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Abstract
The research aims to demonstrate the modified role of the (IFRS15) standard in the relationship of profit quality with the complexity of financial reports within the Iraqi banking sector. The sample research included the financial reports of some of the banks listed in the Iraqi stock exchange for (15) Bank from (2011) to (2021) with (165) view. Both researchers used these measures to evaluate the earnings quality: the quality of Accruals and the accounting conservatism according to the market value of equity to book value. The complexity of financial reports was measured by the volume of disclosure, while the International Financial Reporting Standard (IFRS) was measured by relying on (10) indicators as evidence of the application of the five steps of this standard. Research has concluded a significant negative correlation between the earnings quality and the complexity of financial reporting and that this relationship becomes more negative with the adoption of IFRS15.

Keywords: Earnings quality (EQ), complexity of financial reporting (CFR), (IFRS15), banking sector (BS).

Introduction
Financial reports are the main means of communication between the company and users of financial information from different stakeholders, and help decision makers in the different decision-making process through the information they provide. It is also an early warning tool for stakeholders by predicting the company's possible future failure, growth and success. Therefore, the information contained in the financial reports must be accurate, reliable, low complexity, readability and understandable by users in order to achieve its intended purpose.
diversity of domestic and international accounting standards and their flexibility in processing, preparing and expanding disclosure may have played a part in that complexity. This has led accountants to think harder to alleviate that complexity and to standardize international disclosures by developing a single set of high-quality, understandable, enforceable and internationally accepted financial reporting standards. This contributes to making financial reporting more useful to its users by providing useful information to various decisions. The quality of financial reporting and the information contained are linked to the quality of international financial reporting standards (IFRS). This quality of standards is reflected in the creation of an enabling environment for clearer, more understandable and reliable reporting of the accounting figures contained, essentially the outcome of the activity and the quality of the accounting profits. Researchers' interest in the concept of earnings quality has not been recent but has grown and evolved over the past years, as the concept is a useful tool for analyzing a wide range of concepts. Such as lack of information asymmetry, quality of accounting systems, comparison of industry financial reports and international levels to determine the quality of the company's current and future performance, as well as EQ is an indicator of the complexity and readability of financial reports.

Based on the above, the research was divided into five topics. The first examined the methodology for research. The second examined the concept of EQ and the factors affecting them. The third examined the theoretical framework for CFR. The fourth dealt with the practical analysis of the research and the described and discussion of the most important results of the hypotheses. The fifth dealt with the most important conclusions reached by the research.

1. Methodological framework for research

The research seeks to demonstrate the modified role of the (IFRS15) standard in the relationship of EQ with CFR within the Iraqi BS by presenting the research methodology of the research problem, identifying the importance of the research, and indicating the objectives to be achieved from this research.

1-1. Research Problem: The problem of research is identified in the quest to demonstrate the modified role of the "IFRS15" standard in the relationship of EQ with CFRs within the sample of banks approved in the search. The above can identify the problem of research with the following questions:

a. Does EQ relationship vary with CFR with the adoption of the "IFRS15" standard?

b. Does the impact of EQ vary in CFR (depending on the volume of disclosure) with different adoption of the "IFRS15" standard?
1-2. Research importance: The importance of research is the scarcity of research in Arabic regarding CFRs as one of the problems facing accounting disclosure that relates to the readability of financial reports by users.

1-3. Research objectives: In the light of what has been presented through the research problem and its importance, the main objective of the research is to demonstrate the relationship between EQ and CFRs under the IFRS9 standard within the Iraqi banking sector within the Iraqi banking environment.

1-4. Default Research chart: Depending on the research methodology and general framework, a virtual research model is designed to demonstrate the relationship between the independent variable (EQ) and the dependent variable (CFR) under the interactive variable standard (IFRS15), and figure 1 shows the relationship between the search variables.

**Figure (1) Model search variables**

1-5. Research hypotheses: By presenting the research problem, research hypotheses can be formulated as follows:

(H1). First hypothesis: EQ relationship varies with CFR under the adoption of IFRS15.

(H2). Second hypothesis: The impact of EQ on CFR (depending on the volume of disclosure) varies with the adoption of IFRS15.

1-6. Research boundaries: The scientific boundaries of the research were three variables, namely, EQ, CFRs and (IFRS15), while the spatial limits of the research were limited to a sample of Iraq’s 15 banks listed on the Iraqi stock exchange. The time boundaries for the research were limited to 11 financial years from 2011 to 2021.

1-7. Research methodology: both researchers in this research relied on two basic entry points of scientific research, the descriptive entry accounting literature on the subject matter, particularly with regard to the theoretical aspect, based on university theses, research and studies published in the proceedings of scientific conferences. As well as books,
articles and research published on Arab and foreign websites. The applied entry based on data published electronically for the Iraqi banks' sample from 2011 to 2021.

2. The concept of EQ and factors affecting

The research included the theoretical rooting of EQ, as well as an indication of the most important motives for doing it, thus determining its relevance.

2-1. The concept of EQ: There are a lot of studies like (Dechow et al., 2010) (Scarso.,2019), which dealt with the concept of EQ, the entry points for its measurement, its different relationships and influencing factors. However, there is no clear and common definition of EQ as the definition in each study depends on the study's ultimate objective the concept of EQ varies from study to study due to the fact that EQ is a combination of basic financial performance and the ability of the accounting system to measure it. EQ determined by the extent to which the company can continue to make profits in the future.

