATIVE ANALYSIS OF RUSSIAN AND INTERNATIONAL PRACTICES

Akhmetova R.I.
bachelor's degree, Al-Farabi Kazakh National University
(Almaty, Kazakhstan)

УПРАВЛЕНИЕ ЛИКВИДНОСТЬЮ И ОБОРОТНЫМИ АКТИВАМИ: СРАВНИТЕЛЬНЫЙ АНАЛИЗ РОССИЙСКОГО И МЕЖДУНАРОДНОГО ОПЫТА

Ахметова Р.И.
бакалавр, Казахский национальный университет
имени аль-Фараби (Алматы, Казахстан)

Abstract

This article presents a comprehensive comparative analysis of liquidity and current asset management practices in Russian and international corporate environments. The study investigates the structural, regulatory, and technological differences that shape financial decision-making across jurisdictions. Particular emphasis is placed on the role of real-time data, risk-adjusted metrics, digital tools, and institutional frameworks in enhancing liquidity efficiency. The paper introduces a multi-level analytical model supported by visual schemes and highlights the strategic implications for governance and treasury transformation. It concludes that digital integration, regulatory harmonization, and financial agility are key to optimizing liquidity performance in a globalized financial context.

Keywords: liquidity management, current assets, working capital, financial strategy, international comparison, Russian accounting standards, IFRS, digital treasury, cash flow forecasting, financial governance.

Аннотация

В статье представлен всесторонний сравнительный анализ подходов к управлению ликвидностью и текущими активами в российских и международных корпоративных условиях. Исследуются институциональные, нормативные и технологические различия, влияющие на принятие финансовых решений в различных юрисдикциях. Особое внимание уделено использованию данных в реальном времени, корректируемых с учётом риска показателей, цифровых инструментов и организационно-правовых механизмов. В работе предложена многоуровневая аналитическая модель с визуальным сопровождением и сделан акцент на стратегические последствия для трансформации системы управления финансами. В заключение подчеркивается, что цифровая интеграция, гармонизация стандартов и финансовая гибкость являются ключевыми условиями повышения эффективности управления ликвидностью в условиях глобализированной экономики.

Ключевые слова: управление ликвидностью, текущие активы, оборотный капитал, финансовая стратегия, международное сравнение, российские стандарты учёта, МСФО, цифровая казначейская система, прогнозирование денежного потока, финансовое управление.

Introduction

Efficient liquidity and current asset management is a cornerstone of financial stability and operational continuity in both emerging and developed economies. As global markets grow increasingly interconnected, corporate financial strategies must adapt not only to internal efficiency metrics but also to external pressures such as regulatory regimes, currency volatility, and credit market fluctuations. In this context, the management of cash, receivables, inventories, and other current assets becomes a strategic lever for firms seeking to maintain solvency and competitiveness across jurisdictions.

While the core principles of liquidity management-ensuring the firm's ability to meet short-term obligations-are universal, the instruments, institutional practices, and regulatory conditions under which they are implemented vary significantly. In particular, Russian corporate finance practices reflect a unique set of macroeconomic conditions, legal frameworks, and access to capital that distinguish them from those in OECD countries. These differences affect both the composition of current assets and the mechanisms through which liquidity is monitored, preserved, and optimized.

This article aims to provide a comparative analysis of liquidity and current asset management approaches in Russian and international practice. The study draws upon financial performance data, academic literature, and regulatory reviews to identify key similarities and divergences in asset structure, liquidity indicators, and working capital policies. By mapping the institutional and market-driven factors that shape financial decision-making, the paper contributes to a deeper understanding of how liquidity management practices can be adapted to national contexts without compromising operational efficiency or financial transparency.

Main part. Theoretical framework and international standards in liquidity and current asset management

Liquidity management, as a fundamental element of corporate financial strategy, aims to ensure that firms are capable of meeting their short-term obligations without incurring excessive financing costs or risking operational disruption. The theoretical underpinnings of liquidity policy are grounded in the trade-off between profitability and solvency-where excess liquidity may indicate underutilized capital, while insufficient liquidity can lead to insolvency or loss of market confidence.

