The Impact of Mandatory IFRS Adoption on value relevance of published accounting information:Evidence from Iraqi Private Banks

Abstract

The study aimed to identify the impact of the International Financial Reporting Standards (IFRS) on the value Relevanceof accounting information in a sample of banks listed on the Iraq Stock Exchange. The study dealt with the method of analyzing the information content of the annual financial statements published on the Iraq Stock Exchange website, which number (46). Banks. (15) Banks were chosen as a sample for the study for the period (2012-2021). This sample was determined according to two basic conditions: the availability of financial statements for the year 2021 and the banks' continuation of disclosing their data for the specified years without interruption. The independent variable was measured by financial reporting standards. The international standard (IFRS) was set at a value of (1.0), and the second variable (value Relevance) was measured using the model (Ohlson, 1995). Data analysis was also conducted through the use of statistical methods and tools and the statistical program (stata), and the study concluded that there is a relationship there is a positive moral significance between the application of International Financial Reporting Standards (IFRS) and the value Relevanceofpublished accounting information. This means that the greater the trend towards adopting international financial reporting standards is accompanied by an increase in the levels of value Relevanceof accounting information. The study recommended the necessity the Central Bank of Iraq obligates banks listed on the Iraqi Stock Exchange to comply with the requirements of international financial reporting standards, which in turn reduces information asymmetry by disclosing Relevanceaccounting information to current and prospective investors, especially since the accounting information prepared in accordance with international financial reporting standards is an alternative. Better than local standards, and obliging economic units to publish their financial statements in a

timely manner and as specified three months after the end of the fiscal year to achieve the characteristics of suitability and faithful representation, which helps users make Relevanceeconomic decisions.
Keywords: IFRS, value Relevanceof accounting information.

1. INTRODUCTION

The recent directions of regulators of the accounting profession in Iraq regarding the adoption of international accounting and financial reporting standards starting in the year 2021 are considered a fundamental challenge in this context, and thus questions are raised regarding the level of impact that the adoption of international financial reporting standards could have in Iraq in many areas, including earnings quality and the value Relevanceof accounting information.

The Iraqi banking sector, as in all banking sectors at the global level, faced many challenges, including globalization, and since the banking system operates in a changing and competitive environment, it must take what is new and exploit the available opportunities and work to develop, enhance and develop its banking activities, keep pace with environmental changes adapt to them and benefit from them. Of laws and legislation in order to achieve a competitive advantage that enables it to ensure the continuity of its activity, and as a result of the different accounting methods and practices followed by countries, including Iraq, the adoption of international standards has become an urgent necessity in both aspects of measurement and reporting for the purpose of preparing financial reports that enjoy clarity, transparency, Relevanceand comparison to encourage foreign investment.

The primary goal of financial reports is to provide information about the performance of the economic unit and its financial position. These reports provide information about the assets and liabilities of the economic unit and the effects of transactions, events and circumstances, as well as explanations about management’s expectations and strategies and other types of future information. This information can also be a tool to help... Managers and economic units attract and allocate capital. In order for information to be useful to current and potential investors, lenders, and other creditors, it must be relevance and faithfully express what it is intended to express. This benefit is enhanced if the accounting information is comparable, verifiable, available in a timely manner, and understandable. These characteristics are referred to as the qualitative characteristics of accounting information. Which are defined as those basic characteristics and principles used in evaluating the quality of accounting information, which should help both standard setters and financial statement preparers to evaluate the financial information that results from the application of alternative accounting methods and methods, and to distinguish between necessary and unnecessary disclosure, and these characteristics are classified into: Basic characteristics and enhancing characteristics, which are one of the basic components of the conceptual framework of accounting and serve as the bridge between the objectives of financial reporting on the one hand and the concepts of recognition and measurement on the other hand.

2. METHODOLOGY

This section explains the context of the research process and highlights understanding the scientific methodology on which the research will be based on it. So, this section reviews the problem of the research, its importance, its objectives, its limitations, data collection techniques, hypothesis, and the research model.

2.1 Research Problem

The lack of published financial reports on the aspirations of the scope of fair disclosure in recent decades was the reason for the decline in the degrees of confidence in the news content of the published accounting information, and then the high level of asymmetry of accounting information in addition to the decline in the value Relevancethat is supposed to characterize such information, so the issuance of (IFRS) to address deficiencies in accounting performance and limit the opportunistic actions of management related to smoothing income by issuing a package of amended controls and standards that will improve the quality of published accounting information, and that accounting disclosure in accordance with international financial reporting standards will have a positive impact on the quality of accounting information for It will provide qualitative characteristics of accounting information, the most important of which are suitability, reliability, and secondary characteristics that arise from it, in addition to the fact that the economic reality deals with all economic and financial events and is disclosed and thus the investor has high confidence in it. Based on the above, the research problem can be formulated with the following question?