EQ can be analyzed through different perspectives, Ewert & Wagenhofer, (2012:124) define earnings quality as reducing market uncertainty about future cash flows due to profits recorded during the period or that level of profits that accurately represents the company's intrinsic value. While Dechow & Schrand, (2004: 5) refer to EQ "in permanent profits" or the continuity of profits, i.e. the ability of the company to continue to make profits in the future.

Kamarudin & Ismail., (2014:227) also define EQ as the extent to which the reported profits genuinely represent the company's income during the period, meaning the secretariat in recording transactions or agreement between the measure or description and the phenomenon it is supposed to represent.

Obeid, (2017: 697) defines EQ as the degree to which profits are genuinely reflective of the company's future profits, appropriate, predictive and continuous in order to be beneficial to financial reporting users in making their decisions.

2-2. Factors affecting EQ: There are many factors affecting EQ:

First: Accounting conservatism: the definitions of an accounting qualification tended to be based on the accountants' policy of caution and precautions in measuring profits, losses and valuation of assets and liabilities. As the accounting qualification in this case is based on recognition of the depreciation of assets "Recognition of expected losses in the preparation of financial statements", on the one hand. On the other hand, non-recognition of expected profits, i.e., the authors of financial statements must be pessimistic in their numbers of financial
statements in the event of uncertainty (Amash, 2021:17). The accounting conservatism is divided into two types (Hussein & Amash, 2021: 22-23), (Hussein et al., 2020:67), (Hussein, 2018:52):

a. Conditional accounting conservatism: The difference in the timing of recognition, or the recognition of future news about losses more than profits (ex-post conservatism).

b. Unconditional accounting conservatism: Recognition of lower values for net assets or lower values for shareholders' rights (ex-ante conservatism).

Thus, an accounting qualification may mislead accounting information where it is shown in values different from its real values, where a conservatism misleads the company's income and shows it in value different from its real value. Overstating inventory and income values and increasing expenses and liabilities results that are no less serious than overstating inventory and income values and decreasing expenses and liabilities as detrimental to users of accounting information. (Mosleh, 2015: 40-41) Accounting qualification is one of the factors influencing the earnings quality as the results of a study showed Yasa et al., (2019: 93) that the accounting conservatism had a positive impact on EQ. The accounting conservatism would lead to the production of high-quality financial reports because it could suppress the Administration's opportunistic actions and reduce illicit manipulations.

From the foregoing, both researchers consider that an accounting qualification may increase EQ, since an accounting qualification limits opportunities for managing profits and manipulating financial statements by management when making financial reports and also reduces the risk of an excessive dividend by management.

Second: Earnings Management: Earnings Management is defined as the deliberate misrepresentation of profits disclosed in financial statements, resulting in values significantly different from what real profits can be in the absence of manipulation and deliberate misrepresentation (Allozy, 2013:10), (Hussein et al.,2018:2661). Profits presented in the financial report can affect the company's decision-making process, as investors and analysts use these figures to determine the company's profitability and assess the investment potential of the company, so management will try to disclose a great deal of profits because it wants to show that the company is in good shape. Companies also use earnings management to ease profit volatility and provide more consistent profits from period to period. Large swings in income and expenses may be a natural part of the company's operations. But these changes in profits may cause concern for investors who prefer to see stability and growth in profits as reflecting the overall status of the company (Hernawat et al., 2021:105), (Hussein & Mahmood, 2021:17). A study Mahmoud, (2020:62) found a reverse relationship between earnings management
and earnings quality are managed through deliberate manipulation of operational expenses and their inclusion in non-recurrent expenses; Some companies also include profits and Accruals from sales of installments and capital profits from the sale of assets in operating revenue for the purpose of maximizing profits, which adversely affects EQ.

Both researchers believe that the earnings management is a set of deliberate practices by the management for the purpose of manipulating the profits disclosed during the financial period with the aim of showing the company the best image in front of the users of the financial reports. Earnings management, as evidenced by previous studies, there is a correlation between earnings management and its quality.

Third: The company size: The size of the company can be measured and classified in a number of ways, including total assets and equity value. Company capital or sales can also be used to measure the size of the company. The size of the company is divided into three categories, namely large companies, medium companies and small ones. The company size is shown according to the size and number of assets owned by the company. Companies with large assets will use existing resources to the maximum extent possible to maximize the company's profits. Of course, companies with small assets will also earn profits from small assets but relatively according to their holdings (Nugraha et al., 2021: 65). The company size is one of the factors influencing EQ, as the results of the study Hamdan, (2012: 288) that large-sized companies enjoy higher EQ than medium and small-sized companies.

From the foregoing, both researchers believe that the size of the company may affect EQ. In contrast to small and medium companies with large capital, large companies have significant capital as well as management and financial expertise, as well as greater market share, which makes them more likely to make profits continuously, as well as to be more binding on small companies to apply accounting standards.

Forth: Leverage: Leverage is a group of funds provided by owners and lenders that companies use to finance their own projects that contribute to profits. It represents the proportion of the company's dependence on other people's funds to finance its investments (Al-Asairi, 2022:21). According to Sukmawati et al., (2014:28) if the company has a high level of leverage, this means that the company relies heavily on external loans to finance its investments, on the contrary, if the company has a low level of leverage, it means that the company uses its capital to finance its investments. This ratio demonstrates the company's ability to meet all of its financial obligations in the event of the liquidation of the company In this case, investors are not interested in investing because they believe that the company will prioritize the payment of debt and loan interest rather than dividends. If leverage is high, it will encourage
management to do different ways to continue attracting investors. The real financial situation of the company may not be reported as the failure to present financial reports according to the company's real circumstances will affect the items profit", i.e. a decrease in EQ, because the profits included in the financial reports are not presented on the basis of actual circumstances, and if leverage is low. The company has little debt and shows that the company's condition is improving. This encourages the company to provide real financial information to show that the company is in good condition, which is why it can be concluded that the higher the leverage ratio, the lower EQ, the lower the leverage the higher EQ, i.e. there is a reverse relationship between the leverage ratio and EQ (Murniati, 2019: 86-87).

