
ANALYSIS OF THE EXPECTED EFFECTS OF ADOPTING THE APPLICATION OF THE FINANCIAL REPORTING STANDARD IFRS 18 (PRESENTATION AND DISCLOSURE) ON THE QUALITY OF ACCOUNTING INFORMATION IN BANKS

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Abstract

This research focuses on an important topic: the adoption of IFRS 18 (Presentation and Disclosure) for financial statements, the implications of its implementation in the banking sector, and its relationship to the quality of accounting information. This standard will replace International Accounting Standard IAS 1 (Presentation of Financial Statements). IFRS 18 Presentation and Disclosure will be the result of requirements raised by investors and other stakeholders who need important information for decision-making purposes. This standard seeks to provide clearer and more accurate foundations for stakeholders by standardizing financial statements and, consequently, the resulting information, so that it reaches all stakeholders in the same form through standardized presentation and disclosure. Although this standard replaces IAS 1, many of the requirements of IAS 1 have been transferred to IFRS 18. The research reached a number of conclusions, the most important of which is that the implementation of IFRS 18 meets the needs of many stakeholders, primarily investors, as it answers their inquiries through the quality of information that can be provided. Obtaining it as a result of unifying data presentation, and the most important recommendations are that economic units should work on preparing and taking all accounting and technical measures to meet the requirements of this standard.

Keywords: - IFRS 18, presentation and disclosure, quality of accounting information, transparency, reliability, negative and positive effects.

Introduction

Since 2016, the International Accounting Standards Board (IASB) has been working to prepare a draft standard for the preparation and presentation of basic financial statements. This was prompted by investor concerns about the lack of comparability in many aspects of interest to investors, which consequently impacts the quality of accounting information. Many amendments were made to International Accounting Standard (IAS) 1 to address these amendments and address inquiries from investors and users of financial statements. The resulting comment and amendment period resulted in the draft of the new financial reporting standard, IFRS 18, titled "Presentation and Disclosure of Financial Statements," replacing IAS 1. IFRS 18 was issued in response to inquiries from users of the standards, as a result of

deficiencies in certain areas that do not meet the demands of investors and users through the information provided by financial statements.

The most important of these concerns is the presence of differences in many aspects, which has allowed for the use and reliance on personal judgments, thus preventing standardization of information. This is also due to the inability to compare due to differences in the evaluation and measurement of financial performance. Many financial reporting standards have come to address certain aspects and their impact on the financial statements, including IFRS 9, IFRS 7, and others. These are related to management and the way they are addressed, and presentation and disclosure differ according to management's orientation. Therefore, IFRS 18 came to address these differences and contribute to unifying presentation and disclosure requirements and limiting estimates, judgments, and differences between banks, which increases the reliability of data. The adoption of IFRS 18 also contributes to more detailed disclosures about accounting policies and the basis of measurement, which reduces financial non-uniformity and enhances investor confidence. This research came to discuss this standard and its implications if applied through five axes: the first axis is the research methodology, the second axis is the objective and requirements of IFRS 18, the third axis is the quality of accounting information, the fourth axis is the practical aspect (examination form) Checklist, and the last axis is the conclusions and recommendations.

First Axis

Research Methodology and Previous Studies

First: Research Methodology:

This section presents the most important sections of the methodology, which represent the steps the researcher followed to achieve the objectives that prompted this research, as follows:

1- 1- Research Problem: In light of the rapid global developments and their requirements, financial reporting standards have emerged that keep pace with these developments and meet the needs of stakeholders. IFRS 18, which aims to enhance transparency, replaced International Accounting Standard IAS 1. This standard is characterized by its specificity and complexity, as it remains somewhat ambiguous. Consequently, there are differences, problems, and inquiries that IFRS 18 has addressed. Therefore, the implementation of this new standard will contribute to changes in the economic units that will adopt it. Its implementation raises many questions from investors and users of accounting information, especially since it came, according to the responsible authorities, in response to the requirements of investors and users, as they inquire about many of the issues of concern them to make appropriate decisions in light to implementation this standard. Therefore, research problem lies in the following question: -

- Does the adoption of IFRS 18 Presentation and Disclosure contribute to improving the quality of accounting information?

1- 2- Significance of the Research :- The importance of the research lies in the following:

1- The research focused on a recent topic that has not been widely discussed, given that its standard, IFRS 18, is still under development and will be implemented on January 1, 2027.

2- IFRS 18 replaced an important standard, IAS 1 Presentation Standard.

3- The research focused on an important aspect: the implications of adopting IFRS 18 and its potential to improve the quality of accounting information.

1-3 - Research Objective: -The research aims to achieve a set of objectives, the most important of which are:

1- Identifying Financial Reporting Standard 18: Presentation and Disclosure of Financial Statements.