Central to this discussion are the concepts of static liquidity (measured by ratios such as the current ratio and quick ratio) and dynamic liquidity, which includes cash flow-based metrics and the firm's ability to generate internal financing under variable conditions. International financial management literature emphasizes the integration of liquidity indicators into risk-adjusted performance frameworks, linking liquidity reserves with business continuity planning and creditworthiness [1].

In global practice, firms commonly adopt working capital optimization strategies as a means of managing current assets. These strategies involve the coordination of cash, accounts receivable, and inventories to minimize the cash conversion cycle (CCC) while preserving service levels and supplier relationships. The DuPont model and discounted cash flow (DCF) approaches are frequently used to evaluate the impact of current asset structure on return on equity (ROE) and overall value creation.

Furthermore, international standards such as the International Financial Reporting Standards (IFRS) play a significant role in shaping liquidity disclosure and measurement. For instance, IAS 7 (Statement of Cash Flows) mandates the reporting of cash flow from operating, investing, and financing activities, while IFRS 9 governs the classification and impairment of financial assets-thereby influencing liquidity risk assessment and provisioning practices.

Best-in-class multinational firms also leverage real-time treasury systems, centralized cash pooling, and automated liquidity forecasting tools to enhance transparency and responsiveness [2]. These systems are often supported by corporate governance guidelines that define target liquidity levels, emergency funding protocols, and intercompany financing policies.

Structural components of international liquidity management: a visual model

Effective liquidity and current asset management in international practice is not limited to the application of individual financial instruments. Rather, it is defined by an integrated framework in which policy objectives, performance metrics, and operational mechanisms are strategically aligned.

Figure 1 presents a schematic overview of the key structural components that characterize mature liquidity management systems across global corporations [3].

At the upper level of the framework, three strategic pillars define the foundation of liquidity governance:

- **Liquidity policy objectives**, which articulate the firm's tolerance for risk and define the parameters for funding stability and solvency under stress.
- **Risk-adjusted liquidity metrics**, which combine conventional ratios with cash flow sensitivity analysis and working capital simulations.
- **Governance and disclosure standards**, shaped by national regulations and global norms such as IFRS, which ensure transparency and comparability across financial reporting systems.

These pillars inform the practical coordination of core asset categories: cash holdings, receivables, and inventory. Each of these elements contributes differently to liquidity risk and operational flexibility, requiring customized management strategies. For instance, just-in-time inventory policies reduce holding costs but increase exposure to supply chain disruptions, while dynamic receivables programs improve cash conversion but may impact client relationships.

At the base of the model lies the concept of an integrated working capital strategy, which consolidates the firm's liquidity operations into a unified, performance-oriented structure. This integration is increasingly supported by digital technologies such as real-time treasury dashboards, predictive analytics, and automated liquidity triggers.