Fifth: Capital adequacy: The capital adequacy ratio indicates the company's ability to withstand potential losses and the ability to meet its obligations. The high capital adequacy ratio indicates that the company has the capacity to protect investors' rights and ensures that the company is able to meet obligations and is able to meet various risks such as operational, credit and market change risks. Capital adequacy is calculated as a ratio of equity to total assets. Several studies have indicated that there is a positive correlation between the ratio of capital adequacy and the earnings quality of companies' (Anbar & Alper, 2011:144) (Almaqtari et al., 2019:5). As the increase in company capital achieves many franchises, one of these privileges is the company's financial stability, which enhances its ability to meet future risks. As well as enhancing investor confidence, and optimal investment in capital leads to higher company profits and through this, it is clear that increasing capital adequacy increases the continuity of profit-making for companies (Mushkur and Fellah, 2020:111) and thus enhances the earnings quality.

Adoption of International Financial Reporting Standards (IFRS): The underlying objective of developing (IFRS) is the development of one set of high quality, understandable, enforceable and internationally accepted financial reporting standards. The "quality of the standard" is interpreted as its ability to provide useful information to the decision, reflecting this quality of the standards in creating an environment conducive to the preparation of clearer, more understandable and reliable financial reporting with the accounting figures it contains. Which is mainly the result of the activity of the companies and EQ (Ewert & Wagenhofer, 2012: 115), (Mahmood et al., 2018: 2279). EQ is linked to the adoption of (IFRS), where the results of (Houqe et al., 2012:350) study showed the following:

a. The adoption of (IFRS) in an environment of weak investor protection does not improve EQ.

b. Increasing investor protection without adopting (IFRS) does not improve EQ.
c. The adoption of (IFRS) improves EQ.

3. The theoretical framework for CFRs

3-1. The concept of CFRs: Narrative (textual) disclosure represents the vast majority of the content of companies’ financial reports, averaging 80% of the annual financial report, as opposed to the remaining 20% consisting of figures and representative forms of quantitative data. These narrative disclosures should therefore be simple, clear and low in complexity, making it easier to understand and interpret the information contained in financial reports by users of them, thus assisting in the different economic decision-making process (Lo et al., 2017: 2). Narrative disclosure is an important complement to financial reports and their figures, so the quality of information in the narrative section is important for evaluation and decision making (Sahyda et al., 2019: 163). Conceptual Framework of the American Financial Accounting Standards Board (FASB) also defined the objective of financial reporting as providing financial information about the reporting company that would be useful to current and potential investors, lenders, creditors and other users in making decisions about the company's resourcing (Shakespeare, 2020: 425). So The United States stock exchange Trading Authority is therefore concerned with the ability of financial reporting users to understand and recognize the information contained in these financial reports. To this end, numerous measures have been taken to make financial disclosures simpler and more readable and understandable by different users whenever the disclosures are complicated and excessive or far from their primary purpose. This makes it difficult to select appropriate information, thereby limiting the usefulness of users' financial reports in the process of making various economic decisions (soldier, 2020:3), as a result of the disclosed CFRs.

Hesarzadeh & Rajabalizadeh, (2020:2) defines CFR as generally indicating the complexity of the interpretative language surrounding a company's financial reporting.

Jad, (2021:597) defined CFR as the growing difficulty for financial reporting users to understand and interpret the information contained in these reports to determine the economic essence of business transactions, the financial situation and the results of the company's business during a given period. Koholga & Jerry, (2016:56) has identified it as a financial reporting phenomenon with much information and limited ability to process such information by users. CFR is a difficult situation for users to read, understand and analyses the information contained in the financial report.

Ali, (2022: 177-178) determined CFR as how different stakeholders are able to absorb and understand the information contained in the financial report and the possibility of identifying appropriate information with a view to making rational economic decisions.
Shahata, (2020: 26) identified CFR as a state of difficulty in understanding and applying to different stakeholders (users of financial reports), thus misleading and concealing the true image of the company and its financial performance during a certain period.

3-2. Various concepts of CFRs: There are many concepts that have been used by researchers to study CFRs, including:

a. CFRs: is identified as the degree of difficulty, ambiguity and uncertainty in the information contained in financial reports and related to transactions or applicable accounting standards (Peterson, 2012:75).

b. Readability of Financial Reports: Readability is determined as the ability of investors, analysts and other financial reporting users to absorb appropriate information for valuation and rational decision-making based on information included in financial reports (Nguyen & Kimura, 2018:4). Sharaf, (2021:127) also defined it as the degree of coherence in writing reports and an effective communication method to communicate financial information to its users in a way that makes it more appropriate for decisions, by disclosing it in a simpler, clearer, readable and understandable manner, enabling its users to absorb and interpret it.