2- The differences between IFRS 18 and IAS 1.

3- The extent to which IFRS 18 contributes to improving quality of accounting information and importance this information to its beneficiaries, enhancing transparency, reducing variance, and increasing comparability.

1-4- Research Hypothesis: -

To achieve the research objective, a main hypothesis was formulated: -

- The adoption of the Financial Reporting Standard IFRS 18 (Presentation and Disclosure) will improve the quality of accounting information in banks by enhancing transparency, reliability, disclosure, and classification of revenues and expenses, and reducing manipulation in the presentation of financial statements.

1-5 - Research Methodology:

The descriptive approach was adopted to present the theoretical aspect of the research, utilizing official documents, theses, university dissertations, periodicals, conferences, seminars, and books related to the research topic. The analytical approach and case study were also adopted, based on observations, interviews, and meetings conducted by the researcher with a group of managers, accountants, auditors, and employees in the banking sector, in addition to a group of academics interested in standards.

1- 6 - Research Community and Sample:

To achieve the research objective, the research community was selected, consisting of department managers, accountants, and auditors in banks and auditing firms. These individuals are responsible for preparing and auditing financial statements and those working on preparing the final accounts in five banks that were pioneers in implementing the standards (Financial Reporting Standards). These banks are among the 24 banks listed on the Iraq Stock Exchange at the time of preparing the research, February 2025. Thus, the banks that make up the research sample constitute more than 20% of the sample size. They were also selected because they are located in approximately the same geographical area to facilitate transportation for the researcher and to ensure their cooperation with the researcher.

Second: Previous Studies

Given the topic's novelty and the implementation date of IFRS 18, which is set for early 2027, there aren't many studies on this topic. We will review the studies we were able to obtain on this topic.

First: Arab Studies

1- **Sharif's study, 2024**, Egypt. A research paper titled "The Role of the International Financial Reporting Standard (IFRS 18) in Improving Transparency, Accounting Disclosure, and the Quality of Financial Reports - An Empirical Study." The study addresses the requirements of IFRS 18 regarding presentation and disclosure in financial statements. The study demonstrated that implementing the standard will enhance transparency and disclosure of financial statements, impacting Quality of Accounting Information contained in Financial Statements .

2- **Saeed's study, 2024**, Sudan. A research paper titled "The Impact of Implementing the International Financial Reporting Standard (IFRS 18) Presentation and Disclosure in Financial Statements on Social Responsibility Disclosure." One of the most important contributions of this study is that it proposes a model for social responsibility disclosure in light of the implementation of IFRS 18, the implementation of which meets the aspirations of all stakeholders.

Second: Foreign Studies

1. **De Castro's study, 2024**, Brazil. A research paper titled "IFRS 18 Implementation in Brazilian Enterprises: Challenges and Opportunities." The study addressed the challenges facing companies when implementing IFRS 18 from a legal perspective, as well as the opportunities and challenges these companies face. The research focused on the guidelines companies should follow to prepare for the transition to the standard.

2. **Chakraborty's study, 2024**, Australia. An article titled "IFRS Accounting Standards at a Glance 18 & 19." This article aimed to clarify the impact of implementing the standards on subsidiaries and legal issues, and how these standards, IFRS 18 and IFRS 19, can increase integrity and improve investment and economic decision-making.

Third: Location of the Current Study

The current study is significant because it provides a proactive survey of the implementation process of IFRS 18, keeping it relevant to the latest developments in international accounting standards. It also discusses the positive and negative impacts that may accompany the implementation of IFRS 18 in the Iraqi context. Furthermore, the study is considered an important step in exploring the impact of IFRS 18 on the banking sector. The study also highlights the importance of enhancing the role of transparency and disclosure in financial statements to support investor decisions.

Axis Two

Objective and Requirements of IFRS 18

2-1- Financial Reporting Standard 18: Presentation and Disclosure of Financial Statements

In 2024, specifically on April 9, the International Accounting Standards Board (IASB) issued a new standard to replace International Accounting Standard (IAS) 1: Presentation of Financial Statements. This standard came as a result of requests from various stakeholders

interested in financial statements, primarily investors. These inquiries included the lack of comparability between different entities within the same sector. Therefore, this standard was issued as a result of the urgent need to answer these inquiries and contribute to empowering stakeholders with the ability and strength to conduct comparison and analysis through a set of axes explained by de Castro and the following: (de Castro, 2024: 103-104):-

- The first axis: Comparability of income statements across economic units.
- The second axis: The standard seeks to introduce new requirements that contribute to enhancing transparency, particularly with regard to measuring the performance of economic units related to the income statement, which the International Accounting Standards Board (IASB) calls management-determined performance measures.
- The third axis: The standard seeks to provide important guidance aimed at enhancing the use of information obtained when applying International Financial Reporting Standards.