Does the application of international financial reporting standards affect the value Relevanceof accounting information published for commercial banks in the Iraqi environment?

2.2 Research Importance:

The research derives its importance from the modernity of the experience of adopting international financial reporting standards (IFRS) for private banks listed in the Iraq Stock ExchangeWhich may affect the value relevance of information.

2.3 Research Aim:

The research seeks to study the impact of applying the International Financial Reporting Standards (IFRS) on value Relevanceof accounting information published in the banking sector in the Iraqi environment.

2.4 Research limitations:

Spatial boundaries: The contact person listed on the Iraq Stock Exchange was selected on the ground and expects its own work and included according to internationally influential and influential standards and the presence of international insurance.

Temporality: The temporal limits of the research are limited to the years (2012-2021) due to the availability of data consistent with the research.

2.5 Research variables

- **Independent variable**

The independent variable in this research is the International Financial Reporting Standards (IFRS), where the researcher relied on calculating IFRS through a dummy binary variable that takes (1) if the company applies IFRS, otherwise it takes (0).

- **Dependent variable**

The variable in this study is the value relevance of accounting information, as most researchers relied on the ohlson model (1995) as one of the most important models provided by accounting studies in the field of financial markets, especially the evaluation of property rights (shareholders) in order to measure the relevanceor ability of accounting information and based on what The researcher approved the measurement of the convenience of accounting information on the model (ohlson& Feltham,1995) and as shown in the form of its permission:

$\mathbf{P_t}$: The market value for each stock (the share price in the market).
$\mathbf{EPS_{t.i}}$: Arrow profit: It is measured by dividing the net profit over the number of shares.
$\mathbf{BV_t}$: Book value for each share: It is measured by dividing the total property rights over the number of shares.

Regulatory variables: Regulatory variables can be explained as follows

1- The size of the bank.
2- Financial leverage.
3- Increase capital.
4- Return on assets.
5- The age of the bank.
6- Losses.
7- The ratio of market value to book value.

2.6 Research model

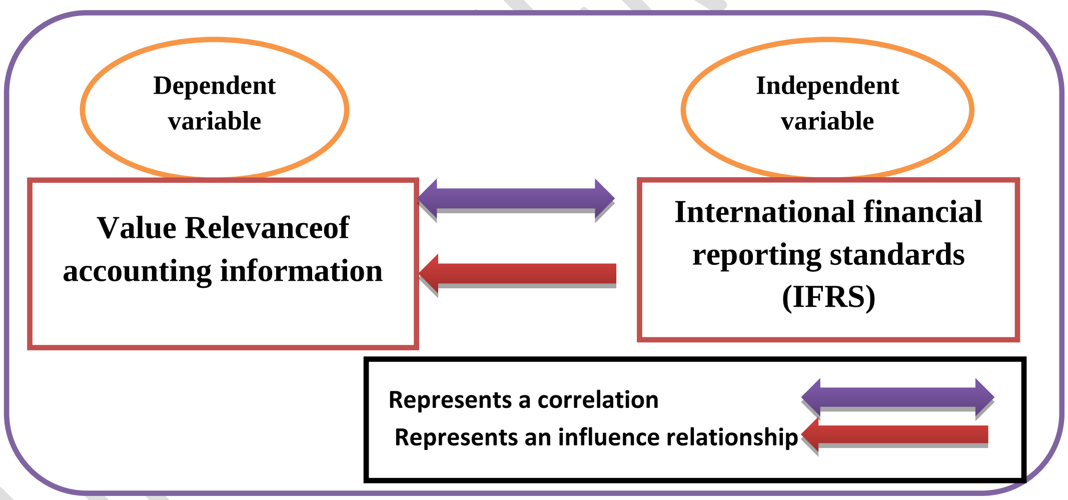

Fig. 1. Research model

2.7 Research Hypotheses

H:There is a positive relationship with a moral statistical significance between the application of international financial reporting standards (IFRS) and the value relevance of accounting information.