In this context, a distinction must be drawn between readability and understandability, both are linked to effective accounting disclosure. "Readability measures the text difficulty of a passage, while comprehensiveness measures the reader's ability to acquire knowledge from the text, and depends not only on grammatical difficulty, but also on reader characteristics such as the reader’s scientific background, past knowledge, interest and general ability to read (Jones & Smith, 2014:184).

c. Information overload: The information overload is determined as a phenomenon that involves a lot of information and very little ability to process that information by users. It is a situation where the amount of information exceeds the ability of users to process it within the time available, or is the situation that occurs when financial reports are uploaded with an enormous amount of information (more than necessary information). Resulting in the distraction and confusion of users in understanding and accessing information appropriate to the resolution (Koholga & Jerry, 2016:56).

d. Information Complexity: This concept has been addressed by many studies (Plumlee, 2003) (Gu & Wang, 2005). The complexity of information is defined as the degree of information ambiguity and inability to understand and interpret it by users. The complexity of information is indicative of the complexity of the applicable rules and the company's activities and strategies (Plumlee, 2003:290).
From the foregoing, both researchers consider that all the above concepts are linked to the degree of difficulty, obscurity or ambiguity in the information contained in the financial reports, which confronts users of the financial reports and their inability to extract information appropriate to their decisions.


First: Unavoidable complexity: This type is linked to the complexity of the activities and transactions performed by the company. It may be difficult to avoid it being related to the ongoing developments in the business environment. It is unmanageable by the company's management and therefore unavoidable.

Second: Avoidable complexity: This type is linked to the complexity of applicable accounting policies and standards and the evolution of accounting disclosure requirements. It is a result of avoidable factors by simplifying accounting standards and making them more consistent and understandable.

3-4. The relationship between CFRs and EQ: According to the premise of administrative obfuscation, the company’s performance is linked to the level of disclosure of information in financial reports and suggesting that managers in underperforming companies tend to disclose accounting information in more complex, less transparent and clear disclosures. Bad information may be deliberately obfuscated or inadvertently spoken when ineligible people prepare different sections of the financial report (Cheung, 2017: 103).

This hypothesis is supported by several studies (Li, 2008), (Braun et al., 2022) concluded a correlation between the company’s financial performance results and CFR. With the conclusion that companies with high-earnings quality tend to produce less complex, transparent and readable financial reports than companies with unreal or poorly performing profits, Managers at underperforming companies may prepare more complex financial reports to prevent users from easily identifying a company’s negative results during a given period.

The study Li, (2008:238-244) aimed to analyses the relationship between the complexity and readability of financial reports and the continuity of profits (EQ). The study examined a sample of American companies, and concluded that the length and CFRs are negatively linked to the company’s performance, since financial reports of companies with poor losses and performance are more complex and less readable than financial reports of companies with good performance and high-EQ that are less complex and more readable by users.
A study by Braun et al. (2022:8) also examined CFR as a tool to indicate EQ. The study was applied to a sample of companies listed on the U.S. Stock Exchange. The study found that companies with the same or higher profit level as last year had lower fluctuations in equity prices after their financial reports. The reduction of volatility in equity prices is stronger when the level and CFR is high. It also concluded that easy and uncomplicated reading of financial reports is a signal of EQ in companies. There is a negative correlation between CFRs and EQ. The lower CFRs, the higher EQ.

Based on the foregoing, both researchers consider that the degree of clarity, transparency or complexity of financial reports may be an indicator of the company's performance results during a given period. There has been agreement between previous studies that there is a negative relationship between CFRs and EQ. Companies that disclose real and high-quality EQ prepare clear, uncomplicated and highly readable financial reports by different users. While there is a positive correlation between CFR and profit management, companies that do not disclose real profits have profit management, prepare more complex and difficult financial reports by users. This is aimed at concealing unwanted losses or performance results from users by blurring information and making financial reporting more complex.

3.5. Standard (IFRS15) as a determinant of the relationship between EQ and CFRs: Annual financial reports to be published by all companies are the means of communication between the company's directors (who serve as agents) and shareholders (owners of the company). As well as these financial reports are of great importance to other stakeholders in the company, employees, suppliers, clients, bondholders, investors and the community at large. Through annual financial reports, management can publish information that reduces uncertainty about the company in the minds of shareholders and other stakeholders they reassure the employees and bondholders of the company and the suppliers of the company that their economic shares in the company are safe. It also allows the investment community to make predictions about the future returns of investors from the company's stock. In view of the importance of the company's financial reports to many users, it is essential that financial reports are prepared and communicated clearly and effectively to all those users interested in the Company (Baker & Kare, 1992:1).

To this end, action must be taken to reduce manipulations and fraud in the preparation of financial reports. "Managers of non-profit companies as a result of their opportunistic behavior tend to submit their financial reports more lengthy and complex under such poor circumstances so that users of such reports cannot know about the management's actions and manipulation of the results of the company's performance. Financial reports are manipulated by making the information they contain more complex. In order to influence the market reaction the direction of these
reports because the market may react to information provided in a complex form under management’s profit management practices and mask the poor performance of the company during a certain period (Ahmadi & Ghaemi, 2019:66). The standard (IFRS15) is an influential factor that helps to reduce the opportunistic behaviour of the management of the company and its reflection on the level of manipulation of the financial reports of the company. Whenever there is a decrease in opportunistic behaviour of the management of the company, there is a decrease in the level of manipulation of the company's financial reports by the management (Alwan, 2021: 58) thus issuing more transparent, clear, less complex financial reports that represent the company’s economic situation more accurately and objectively.

IASB and the Financial Accounting Standards Board issued (FASB) in May 2014, (IFRS15) Revenue from Contracts with Customers, on recognition of income, determined by the principles of timing and measurement of recognition of income. As well as relevant disclosures, and the most acceptable approach in accordance with (IFRS15) Contracting or contractual assets and contractual obligations is the means by which the company's economic situation can be more accurately represented. The company recognizes a contractual existence when contractual rights exceed the remaining contractual obligations. The company recognizes a contractual obligation when contractual obligations exceed the remaining contractual rights (Hameed et al., 2019:3), (Mohammed and El-Mashhadani, 2021).