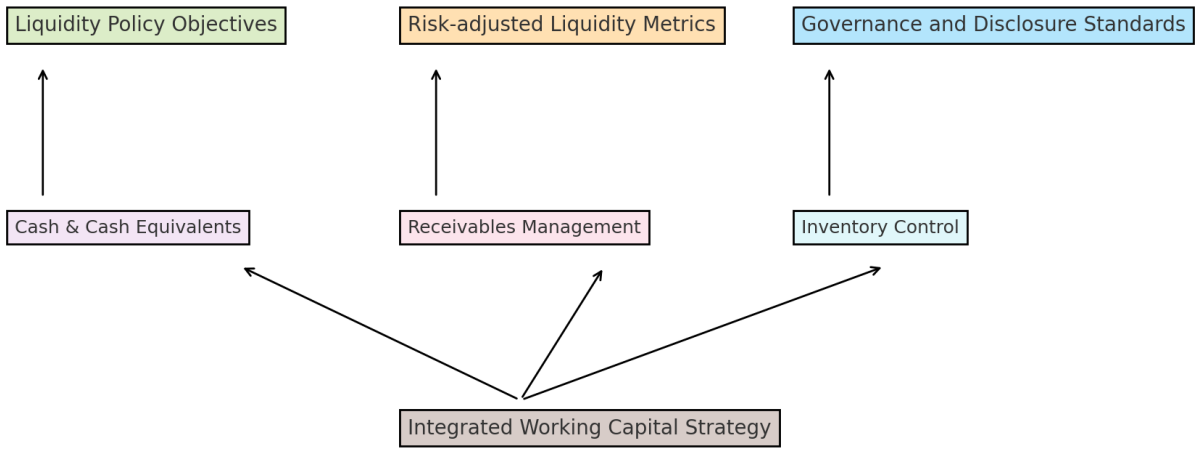

Figure 1. Key components of international liquidity and current asset management frameworks

The visual model illustrates that successful liquidity management depends not on isolated optimization but on systemic alignment between policy intent, data infrastructure, and operational execution. Firms that institutionalize this alignment are better equipped to absorb external shocks, comply with reporting obligations, and maintain financing agility in fast-changing markets [4].

Liquidity and current asset management in Russian corporate practice

Liquidity management in Russian enterprises operates under markedly different institutional, regulatory, and financial conditions compared to their international counterparts. While many of the core principles-such as maintaining solvency, reducing idle capital, and optimizing working capital-are shared, the practical implementation of these goals reflects local economic structures, access to credit, and legal environments.

One of the defining features of Russian liquidity management is the predominant role of conservative financial policies. Many firms prioritize maintaining high cash reserves and short-term liquid assets due to limited access to long-term capital markets and historically unstable macroeconomic conditions. This results in elevated current ratios and cash balances, often at the expense of return on capital employed (ROCE). The preference for liquidity buffers is further reinforced by inflationary pressures and currency volatility, which can quickly erode asset value and financing capacity [5].

Receivables management also reflects regional complexities. The prevalence of intercompany debt chains, weak enforcement of payment terms, and sector-specific state interventions create an environment where delayed payments are common. To mitigate credit risk, firms frequently employ advance payments, prepayment clauses, and factoring arrangements-although the latter remains underdeveloped relative to OECD standards.

Inventory control practices in Russia tend to be industry-dependent and structurally cautious. In sectors such as manufacturing, construction, and energy, firms maintain higher inventory levels to hedge against logistical disruptions and supplier instability. Unlike international counterparts that rely on lean inventory systems and just-in-time delivery, Russian firms often treat inventories as strategic reserves rather than operational inputs.

From a reporting and regulatory standpoint, Russian firms are subject to Russian Accounting Standards (RAS), which differ significantly from IFRS in liquidity disclosure, asset classification, and valuation principles [6]. Although a growing number of large corporation's report under IFRS, the dual reporting system creates inconsistencies in liquidity interpretation and cross-comparative financial analysis.

Liquidity management in Russian corporate practice is shaped by systemic uncertainty, credit market limitations, and the legacy of state-influenced financial governance. While some convergence with international approaches is observable among large exporters and publicly listed firms, the broader landscape remains characterized by risk aversion, cash-based planning, and structural inefficiencies. Understanding these distinctions is essential for accurate benchmarking and for developing hybrid models suited to transitional economies.

Comparative perspective: divergences and overlaps in practice

The juxtaposition of international and Russian liquidity management practices reveals clear structural and methodological contrasts. While the core objective-ensuring solvency and operational continuity-is shared, the instruments, priorities, and technological tools used to achieve this vary significantly. Figure 2 provides a visual comparison across five key dimensions of liquidity management.

International practice is characterized by technological integration, real-time responsiveness, and strategic working capital optimization. Automated systems support receivables and treasury management, while lean inventory models reduce capital lock-in and enhance agility. Regulatory alignment with IFRS enables transparency, comparability, and investor confidence.