Also, although IFRS 18 replaces IAS 1, many of the requirements of IAS 1 have been transferred to IFRS 18, and its scope of application will be mandatory in early 2027. Early application of the standard is acceptable, especially since its requirements require amending some paragraphs of IAS 8 and IAS 7 Statement of Cash Flows, as well as some minor amendments to IAS 33 on earnings per share. (Deloitte, 2024; 5).

1- Objective of IFRS 18: This standard provides clearer and more transparent methods for financial statements, with regard to presentation and disclosure in financial statements. It also seeks to provide investors with greater transparency and consistency regarding companies' financial performance, and to identify and communicate this performance to investors to help answer their inquiries. This ultimately enables clearer investment decisions, provided that economic entities adhere to it (de Castro, 2024: 102).

2- Scope of the standard: The scope of this standard will include all types of financial reports prepared in accordance with international standards. It will impact all sectors of economic entities, as all economic entities are subject to the application of international standards. Therefore, one of them will be IFRS 18, which will focus on presentation, disclosure, and other interpretations required by the standard. (IFRS, 2024: 7)

2- 2- IFRS 18 Presentation and Disclosure of Financial Statements replaces IAS 1 Presentation of Financial Statements.

The International Accounting Standards Board (IASB) is distinguished by its work strategy, which relies on making efforts to accept the contradictions, differences, and complexities that occur, or the crises that challenge the business world, and seeks to meet the wishes of stakeholders (Alshaikhli, 2024: 75).

The emergence of a new standard as a replacement for a previous standard leads us to reflect on the reasons that led to the need for this standard, meaning that there are problems or shortcomings in the existing standard, or that it no longer meets the requirements for which it was created, in light of developments in business world and standards applied in Economic Units.

Shortcomings of IAS 1 can be summarized as follows: (Al-Jundi, 2024: 105)

1- The implementation of IAS 1 contributed to a significant degree of diversity in financial reporting methods, which led to a lack of uniformity and, consequently, a lack of comparability.

2- The implementation of IAS 1, Presentation of Financial Statements, contributed to the inability to group or classify financial statement elements in a manner that provides detailed information that investors desire. This led to the failure to communicate or conceal information. This is one of the reasons that contributed to the development of creative accounting.

3- The lack of uniformity in the procedures followed under the implementation of IAS 1, Presentation of Financial Statements, led to a lack of consistency and reliability in information for investors.

4- The implementation of IAS 1 contributed to the lack of standardization in financial performance measurement measures by management across economic units within the same sector.

From the above, we note that investors' concern about the inability to compare or obtain information that would enable them to make comparisons and reach decisions. Furthermore, the lack of clarification and transparency has led to a lack of reliability in information, thus depriving it of one of the characteristics of useful information for decision-making.

2-3- Objectives that IFRS 18 contributed to:

IFRS 18 came to achieve a set of objectives that contribute to resolving the problems that accompanied the implementation of IAS 1:- (Kunda, 2024; 4)

1- Improving comparability in the income statement (profit and loss statement) by defining income statement categories and classifying them into three activity groups (operating, investing, and financing).

2- Enhancing the transparency of management-determined performance measures (MPMs). IFRS 18 requires economic entities to define and disclose the performance measures used by management. This enables users of financial statements to understand the financial performance aspect conveyed by management's performance measures from its perspective and how management-determined performance measures compare to those set by International Financial Reporting Standards.

3- Unifying the presentation of financial statements will be more beneficial, as IFRS 18 sets out enhanced guidance on how to organize information and whether it should be presented in the primary financial statements or in the notes. It also requires companies to provide greater transparency around operating expenses, helping investors find and understand the information they need.

From the above, it becomes clear to the researcher that economic units must collect or classify information, primary financial data and accompanying notes based on common characteristics as well as non-common characteristics and thus classify them. This classification process must be clear and within a framework of transparency for the purpose of communicating it to all beneficiaries, especially investors, as this process contributes to their making relevant and appropriate decisions in a sound and accurate manner.

The standardization of accounting data contributes to the comparability and transparency of financial reports. This helps stakeholders analyze and compare the financial performance of different companies within the same sector in a consistent and simple manner. This comparison is crucial for investors, creditors, and other stakeholders in making important decisions regarding resource allocation, investment opportunities, and risk assessment. Furthermore, standardized accounting data enhances consistency and reliability in financial reporting, reducing the potential for manipulation or misinterpretation of financial information. Overall, the standardization of accounting data contributes to enhancing confidence in financial markets, which ultimately contributes to economic stability and growth (Gitman & Zutter, 2019: 3).