(IFRS15), as in other IFRSs , is a result of the IASB-FASB project to develop compatible and joint revenue requirements that work towards the following (Mohammed and Mashhadani, 2021:595).

a. Reduce inconsistencies and weaknesses in current revenue recognition standards.

b. Create a common and more robust framework for addressing income recognition problems.

c. Improve the comparability of revenue recognition practices across different industries and companies within those industries and capital markets.
d. Provide more useful information to different users by optional disclosure requirements.

e. Reduce the complexity of revenue recognition requirements by reducing the size of accounting standards and related interpretations.

The primary objective of (IFRS15) is to identify a set of principles that companies must adhere to and apply, so as to provide useful information to users of financial reporting regarding the nature, amount and timing of the contract, and uncertain revenue and cash flows from the company’s contracts with clients (Bernoully & Wondabio, 2019:142).

(IFRS15) provides a series of operations consisting of five steps to determine the amount and timing of income recognition:

Step 1: Identifying the contract with the client, in this step the company distinguishes between contracts with clients that fall within the framework of the application of (IFRS15) from other contracts outside the scope of this standard.

Step 2: Determining performance obligations in the contract, in this step the company identifies the commodity or service agreed in the contract with the client.

Step 3: Determining the transaction price, companies must take into account the terms of the contract and the company’s business practices when determining the transaction price. The transaction price is defined as the amount the company wishes to receive for goods or services delivered to the customer, except for any amount earned on behalf of a third party (e.g., sales tax) (Bernoully & Wondabio, 2019:142).

Step 4: Allocate the transaction price to performance obligations in the contract, the transaction price is allocated to each performance obligation. Each commodity or service is distinct to represent the corresponding amount that the company expects to receive in exchange for the transfer of pledged goods or services to the customer (Alotibi, 2018:7).

Step 5: Recognize revenues when the company fulfills performance obligations in the contract, the company fulfills performance obligations in the contract standard (IFRS15) when control of goods or services is transferred to the customer. Control is the ability to use and obtain most of the remaining benefits related to movable goods or services (Nicolae & Claudia, 2014:127).

The (IFRS15) standard in this research is an interactive variable that affects the relationship between EQ and CFRs. Both researchers believe that the relationship between the results of a company’s performance and CFRs is negative. Companies with real and high-EQ Companies with real and high- earnings quality produce less complex and more readable financial reports and are understood by their users. On the contrary,
loss-making or dividend-disclosing companies that do not represent the company’s real economic situation during a given period produce more complex and less readable financial reports with the aim of concealing poor performance and manipulations and fraud by management.

Both researchers also consider that there is a positive effect to adopt a standard (IFRS15) CFRs, as compliance with this standard has led to an increase in the length and CFRs and as a result the researchers consider that if there is a negative correlation between the company's performance results and CFRs before adopting standards (IFRS15). To build this standard could increase this negative relationship between the independent variable and the dependent variable, and the relationship will be analyzed in practice within the research sample after the relationship between the variables has been theoretically addressed.

4. Practical Analysis

After reviewing the theoretical framework of research variables, the second step of this research, is to test hypotheses and discuss results.

4-1. Variables Measurement: The study community represents all banks listed on the Iraq Stock Exchange, while the sample was summarized as (15) Bank, as shown in table (1), the time limits for this sample were 11 years from (2011) up to (2021), the number of views surveyed is 165 (bank/year). This sample has been determined by two basic conditions: The first is the availability of the financial statements in 2021. The second is the continuation of companies’ disclosure of their statements for the specified years without interruption.

<table>
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<tr>
<th>No</th>
<th>Bank</th>
<th>symbol</th>
<th>No</th>
<th>Bank</th>
<th>symbol</th>
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<td>9</td>
<td>Middle East Bank</td>
<td>BIME</td>
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<td>BIIB</td>
<td>10</td>
<td>Mosul for Development and Investment</td>
<td>BMFi</td>
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<td>3</td>
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<td>BROI</td>
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<td>Ashur International Bank</td>
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<td>National Bank of Iraq</td>
<td>BNOI</td>
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</tr>
</tbody>
</table>

Source: The table done by both researchers

The research included three variables, the first being the independent variable of EQ, measured by two measurements:

First, the first measure. Quality of Accruals (EQ_X1): EQ was measured on the basis of entitlement based on a model (Kothari et al., 2005), a model for assessing receivables by linking them to the company's past
and present performance, by providing a model based on linking return on assets as a measure of the company’s performance. The level of EQ is judged by the estimate of the value of absolute non optional receivables as set out in the following steps (Kothari et al., 2005) (10-11: Ezat, 2019):

Step 1: Determination of total Accruals:

\[
\text{Total Accruals} = \text{net profit} - \text{cash flow}
\]

Thus, total Accruals are assessed through the model.