In contrast, Russian enterprises tend to rely on liquidity buffers and manual control mechanisms. Working capital strategies are often conservative, prioritizing risk avoidance over optimization [7]. Inventory is maintained not for efficiency but as a hedge against systemic disruption. Moreover, decentralized financial control and the coexistence of RAS and IFRS reporting introduce complexity into liquidity interpretation and benchmarking.

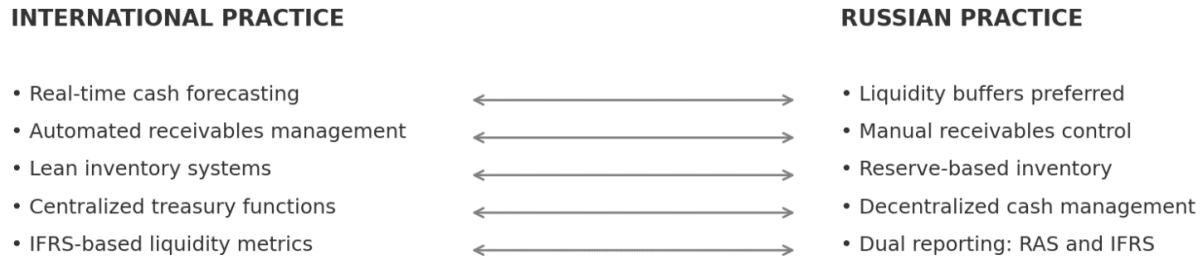

Figure 2. Comparative structure of liquidity management in international and Russian practices

The comparative schematic highlights the distance between process automation and risk conservatism, between data-centric liquidity planning and buffer-based protection strategies. While the gap is narrowing among leading Russian corporations, structural differences remain a defining feature of national liquidity management models.

Digital instruments and technological trends in liquidity optimization

In recent years, digitalization has emerged as a transformative force in corporate liquidity management. Advances in financial technologies (fintech), cloud computing, and data analytics are

reshaping how companies monitor, forecast, and control liquidity. As shown in Figure 3, modern liquidity strategies are increasingly supported by a set of integrated digital enablers that enhance precision, speed, and scalability [8].

One of the most impactful innovations is the use of AI-powered forecasting tools, which analyze historical transaction patterns, market signals, and operational data to generate real-time liquidity projections. These tools significantly outperform manual forecasting methods in terms of accuracy and adaptability, especially in volatile environments.

Cloud-based treasury platforms have also gained prominence, enabling centralized control over cash positions, intercompany loans, and FX exposures across multiple jurisdictions. These systems offer real-time dashboards, scenario modeling, and automated compliance checks-allowing finance teams to act preemptively rather than reactively.

Meanwhile, blockchain applications are increasingly explored for secure and transparent financial transactions, particularly in areas such as international payments, intercompany settlements, and liquidity pooling. Smart contracts embedded within blockchain networks enable conditional releases of funds, accelerating cash movement while reducing administrative overhead and counterparty risk.