2-4- Requirements under IFRS 18:

1- General requirements for financial statements:

The general objective of financial statements is to provide useful information to stakeholders through (the statement of financial performance for a specific period, the statement of financial position, the statement of cash flows, and the statement of changes in equity). Stakeholders benefit from these statements for comparison between prior periods and the current or required period. Under this standard, management is also required to disclose its accounting policies regarding the classification of items in its financial statements (Deloitte, 2024; 5).

2- Specific requirements under the application of IFRS 18: There is a set of requirements, which are as follows:

First: Profit and Loss Statement: According to this standard, all income and expense items for the reporting period must be included in the profit and loss statement, unless IFRS 18 requires otherwise (Sharaf, 2024: 944). They must be classified into one of five income categories: (IFRS 18, 2024: 7)

A. The first category is operating (operating income), i.e., revenues and expenses related to the main operating activity.

B. The second category is investment (income from investment), which comes from real estate investment, interest, profits, or losses on assets.

C- Category 3: Financing (income from financing) Obtaining income from financial obligations.

D- Category 4: Income from taxes.

E- Category 5: Income from discontinued operations.

Second: Statement of comprehensive income: Under this standard, economic entities are required to present total comprehensive income, including profit or loss and other comprehensive income, i.e., to present or disclose explanations and adjustments for the purpose of reclassification related to the components of comprehensive income.

Third: Statement of Financial Position: The statement of financial position should be presented in more detail, detailing current and non-current assets and liabilities in a more useful manner unless the presentation is based on liquidity.

Fourth: Statement of Changes in Equity: Shows details of income attributable to owners and equity in detail for each component, disclosing any adjustments to subsidiary interests and any changes therein.

Fifth: Management's Determination of Performance Measures (MPMs): One of the requirements for implementing IFRS 18 is for management to determine the performance measures it uses. The primary purpose of this is to help users of the financial statements understand the performance aspect through disclosure.

Sixth: Clarifications: When adopting the application of IFRS 18, it is necessary to clarify and present information related to the principles followed in preparing financial statements, including the policies and procedures followed in preparing and presenting financial statements in accordance with international standards. (Saeed, 2024: 217). From the above, the researcher finds that IFRS 18 addressed many of the gaps present in IAS 1, and kept pace with the changes required by the environment and modern technology. Furthermore, the presentation and disclosure of financial information contributed to the following:

1. Unification of the presentation of financial statements.
2. Delivery of information to beneficiaries according to a unified performance model (performance measures).
3. Delivery of information and the possibility of comparison by different beneficiaries.

To summarize, the above, the implementation of IFRS 18 contributes to the delivery of information to all different beneficiaries, primarily investors, in a better, clearer, and less complex manner.

Axis Three

Quality of Accounting Information According to IFRS 18

When discussing information quality, it is necessary to address the following:

3-1- Qualitative Characteristics of Financial Information

One of reasons to contribute achieving information quality is that the information contains a set of characteristics that distinguish it and make it suitable for the purpose for which it is used. Accordingly, these characteristics must be addressed in this research, as they have been classified into:

Fundamental qualitative characteristics: These are represented by two characteristics: (Keiso & et al, 2014: 33):

A - Relevance: Relevance refers to ability of financial information to influence users' decisions. To be considered relevant, it must have the following characteristics:

- Information with predictive value that assists investors in the decision-making process, particularly regarding investment in economic units or stocks and their purchase.
- Information with confirmatory value, meaning Information contained in Financial Statements is relevant to actual changes that have occurred , and thus serves user of Information to correct a lot of previous expectations .
- Materiality , It's about the importance degree of information provided is determined by whether it is omitted or misunderstood , becomes a key factor in the decision-making process. Thus, relevance makes accounting information useful in economic decision-making . Information must influence or make a difference in decision to be considered relevant for

economic decision-making . It helps users of financial reporting predict future by examining results of past , present , and future events . This means that characteristic Contains both predictive and feedback value , and therefore must be available to users at appropriate time.

B - Faithful representation : means information accurately depicts the economic reality it purports to represent. This is critical, as many financial statement users lack the expertise or resources to verify its accuracy. Financial statements must be characterized by following:

- Completeness , meaning they provide actual, unmisleading information.
- Neutrality, meaning they are free from bias toward one party over another, as in lawsuits. They must be reliable.
- Free from errors, meaning they are free from errors, giving the impression of greater accuracy.

Here, it can be said that faithful representation occurs when information is reliable and faithfully represents the financial transactions and other events that it is supposed to represent or could reasonably be expected to express. Thus, for example, the balance sheet must faithfully represent all financial transactions and other events that create assets, liabilities and equity for the enterprise at the date of the financial reporting in accordance with the recognition criteria.