Step 2: Beta's estimate of transactions

\[
\frac{\text{TA}_i,t}{\text{A}_i,t-1} = B_1 \left( \frac{1}{\text{A}_i,t} \right) + B_2 \left( \frac{\Delta \text{REV}_i,t - \Delta \text{AR}_i,t}{\text{A}_i,t-1} \right) + B_3 \left( \frac{\text{PPE}_i,t}{\text{A}_i,t-1} \right) + B_4 \text{ROA}_i,t + \epsilon_i,t
\]

The following table (2) shows the value of beta transactions for the model:

**Table 2: Value of beta transactions**

<table>
<thead>
<tr>
<th>transactions</th>
<th>$\beta_1$</th>
<th>$\beta_2$</th>
<th>$\beta_3$</th>
<th>$\beta_4$</th>
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</thead>
<tbody>
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<td>Value</td>
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<td>0.866</td>
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</tbody>
</table>

Source: Table prepared by both researchers based on SPSS outputs.

Step 3: After determining the parameters ($B_1$, $B_2$, $B_3$, $B_4$) the non optional entitlement is calculated by compensating the values of the parameters as shown:

\[
\frac{\text{NDA}_i,t}{\text{A}_i,t-1} = B_1 \left( \frac{1}{\text{A}_i,t} \right) + B_2 \left( \frac{\Delta \text{REV}_i,t - \Delta \text{AR}_i,t}{\text{A}_i,t-1} \right) + B_3 \left( \frac{\text{PPE}_i,t}{\text{A}_i,t-1} \right) + B_4 \text{ROA}_i,t + \epsilon_i,t
\]

Step 4: Then optional Accruals are determined as:

\[
\text{Total receivables} = \text{optional receivables} + \text{non-optional receivables}
\]

\[
\text{TA}_i,t = \text{NDA}_i,t + \text{DAC}_i,t
\]

As:

\[
\text{TAC}_i,t, \text{the company's total receivables (i) per year (t).}
\]

\[
\text{NDA}_i,t, \text{the company's non-optional receivables (i) per year (t).}
\]

\[
\text{DAC}_i,t, \text{the company's optional receivables (i) per year. (t)}
\]

Through this formula, optional Accruals are accessed as follows:

\[
\text{Optional Accruals} = \text{total Accruals} -- \text{non-optional Accruals.}
\]

Step 5: Take into account the absolute value, and then multiply it at (-1). The higher the value, the greater QO.

Second: Measure II. Accounting conservatism (EQ_X2): According to the market value of property rights to book value in agreement with the study (Al-Anzi, 2022:440).
MTB-EQ = MVEit / BVEit

MVEit is the market value of the company's equity per year and BVEit is the book value of the company's equity per year. The rise in the ratio of MTB-EQ indicates that the conservation of profits is high and EQ is high.

The second variable: The dependent variable (CFR) (CFR_Y), CFR has been measured by the volume of disclosure the quantification method reflects the measurement of CFR through the number of words in the report. This method is used to measure CFR along across the financial report. Longer reports seem more complex and difficult to read. Managers can therefore use the length of the annual financial report strategically in order to make the report less transparent and hide negative information about users (Li, 2008:225), (Cheung, 2014:111).

Length = Ln (no. of words)

The (no. of words) represents the number of words in the report, and Length is the natural logarithm of the number of words in the notes. The use of natural logarithms instead of the raw number of words is due to the deviation in word counts across companies and some extreme values.

Third variable: Interactive Variable IFRS15: The applicability of (IFRS15) standard has been measured by relying on (10) indicators as evidence of the application of the five steps of IFRS15, giving value (1) if the indicator is applied and value (0) is given otherwise. These indicators are (Salman, 2022:29):

b. Fulfilment of performance obligations under the contract.
c. Important conditions for payment of contract obligations.
d. Goods and services in which the company is obliged under contracts with customers.
e. Disclosure of return obligations and the way these funds are recovered.
f. Disclosure of obligations and guarantees.
g. Disclosure of contract prices of more than one year's duration at the end of their duration.
h. Description and identification of methods and methods used to recognize income.
i. Disclosure of techniques and methods used in determining contract prices with customers.
j. Description and determination of personal estimates of asset recognition.
As I approach (10), this indicates a greater application of the standard.

4-2. Descriptive analysis: Table (3) shows levels of adoption of (IFRS15) standard, levels of EQ and complexity of banks' financial reports sample research.