3. THEORETICAL FRAMEWORK:-

3.1 International Financial Reporting Standards (IFRS)

The application of international financial reporting criteria has led to many changes in accounting processors, which had a clear impact on the value of accounting information contained in the published financial reports, and that the shift to IFRS standards will lead to improving the quality of financial reports, and the high value of accounting information through its role in Reducing profit management practices, and it is also associated with a moral relationship with companies (Neslihan et al., 2012: hammberg, beisland, 2014).

The study (Fatima & Foote, 2012) the value relevance of accounting information in light of the implementation of international financial reporting standards has reached an increase in the value relevance of accounting information in light of the application And the book value of the arrow has a positive relationship with the price of the arrow.

While the study (Hillier et al Its flow in addition to overcoming the culture of secrecy in the African peoples.

3.1.1 IFRS criteria for investors and financial markets

According to the theory of market efficiency, the value of the traded shares reflects all available information, which indicates the amount of confidence that investors put in the quality of the information in the published financial reports, so the application of (IFRS) standards can have a positive impact on the money market efficiency indicators, the most important of which is a decrease The value of unusual dues and consequently the quality of accounting profits, high market liquidity, low capital cost, improving the level of transparency (Al -Otaibi and others, 2020).

The results of the study (Horton et al.2013)The commitment to the application of international financial reporting standards makes accounting information more beneficial to investors for prediction and evaluation purposes, and that the announced profits in light of the application of these criteria are more expressive of the real performance of the company. The compulsory adoption of international financial reporting criteria has led to an improvement in the share of the share of volunteer adoption of these standards, and this improvement in the share of the stock was not clear to companies that did not adopt these standards, and positive results were achieved to apply these standards represented in the decrease in the value of the dues other than Ordinary, high market liquidity, and a decrease in capital cost (Youn G Et Al., 2013: Clar Wang, 2014).

The researcher explains the most important accounting repercussions resulting from the transition to the application of international financial reporting standards to investor decisions, as follows:

1. IFRS criteria contribute to improving the quality of financial reports to reflect the real financial reality of the company and provide information for shareholders on losses, cases of financial failure and in relevancefinancial events on a high degree of accuracy and ability to verify in order to allow investors to make rational decisions.
2. Reducing the behavior of opportunistic management by narrowing the field of choice between accounting alternatives, which were exploited by the administration to manipulate profits, which provides financial reports through which investor decisions can be rationalized.
3. IFRS criteria positively affect investor perceptions about their future vision of the company's continuity through its role in improving the transparency of disclosure and reducing the lack of information, which makes investors a high degree of ability to really see the company's future.
4. IFRS standards can improve accounting quality in order to provide information with more quality quality, and with an explanatory power that enables investors to make rational decisions and evaluate the company's performance.
5. IFRS criteria provide investors a unified reading of financial reports, which increases the credibility and relying on accounting information to make decisions.

3.1.2 Quality of financial reports within the framework of (IFRS).

International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Council (IASB) are high -quality standards, although they are not binding, but most countries have tended towards optional application or an attempt to reach a consensus between them and local standards, and the International Accounting Standards Council works (IASB) to develop these standards to achieve the quality of measurement and accounting disclosure to achieve the quality of financial reports, thus increasing the volume of financial reports users, and reducing manipulation of alternatives and accounting policies because one of the most important reasons for the administration manipulates accounting numbers and multiple policies and various accounting alternatives.

(Jiang, 2015) has the quality of financial reports as providing more information on the company's financial performance, which is relevance to make certain decisions through a specific decision. If the quality of accounting information is achieved, it is linked to the extent to which the quality of the financial reports prepared by companies and linked to the quality of the measurement are also achieved Accounting evaluation, and therefore the quality of accounting information depends on the quality of accounting standards depends on the quality of accounting standards to produce relevance accounting information and enjoy the feature of sincere representation and help its users take various economic decisions properly, so the quality of accounting standards is one of the most important elements that must be Provide it to achieve the quality of the reports.

Most accounting studies agree that the application of IFRS standards as global standards will contribute to the transmission of differences between financial reports in different countries, and improve their explanatory ability as an indicator of the company's performance, improve transparency and reduce the lack of information (Ball et al., 2015). IFRS criteria contribute to reducing the phenomenon of lack of information and thus improving the quality of financial reports through its role in:(Atoyebi, Simom, 2018); (Hastuti et al., 2016)

a) A-Increasing the level of transparency of financial reports and increasing their comparative capacity, which is reflected in reducing the risks associated with decisions.
b) It helps in managing risk and supports effective supervision of companies and achieving sound control practices, which provides a reliable rational framework that contributes to the production of high-quality accounting information.
c) Increasing the benefit of information by increasing the degree of its suitability for the needs of the current and expected users of that information, which contributes to improving the quality of the investment decision.
d) Decreased profit management practices, and a decrease in the value of estimated benefits.
e) Increasing the degree of accuracy of financial predictions and low error rates in the predictions of financial analysts, which is reflected in the quality of the decisions of financial reports users.
f) Reducing complication and improving consistency in the application of fair value measurements by setting one requirements to measure fair value with the aim of improving transparency and strengthening disclosure policies and accounting systems to improve the quality of financial reports.