3 – 2- Enhancing qualitative characteristics.

Secondary qualitative characteristics refer to the following: (Abu Nassar and Hamidat, 2018: 7-11):

Comparability: Financial information must exhibit *cross-sectional* and *temporal comparability* to facilitate rational decision-making among stakeholders. Comparability can also be expressed as providing users of financial statements with the ability to compare the reports of an economic unit with those of previous years to determine whether the deviation is favorable or unfavorable, and thus evaluate performance of economic unit.

B. Verifiability : Information provided in Financial Reports yields same results regardless of who prepared them, thus serving as a strong indicator of their credibility.

C. Timeliness: Providing information at the appropriate time for decision-making enhances its usefulness and, consequently, increases the quality of the decisions based on it. Furthermore, the information provided changes rapidly due to surrounding circumstances, so its delay renders it invaluable and renders it useless.

D. Understandability : Financial information must be presented in a clear and coherent manner to ensure its comprehensibility by users with diverse levels of financial literacy. While understandability was traditionally classified as a fundamental qualitative characteristic, contemporary accounting frameworks recognize it as an essential enhancing attribute that facilitates effective decision-making .This characteristic presupposes that users possess:

Foundational knowledge of business operations and economic concepts

Basic familiarity with accounting principles and terminology

Sufficient diligence to analyze the information with reasonable effort

The principle of understandability does not imply excessive simplification that might compromise the completeness or relevance of financial data, but rather emphasizes the importance of logical organization and appropriate disclosure techniques to enhance user comprehension.

However, financial reporting should not omit economically relevant information needed by decision-makers solely because it may be too complex for ordinary users. The conceptual framework serves as the foundation for accounting standards, and ensuring the comprehensibility of accounting information is a fundamental challenge for standard-setters. This requires standards to address sensitive and complex topics effectively.

To identify impacts on the quality of accounting information, Herath classified the characteristics associated with information quality, based on common conceptual framework for financial reporting of FASB and IASB, as follows (Herath, 2017: 4-5):

1. Relevance.
2. Reliability.
3. Comparability.
4. Understandability.
5. Timeliness.
6. Faithful representation.

From previous we note characteristics that it differs from previous classification of reliability, excluding previously mentioned characteristics of verifiability. From what was previously mentioned, we note that these characteristics do not deviate in their content from what is required of them to serve decision-makers, whether internal or external. The researcher believes that the standard is based on uniformity in the presentation and disclosure of the following data. Its application will have a range of impacts, which may be negative or positive, that can be included and discussed.

3- 3- Implications of Implementing IFRS 18

It can be argued that IFRS 18 is based on standardization of presentation and disclosure, and therefore will have both positive and negative impacts, as follows:

First: Positive impacts, as follows:

1- Improving Quality of Accounting Information: IFRS 18 aims improve Quality of Accounting Information by providing clear and specific guidelines on how to present financial information in Financial Statements (IFRS, 2018: 12).

2- Increasing transparency: IFRS 18 requires banks to disclose financial information in a clear, specific, and standardized manner, which contributes to increased transparency in financial statements (Deloitte, 2020: 15).

3- Improving comparability: IFRS 18 aims to provide clear and specific guidance on how to present financial information in financial statements, contributing to improved comparability between banks through uniform presentation (PwC, 2020: 20).

4- Implementing the standard will contribute to reducing manipulation by reducing subjective judgments resulting from the lack of uniform presentation methods for financial statements, which the standard will address. (Barth et al., 2023: 145)

Second: Negative impacts include the following:

1. Increased costs: Implementing IFRS 18 may lead to increased costs for banks, particularly with regard to employee training and systems updates (KPMG, 2024: 25).

2. Increased complexity: Implementing IFRS 18 may lead to increased complexity in financial statements, particularly with regard to presentation and disclosure (EY, 2024: 30).

Fourth Axis

Practical Aspect

To achieve the research objectives, the researcher relied on an examination form as the primary tool for data collection. This was used to analyze the extent to which current practices comply with the standard's requirements and assess its impact on accounting quality indicators such as relevance and optimal representation. The importance of the study stems from the Iraqi banking sector's need to keep pace with international standards to enhance investor and regulatory confidence.

This research attempts to shed light on the practical aspects of IFRS 18, while offering recommendations that may contribute to improving the efficiency of financial presentation and disclosure in the banks under study.

First: Banks

The banking sector is one of the most important sectors, keen to keep pace with the latest developments and provide its services to all beneficiaries at various levels. It represents the economic development of countries. Accordingly, this sector strives to implement the latest developments and keep pace with the latest developments . Application of Financial Reporting Standards is a requirement achieving uniformity and keeping pace with the latest developments.