**Table 3: Levels of the three study variables within the research sample banks**

<table>
<thead>
<tr>
<th>No</th>
<th>Bank</th>
<th>EQ (EQ_X1)</th>
<th>EQ (EQ_X2)</th>
<th>CFR (CFR_Y)</th>
<th>IFRS (IFRS15)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>United Investment</td>
<td>-0.348</td>
<td>0.631</td>
<td>1.834</td>
<td>0.300</td>
</tr>
<tr>
<td>2</td>
<td>Iraqi Islamic</td>
<td>-0.555</td>
<td>0.657</td>
<td>1.972</td>
<td>0.336</td>
</tr>
<tr>
<td>3</td>
<td>Iraqi Credit</td>
<td>-0.548</td>
<td>0.916</td>
<td>1.750</td>
<td>0.255</td>
</tr>
<tr>
<td>4</td>
<td>Iraqi Investment</td>
<td>-0.552</td>
<td>0.522</td>
<td>1.826</td>
<td>0.364</td>
</tr>
<tr>
<td>5</td>
<td>Iraqi Federation</td>
<td>-0.337</td>
<td>0.652</td>
<td>1.714</td>
<td>0.336</td>
</tr>
<tr>
<td>6</td>
<td>Business Bay</td>
<td>-0.359</td>
<td>0.542</td>
<td>1.951</td>
<td>0.573</td>
</tr>
<tr>
<td>7</td>
<td>Economy Bank</td>
<td>-0.252</td>
<td>0.777</td>
<td>1.907</td>
<td>0.436</td>
</tr>
<tr>
<td>8</td>
<td>National Bank of Iraq</td>
<td>-0.516</td>
<td>0.590</td>
<td>1.857</td>
<td>0.464</td>
</tr>
<tr>
<td>9</td>
<td>Middle East</td>
<td>-0.481</td>
<td>0.478</td>
<td>2.012</td>
<td>0.518</td>
</tr>
<tr>
<td>10</td>
<td>Mosul for Development</td>
<td>-0.418</td>
<td>0.538</td>
<td>1.743</td>
<td>0.336</td>
</tr>
<tr>
<td>11</td>
<td>Ashur International</td>
<td>-0.613</td>
<td>0.445</td>
<td>1.965</td>
<td>0.445</td>
</tr>
<tr>
<td>12</td>
<td>Iraqi Commercial</td>
<td>-0.390</td>
<td>0.544</td>
<td>1.730</td>
<td>0.264</td>
</tr>
<tr>
<td>13</td>
<td>Baghdad Bank</td>
<td>-0.564</td>
<td>1.057</td>
<td>2.048</td>
<td>0.527</td>
</tr>
<tr>
<td>14</td>
<td>Al Mansour Investment</td>
<td>-0.526</td>
<td>1.020</td>
<td>1.861</td>
<td>0.400</td>
</tr>
<tr>
<td>15</td>
<td>Sumer Bank</td>
<td>-0.574</td>
<td>0.739</td>
<td>1.832</td>
<td>0.500</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>-0.469</strong></td>
<td><strong>0.674</strong></td>
<td><strong>1.867</strong></td>
<td><strong>0.404</strong></td>
</tr>
</tbody>
</table>

Source: Table prepared by both researchers based on SPSS outputs

Note from table (3) that the mean (average 11 years) for EQ according to the Accruals quality measure. The study sample was converging between banks with a small superiority of the economy bank and notes that EQ according to the accounting qualification measure was somewhat low except for the Bank of Baghdad and the Bank of Mansour, which recorded a level exceeding the correct one. This confirms the low level of EQ for most banks during the study from 2011 to 2021. The complexity of the reports only the volume of disclosure notes that the Middle East Bank and the more complex is Baghdad Bank, Regarding the adoption of financial reporting standards, the Gulf Commercial Bank and Baghdad Bank were the most oriented to adopt standard procedures (IFRS15), which may be because the "IFRS15" standard has been adopted in 2020.
4-3. Description of variables: Table (4) shows the mean and standard deviation of the three study variables and of the total sample.

**Table (4) Description of research variables**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Standard</th>
<th>mean</th>
<th>Standard deviation</th>
<th>Lowest value</th>
<th>Highest value</th>
<th>Difference Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Quality of Accruals</td>
<td>-0.469</td>
<td>0.187</td>
<td>-0.965</td>
<td>-0.065</td>
<td>-40%</td>
<td></td>
</tr>
<tr>
<td>b. Unconditional conservatism</td>
<td>0.674</td>
<td>0.519</td>
<td>0.094</td>
<td>2.814</td>
<td>77%</td>
<td></td>
</tr>
<tr>
<td>Disclosure Size</td>
<td>1.867</td>
<td>0.172</td>
<td>1.114</td>
<td>2.330</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>IFRS15</td>
<td>0.404</td>
<td>0.184</td>
<td>0.000</td>
<td>0.800</td>
<td>46%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Table done by both researchers based on SPSS outputs

Note from table (4) that the average EQ for each measure decreased (Quality of Accruals, market to book value) for the sample as a whole and for the average study period. The accuracy of the circulation of this decrease at the sample level as a whole is confirmed by the low level of dispersion and disparity between banks and the sample years of the study, reflected in the low standard deviation and the difference factor recorded below 50% for the EQ (according to the Accruals quality measure). However, generalizing lower EQ (According the market to book value) the sample as a whole will be less compatible due to the high standard deviation and the difference factor exceeding 50%, confirming a discrepancy and dispersion in sightings levels (bank/year) of this measure. The mean for the complexity of reports, measured by the volume of disclosure, indicates the difficulty of reading reports, which is confirmed by the normative deviation and discrepancy that indicate consistency and inconsistency of views, and by the low application of the report’s financial standards. This is expected as a result of the inclusiveness of the study period for years of non-adopton.

4-5. Correlation test: Using the Pearson correlation coefficient the level of Correlation between the three study variables was tested, table (5) shows the correlation matrix between the study variables.

**Table 5: Correlation between study variables**

<table>
<thead>
<tr>
<th></th>
<th>IFRS15</th>
<th>CFR_Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>EQ_X1</td>
<td>-0.119</td>
<td>-0.136</td>
</tr>
<tr>
<td>Sig</td>
<td>0.128</td>
<td>0.082</td>
</tr>
<tr>
<td>EQ_X2</td>
<td>-0.320**</td>
<td>-0.279^*</td>
</tr>
</tbody>
</table>
Note from Table (5) that there is a negative correlation (reverse) is significant between EQ according to the market-to-book value, with both CFRs as well as the adoption of financial reporting standards according to the (IFRS15) standard. Indicating that higher EQ by that measure will be accompanied by lower standard adoption (IFRS15). As well as less CFRs. On the other hand there is a positive significant relationship (expulsion) between high levels of CFRs and the adoption of IFRS15. While the relationship between EQ according to the Accruals quality measure with any of the other variables and all of their measurements is not proven, the Accruals quality measure will be excluded from subsequent statistical tests.

4-6. Hypothesis Test: The research included two hypotheses: the relationship hypothesis and the effect hypothesis that were identified in the previous research methodology, and the following will be tested.