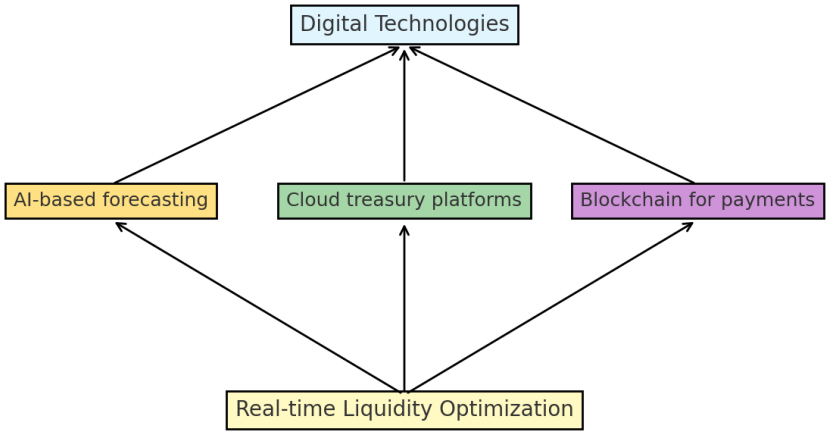

Figure 3. Digital enablers in modern liquidity management

The integration of AI, cloud platforms, and distributed ledger technologies is revolutionizing liquidity management from a static reporting function into a dynamic, data-driven capability. Firms that embed these tools into their financial infrastructure achieve greater responsiveness, cost efficiency, and control-especially in decentralized and fast-moving environments.

In addition to technological capabilities, the effectiveness of digital liquidity tools depends on their integration into corporate financial governance and decision-making processes. Organizations that treat digital finance as a strategic asset-rather than a supplementary function-tend to unlock the full value of technological adoption. This includes embedding real-time liquidity data into capital budgeting processes, risk-adjusted performance reviews, and executive dashboards.

Another critical aspect is interoperability between systems. For digital tools to support enterprise-level liquidity management, they must seamlessly connect treasury, procurement, sales, and accounting functions. Application programming interfaces (APIs) and financial data hubs enable such integration by allowing synchronized data flows and reducing latency in internal reporting cycles. This real-time connectivity fosters unified liquidity views and faster reaction times in response to market disruptions or funding shortages.

Moreover, cybersecurity and data governance have become central to digital liquidity management. As firms centralize liquidity operations on digital platforms and cloud infrastructures, they become more exposed to operational risks stemming from data breaches, system failures, or regulatory non-compliance. Advanced access controls, encryption protocols, and audit trails are thus essential to ensure trust in automated liquidity workflows and digital treasury operations [9].

Finally, organizations pursuing digital liquidity optimization must also invest in human capital development. Even the most advanced technologies require skilled professionals capable of interpreting analytics, validating model outputs, and adjusting strategies in line with business dynamics. Finance teams must acquire hybrid competencies-combining financial acumen with data literacy, systems thinking, and technological fluency.

The digitalization of liquidity management is not merely a matter of adopting tools, but of transforming how financial processes are governed, executed, and evaluated. Strategic integration, cross-system connectivity, security assurance, and workforce upskilling are all necessary conditions for sustainable digital maturity. When these dimensions are addressed holistically, digital enablers become long-term drivers of resilience, agility, and financial optimization in increasingly complex business environments.

Strategic implications for policy and financial governance

The comparative analysis of liquidity management practices across jurisdictions underscores the broader strategic implications for financial governance, especially in multinational corporations and transitional economies. As companies operate within increasingly complex regulatory and technological landscapes, the design and implementation of liquidity strategies must account not only for firm-level efficiency but also for macro-level alignment.

One key implication is the need for adaptive financial policy frameworks that balance global financial reporting standards with national operational realities. In Russia and similar economies, the coexistence of RAS and IFRS demands dual compliance regimes that challenge both transparency and comparability. Harmonization efforts-such as expanded IFRS adoption, unified liquidity reporting templates, and sector-specific disclosure guidelines-can mitigate these frictions and improve the interpretability of liquidity metrics across borders.

Another implication is the rising strategic role of the treasury function within corporate hierarchies. As liquidity becomes a real-time concern tied to supply chain resilience, capital flexibility, and platform participation, finance departments must shift from passive recordkeeping to proactive scenario planning and market interfacing [10]. This evolution requires treasury teams to participate directly in enterprise risk management, digital integration strategies, and ESG-aligned capital allocation.

Finally, public policy frameworks-particularly in emerging economies-play a decisive role in shaping liquidity norms. Access to affordable working capital, incentives for financial digitalization, and support for SME treasury modernization are all policy levers that can influence liquidity health at the macro level. Public-private partnerships that enable fintech adoption, data standardization, and financial literacy further strengthen the systemic capacity to manage liquidity sustainably.