Second: Research Community:

The researcher relied on the following scientific research tools to arrive at the research results:

- **Personal interviews.**

- **Examination form.** (Checklist)

To achieve the research objective, the research community was selected, consisting of finance department managers, accountants, and auditors working in five banks that were pioneers in implementing the standards (Financial Reporting Standards). These banks are among the 24 banks listed on the Iraq Stock Exchange, thus constituting more than 20% of the sample size. Questions were also directed to a group of auditors working in auditing offices assigned to audit the sample banks. They were chosen because the banks are located

in approximately the same geographical area, facilitating the researcher's mobility and cooperation. The selected banks are:

1. Investment Bank of Iraqi
2. Bank of Baghdad
3. Credit Bank of Iraq
4. Trans Iraq Bank For Investment
5. National Bank of Iraq

A- Personal interviews

This was done by conducting personal interviews with a group of managers, accountants, and auditors working in the banks mentioned. During these interviews, (72) examination forms were distributed to the research community, as in the Personal Interviews Table No. (1):

Table (1) Personal interviews				
N	Job Title	Date	Interview Time	Number of Applications
1	Department Managers	2025 /2/5 2025 /2 /6 2025 /2 /12	1 hour	15
2	Accountants and Auditors	2025 /2 /5 2025 /2 /6 2025 /2 /12 2025 /2 / 13	1.5 hours	57
Total			72	

(Source: Prepared by the researcher)

Table (2) Gender		
Gender	Frequencies	Percentage
Male	43	% 59.7
Female	29	%40.3
Total	72	100%

(Source: Prepared by the researcher)

Table (3) Age		
Age Group	Frequencies	Percentage
30-20	22	%30.5
40-31	27	%37.5
50-41	14	% 19.5
51 or more	9	12.5%
Total	72	100%

(Source: Prepared by the researcher)

Table (4) Academic achievement		
Academic achievement	Frequencies	Percentage
Bachelor's	64	%89
Master's	5	%7
PhD	2	%2.7
Other	1	%1.3
Total	72	%100

(Source: Prepared by the researcher)

B - Examination Form (Checklist):-

Questions were directed directly to a number of accountants, account managers, and auditors from the research sample (banks). This was done after explaining the standard. Some sample members had prior knowledge of the standard, given that this banking sector meets business needs, keeps pace with developments, and monitors IFRS releases. Furthermore, the standards are already being applied, so this standard will amend or improve the part or purpose for which IFRS 18 was created. Therefore, matters related to the application of IFRS 18 (presentation and disclosure), the implications of its application, and its relationship to accounting information and its quality were clarified. The answers were as shown in Table (5), regarding the possibility and implications of applying IFRS 18, and Table (6), regarding the implications of the standard's application on transparency, reliability, disclosure, and classification of revenues and expenses, and reducing manipulation, as follows:

Table (5) Adoption of the application of IFRS 18 Presentation and Disclosure			
N	Questions	Yes	No
1	The application of IFRS 18 Presentation and Disclosure will improve the transparency of financial statements in banks.	72	0
2	The application of IFRS 18 requires more detailed disclosures than currently applicable standards and standardizes the performance measures determined by management.	72	0
3	Disclosures under IFRS 18 will increase investor confidence in financial statements.	50	22
4	There are currently indications or interests to know the financial reporting standard or the possibility of its early implementation.	20	52
5	Banks face technical difficulties when implementing IFRS 18	44	28
6	There is an expectation of an increase in IFRS 18 compliance costs.	60	12
7	Are there any current legislation or instructions issued by the Central Bank requiring banks to implement Financial Reporting Standard 18?	16	56
8	The implementation of IFRS 18 contributes to increasing confidence in financial statements and thus improves the increase in financing in banks.	50	22
9	Banks need additional training for their employees to adopt the application of IFRS 18.	72	0
10	Should banks develop a plan to define the scope for the purpose of preparing for the implementation of IFRS 18?	54	18
11	The implementation of IFRS 18 Presentation and Disclosure will require changing many of the technical programs adopted by banks.	54	81
12	Regulatory bodies will contribute to ensuring the implementation of IFRS 18 in banks?	63	9
13	Can banks quickly adapt to the requirements of the new standard IFRS 18?	55	17
14	14. Does the adoption of IFRS 18 pose a challenge for banks compared to other previously implemented standards?	62	10
15	15. Does the implementation of IFRS 18 constitute a step toward standardizing the presentation of financial statements, free from any personal judgments or opinions of the preparers of these statements or the management responsible for them?	70	2
Total repetitions of /1080		814	275
Ratio		% 75	%25

(Source: Prepared by the researcher)