H1. First hypothesis: EQ relationship varies with CFR under the adoption of IFRS15.

To test this hypothesis, the Correlations Partial relationship between EQ and CFRs will be measured when the effect of adopting a (IFRS15) standard is excluded, and table (6) shows the results of the partial correlation value.

Table 6: Value of partial correlation between EQ and CFRs when excluding the effect of adopting a (IFRS15) standard

<table>
<thead>
<tr>
<th>Variables</th>
<th>Exclusion (IFRS15)</th>
<th>Non-exclusion (IFRS15)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>earnings quality (EQ_X2)</td>
<td>earnings quality (EQ_X2)</td>
</tr>
<tr>
<td>CFR_Y</td>
<td>Pearson</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>-0.115</td>
<td>-0.279**</td>
</tr>
<tr>
<td></td>
<td>0.143</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Source: Table done by both researchers based on SPSS outputs

** Means that the correlation is significant at (1%), * means that the correlation is significant at (% 5).

Table 6 shows that the negative relationship between EQ and the complexity of financial reports (depending on the size scale of disclosure) any less negative will decrease when the effect of adopting a standard is excluded (IFRS15). Meaning the more banks are oriented
towards adopting a (IFRS15) standard. This will strengthen and increase the negative relationship between the independent variable of the present study and, accordingly, accept the hypothesis.

(H2). Second hypothesis: The impact of EQ on CFR (depending on the volume of disclosure) varies with the adoption of IFRS15 standard.

The multi-linear regression equation was formulated to estimate CFRs (depending on the volume of disclosure) by reference to EQ and to adopt (IFRS15) standard as an interactive variable, for the purpose of determining the level of impact of the latter in CFRs (depending on the volume of disclosure) under varying and different levels of adoption of (IFRS15) standard. Table (7) shows the results of the impact test.

**Table 7: Impact of EQ on CFRs (by volume of disclosure) with differing adoption of the "IFRS15" standard**

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>(β0)</th>
<th>coefficient (β)</th>
<th>Value (T) (Sig.)</th>
<th>Value (F) (Sig.)</th>
<th>(R²)</th>
<th>(R²) Adj.</th>
</tr>
</thead>
<tbody>
<tr>
<td>EQ_X2</td>
<td>1.742</td>
<td>-0.133</td>
<td>-2.902 (0.004)</td>
<td>34.603 (0.000)</td>
<td>0.392</td>
<td>0.381</td>
</tr>
<tr>
<td>IFRS15_M2</td>
<td>0.359</td>
<td>3.887</td>
<td>(0.000)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(IFRS15_M2)×(EQ_X2)</td>
<td>0.288</td>
<td>2.491</td>
<td>(0.014)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Table prepared by researchers based on statistical analysis results

Note from table (7):

a. The consistency of the regression model with the value (F) of 34.603 is moral at a moral level of 5%. This means that CFRs (depending on the volume of disclosure) can be estimated as EQ and adopts (IFRS15) standard as an interactive variable. This indicates the validity of the model.

b. Constant Limit (T) coefficient adopts IFRS15 as an interactive variable with a moral significance of less than 5%, demonstrating the moral impact of adopting IFRS15 as an interactive variable in CFR (depending on the volume of disclosure).

c. The value of beta (β) to adopt IFRS15 as an interactive variable indicates that the impact is expressly positive, meaning in the banking environment where high levels of adoption of IFRS15 as an interactive variable reduce the strength of the negative impact of EQ on the CFR (depending on the volume of disclosure).

d. The adjusted determination factor value (Adjusted R²) of 0.381 indicates that EQ and the adoption of (IFRS15) standard as an interactive
variable explains 38.1% of changes in CFRs (depending on the volume of disclosure).

In the view of the researchers, adopting this criterion could mitigate this relationship, since adopting a (IFRS15) standard that reduces the disparity in reporting for both underperforming and well-performing banks that are more accurate and objective, and adopt a (IFRS15) standard that helps to reduce management's opportunistic behavior with regard to financial reporting manipulation. Based on the foregoing, the hypothesis is accepted.

Conclusions

As discussed in the theoretical framework for demonstrating the concept of research variables. As well as presenting the most important practical findings of the analysis, both researchers reached a set of conclusions was reached, the most important are, there is no clear and common definition of EQ since the definition in each study depends on the ultimate objective of this study. So the concept of EQ varies from study to study because EQ is a combination of the basic financial performance and the ability of the accounting system to measure it. There is a significant negative (reverse) correlation between EQ by market-to-book value, with both CFR (by disclosure volume measure) as well as the adoption of IFRS15 standard. The negative relationship between EQ and CFRs (according to the scale measure of disclosure) will decrease any less negative when the effect of adopting the "IFRS15" standard is excluded, meaning the more banks are oriented towards adopting the "IFRS15" standard, it will strengthen and increase the negative relationship between the independent variable of the current study. In the banking environment, where high levels of adoption of the IFRS15 criterion as an interactive variable reduce the negative impact of EQ on CFR (depending on the scale of disclosure). In light of the theoretical and applied findings of the research, both researchers recommend that the need to reduce obstacles to the adoption of international financial reporting standards (IFRS) and to provide the necessary requirements to facilitate their adoption in the Iraqi environment. Work to increase the quality and sustainability of profits at banks and reduce manipulations and profit management practices as a key factor in banks' growth and development. The need for professional regulators of accounting and capital markets to pay attention to the problem of CFR because it has a significant impact on users' decisions.

Bibliography