Strategic liquidity management cannot be addressed in isolation from governance, policy, and regulatory coordination. Whether at the corporate or national level, alignment between liquidity tools, oversight structures, and institutional priorities is essential for financial resilience. The integration of digital capabilities, accounting harmonization, and treasury empowerment emerges as a long-term agenda for strengthening financial governance in a digitally connected economy.

Conclusion

Liquidity and current asset management remain central to corporate financial strategy, particularly in an era of increased volatility, digitalization, and cross-border integration. This study has highlighted the divergent approaches to liquidity planning and asset structuring across international and Russian contexts, demonstrating how institutional, technological, and regulatory environments shape financial decision-making.

International best practices emphasize integrated, technology-enabled models that prioritize real-time visibility, working capital optimization, and transparency. In contrast, Russian corporate practices-while evolving-continue to reflect risk aversion, regulatory dualism, and structural inefficiencies. These differences underline the importance of contextualizing financial metrics and models when conducting cross-national benchmarking or designing corporate policies for multinational firms.

The analysis also reveals that digital enablers-such as AI forecasting, cloud-based treasury systems, and blockchain applications-are redefining how liquidity is monitored and controlled. However, successful implementation requires more than technological investment; it demands strategic alignment, robust governance, and the cultivation of hybrid financial-technological expertise.

Ultimately, firms that recognize liquidity not as a static indicator but as a dynamic capability-responsive to both market forces and digital transformation-will be better equipped to manage risk, support growth, and sustain operational continuity. As financial ecosystems continue to evolve, liquidity management must be viewed as a strategic function embedded across organizational layers and empowered by data-driven innovation.

References

1. Girich M.G., Ermokhin I.S., Levashenko A.D. Comparative analysis of the legal regulation of digital financial assets in Russia and other countries // Bulletin of international organizations. 2022. Vol. 17. No. 4. P. 176-192.
2. Antczak J., Horzela I., Nowakowska-Krystman A. Influence of Financial Liquidity on the Competitiveness of Defense Industry Enterprises. 2021.
3. Selimov A. Comparative analysis of legal regulation of international transactions in the USA and the EU // International Journal of Scientific Research and Engineering Development. 2024. Vol. 7(6). P. 480-483.
4. Castelblanco G., Narbaev T., Osei-Kyei R., Serikbay D., Mukashev Y., Guevara J. Pandemic risks in PPPs: comparative analysis within developing countries // International Journal of Construction Management. 2025. Vol. 25. No. 4. P. 456-468.
5. Moch E. The Economic and Geopolitical Significance of the Brics Nations: A Comparative Analysis of Their Global Influence in the 21st Century // East African Journal of Business and Economics. 2024. Vol. 7. No. 2. P. 86-100.
6. Yurak V.V., Polyanskaya I.G., Malyshev A.N. The assessment of the level of digitalization and digital transformation of oil and gas industry of the Russian Federation // Mining Science and Technology (Russia). 2023. Vol. 8. No. 1. P. 87-110.
7. Goodell J.W., Gurdgiev C., Karim S., Palma A. Carbon emissions and liquidity management // International Review of Financial Analysis. 2024. Vol. 95. P. 103367.
8. Rogalev N., Rogalev A., Kindra V., Zlyvko O., Osipov S. An Overview of Small Nuclear Power Plants for Clean Energy Production: Comparative Analysis of Distributed Generation Technologies and Future Perspectives // Energies. 2023. Vol. 16. No. 13. P. 4899.
9. Vechkinzova E., Steblyakova L.P., Roslyakova N., Omarova B. Prospects for the development of hydrogen energy: Overview of global trends and the Russian market state // Energies. 2022. Vol. 15. No. 22. P. 8503.
10. Soja R.J., Gusau M.B., Ismaila U., Garba N.N. Comparative analysis of associated cost of nuclear hydrogen production using IAEA hydrogen cost estimation program // International Journal of Hydrogen Energy. 2023. Vol. 48. No. 61. P. 23373-23386.