Indicator	N	Questions	Yes	No
The Standard's Impact on Enhancing Transparency	1	The application of IFRS 18 contributes to enhancing the transparency of financial statements due to the clear and specific disclosure requirements required by the application of the standard regarding revenues and expenses.	72	0
	2	The application of IFRS 18 increases the clarity of accounting information in the financial statements, especially with regard to the classification of operating and non-operating revenues and expenses.	62	10
	3	Will the application of IFRS 18 contribute to improving the disclosure of financial information in the financial statements, which will increase the confidence of the beneficiaries of the financial statements?	50	22
The Standard's Impact on Reliability	4	Do you think that implementing IFRS 18 will contribute to improving the reliability of accounting information in financial statements, due to the requirements for accurate recording and specific standards?	50	22
	5	Does the application of IFRS 18 have a positive impact on reliability of accounting information in financial statements , especially with regard to presenting financial information in a reliable and documented manner?	60	12
	6	Do you think that implementing IFRS 18 will contribute to reducing errors in accounting information, thus increasing the reliability of financial statements?	37	35
The Standard's Impact on Disclosure	7	Do you think that implementing IFRS 18 will contribute to improving the disclosure of financial information in financial statements, especially with regard to operating and non-operating revenues and expenses?	55	17
	8	Does the application of IFRS 18 affect the level of disclosure of financial information in the financial statements, which increases the transparency of the financial statements?	45	27
	9	Will the implementation of IFRS 18 contribute to providing more accurate and reliable financial information to beneficiaries?	65	7
The Standard's Impact on Classification of Revenue and Expenses	10	Will the application of IFRS 18 contribute to improving the classification of operating and non-operating revenues and expenses in the financial statements?	66	6
	11	Does the application of IFRS 18 increase the clarity of the classification of revenues and expenses in the financial statements, making the financial statements easier to understand?	65	7
	12	Will the application of IFRS 18 contribute to reducing financial manipulation and misinformation resulting from misclassification of revenues and expenses based on management's own judgments?	54	18
The Standard's Impact on Reducing Financial Manipulation and Misinformation	13	Does the application of IFRS 18 contribute to reducing financial manipulation and misinformation resulting from unclear accounting information?	54	18
	14	Does the application of IFRS 18 contribute to reducing the level of financial manipulation and misrepresentation in financial statements, which increases the confidence of all beneficiaries?	55	17
	15	Does the application of IFRS 18 help improve the quality of accounting information, thus reducing manipulation and personal judgment in preparing financial statements?	53	19
Total repetitions of /1080			843	237
Ratio			%78	%22

(Source: Prepared by the researcher)

The researcher analyzed the examination form as follows:

1- Table No. (5) (Adoption of IFRS 18 Presentation and Disclosure) where the percentage of "yes" responses was calculated as follows:

$$\text{Percentage} = \text{Total frequency of "yes" responses} / (\text{Number of questions} * \text{Sample size})$$

Percentage of the possibility of applying the standard and the effects of its application = $814 / (15 * 72) \cdot 814 / 1080 = 75\%$

2- Table (6) (Indicators of transparency, reliability, disclosure, classification of revenues and expenses, and reducing manipulation), where the percentage of "yes" responses was calculated, i.e., the positive effects of applying the standard on the quality of accounting information in general, and it was as follows:

Percentage = Total frequency of "yes" responses / (Number of questions * Sample size)

Percentage of implementation = $843 / (15 * 72) \cdot 843 / 1080 = 78\%$

The positive effects of implementing IFRS 18 on the quality of accounting information can be demonstrated as follows: The sample with positive responses, totaling 843 out of 1,080 responses from 72 individuals who were asked the research questions, reported that the increase in transparency resulting from implementing IFRS 18 represented approximately 21.8% of the total sample. The increase in reliability represented 17.4% of the total sample. The increase in disclosure resulting from implementing the standard represented 19.6% of the total positive sample. The unified classification and presentation of revenues and expenses represented 22%. Finally, the reduction in manipulation, personal interpretation, and misinformation represented 19.2%. These are close percentages, demonstrating that the opinions were close and evidence of the credibility and consistency of the questions. This means that implementing the standard will address many of the questions posed by users of the accounting information provided by financial reports. Implementing this standard will also lead to the unification of information presentation in financial reports. Thus, the road is closed to interpretations and the performance measures determined by management are unified, through the unification of the presentation of financial position items, and thus it will contribute to the possibility of comparison by the beneficiaries of these financial statements, primarily current and future investors.

Based on the results reached by the researcher, and through analyzing the examination form in Tables (5 and 6), it is clear that the percentage of importance of implementing the Financial Reporting Standard IFRS 18 is 75%, and its expected effects in achieving an increase in transparency and enhancing it with reliability, reducing manipulation, and standardizing the data presentation process are 78%, which is a very high and good percentage for contributing to enhancing the quality of financial reporting in the banking sector. Returning to the research hypothesis, which states:

The adoption of IFRS 18 (Presentation and Disclosure) improves the quality of accounting information in banks by enhancing transparency, reliability, disclosure, and classification of revenues and expenses, and reducing manipulation in the presentation of financial statements.

By comparing the results above, we have proven the validity of the hypothesis and thus accepted it. This means that adopting the application of IFRS 18 (Presentation and Disclosure) contributes to improving the quality of accounting information in banks by enhancing and increasing transparency, reliability, and disclosure, and by standardizing the classification of revenues and expenses. The application of the standard also contributes to reducing manipulation in the presentation of financial statements.

From the above, it can be clarified that the implementation of IFRS 18 Presentation and Disclosure contributes to improving Quality of Accounting Information . Furthermore, implementation standards in general is widely accepted as it contributes to converging viewpoints. What concerns us is the extent of its impact on Accounting information and, consequently, its impact on beneficiaries that accounting information and its Quality. The standard will contribute to improving the quality of accounting information through the following:

1. Enhancing the transparency and detail that the standard seeks to implement.
2. Increasing disclosure of revenues and expenses and standardizing performance measures by departments.
3. Classifying revenues and expenses into operating and non-operating.
4. Consequently, the above will provide beneficiaries with a clearer picture of financial performance through the accounting information provided by the implementation of IFRS 18.
5. The standard will contribute to reducing differences in presentation and disclosure methods, which contributes to enhancing comparability among banks and among beneficiaries of financial statements and their information.

In conclusion, there are proactive measures that must be taken in preparation for its implementation, as follows:

1. Implementing IFRS 18 requires a significant transition from the current presentation standard, IAS 1, to the new standard.
2. It requires more detailed disclosures about accounting policies and the basis of measurement, which reduces financial opacity and enhances investor confidence. It also requires standardization of programs and records.
3. Reducing discrepancies in accounting practices through standardization of presentation and disclosure.
4. Standardization of presentation and disclosure requirements reduces subjective estimates, personal judgments, and differences between banks and their procedures, which increases data reliability.
5. Increase comparability through standardization.
6. Standardization of presentation structures (such as separating operating and non-operating revenues and liabilities) to facilitate performance comparisons between banks.
7. Focusing on disclosing information relevant to user decisions (such as risks and profitability fundamentals), which enhances the quality of financial statements.
8. The implementation of standards and the obligation to implement them by the Central Bank of Iraq, including Financial Reporting Standard 7 (IFRS) and Financial Reporting Standard 9 (IFRS), has led to changes in programs to comply with these standards. Consequently, this change is costly.
9. It is essential to proactively train employees on programs preparing for the standard's implementation and educate them on the information related to this standard in preparation for its implementation.

Axis Five

Conclusions and Recommendations

First: Conclusions

1- Banks apply financial reporting standards because they are obligated to comply with these standards by relevant authorities. Therefore, there are some issues that exist, but the implementation of IFRS 18 will contribute to further strengthening them.

2- The implementation of IFRS 18 meets the needs of many stakeholders, primarily investors, as it answers their inquiries through the quality of information obtained through the standardization of data presentation. The standard also settled the controversy and questions raised by financial statement users, as it required the standardization of presentation and disclosure of financial statements upon its implementation.

3. If implemented, IFRS 18 will lead to the standardization of financial performance measures across departments, thus increasing comparability among units within the same sector.

4. IFRS 18 will contribute to reducing the use of subjective judgment through the process of standardizing the presentation of financial statements.

5. Implementing IFRS 18 will require proactive steps through training employees in economic units.

6. Implementing the financial reporting standard and standardizing the presentation of financial reports will ensure that sectors comply with the application of financial reporting standards through the standardization process.

Second: Recommendations

1. Economic units should work to prepare and take all accounting and technical measures to meet the requirements of this standard. Banks should keep pace with any developments in response to labor market requirements by seeking to implement IFRS 18 and taking proactive measures in preparation for its implementation.

2. Survey investors' opinions to understand and understand their needs as a proactive step toward implementing this standard.

3. Management should hold meetings and workshops to standardize, study, and standardize the required financial performance measures.

4. Departments should raise awareness among banking sector employees and direct their expertise to utilize it in implementing the aspects of this standard.

5. Work to engage employees at all levels in understanding and comprehending this standard and verifying the costs incurred by its implementation.

6. Work and intensify efforts to identify programs that support the implementation of this standard, as it is based on the retrospective unification of some financial statement items, which requires updating or acquiring modern accounting programs and applications that keep pace with this standard.

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