3.2 Value Relevance of accounting information.

The primary goal of financial reports is to provide information about the performance of the economic unit and its financial position, and these reports provide information about the assets and obligations of the economic unit and the effects of transactions, events and circumstances as well as explanations about the expectations and strategies of management and other types of future information, and this information can be a tool to help Managers and economic units are to attract and allocate capital. In order for the information to be useful for investors, lenders and other current and potential creditors, it must be relevanceand sincerely express what you are to express and enhance this benefit if the accounting information is comparable, verified and available in time and is subject to understanding, as these characteristics are indicated as the qualitative properties of accounting information Which is defined as those basic characteristics and principles used in assessing the quality of accounting information that should help each of the standards of standards and stomach financial statements from assessing financial information that results from the application of alternative accounting roads and methods, and in distinguishing between necessary and unnecessary disclosure, and these characteristics are classified into Basic characteristics and reinforcement characteristics, which are one of the basic components of the conceptual framework for accounting, which is the bridge linking the goals of financial reporting on the one hand and concepts of recognition and measurement on the other hand,(Kieso, et al., 2016: ahmed, 2020: 5).

3.2.1 What is the concept of the value relevance of accounting information?

There were many concepts the valuerelevance of accounting information provided by researchers, each according to his opinion and directions, including: (Beaver, 1968) is an value relevance of information as a change in expectations as a result of an event, and that the financial statements are value relevance if they contribute to changing investor expectations for future returns For the economic unit. This concept corresponds to what the conceptual framework of accounting stated, as it was considered relevance accounting information if it is able to create a difference in decisions taken by users (Kargin, 2013) and the Financial Accounting Standards Council (FASB) counted the accounting information is relevance if enables its users to From the formation of predictions about the results of past, current and future events, to confirm or correct previous expectations (FASB, SFAC, 1980).The value relevance by (Francis, Schipper,1999)is the ability of financial statements information to capture or summarize information that affects the market value of shares.Also, the value of the relevancewas known by (kargn,2013) as the ability to disclose in the financial statements to summarize the company's value. (Francis, Shipper (1999 is that the concept of the concept of the value of accounting information is a concept with multiple interpretations: the first interpretation determined that accounting information is for the value relevanceif it is able to determine the fundamental value of shares. While the second interpretation considered the valuerelevance of accounting information if she was able to summarize and communicate accounting information that affects the prices and returns of stocks. The third interpretation was considered accounting information of value relevance if they contain the variables used in the evaluation form or help in predicting these variables. (Farmachari, El Al., 2012: 2); (Giosi, et al. 2013: 2); (Ayuntari, 2016: 62) The accounting information is suitable for value if it is able to bring about a fundamental change in the form of user decision, and is able to explain changes in the prices and returns of stocks through the statistical relationship between accounting information and stock prices and their returns.

3.2.2 Objectives and importance value relevance of accounting information:-

The benefit of financial information is the basic idea of the value relevance and to determine whether the accounting information is useful, and (KAM, 1990) has suggested three directions: the first direction focuses on the content of the financial statements if it has been disclosed for sufficient information. The second trend is to determine the extent of the impact of the content of the financial statements on the decision maker. While the last trend focuses on the relationship between stock prices and accounting information, especially profits. The primary goal of studying the value relevance of accounting information (profits, and book value) is to verify whether accounting profits and book value of shares are positively related to the stock price, as accounting profits and the book value of stocks are useful in explaining the changes in stock prices (Naimah,2012)

Accounting information is an important source from the point of view of investors interested in evaluating companies and taking various investment decisions, because it reflects the real performance of companies, which helps them in their evaluation (Ben Ayed, Aboub, 2006). (Badawi,2019) has emphasized the importance of relevanceaccounting information for value measurement purposes from the point of view of standards of standards, who put their eyes in the interest of investors and are keen to meet their information needs, improve the level of financial reports quality and achieve the level of both disclosure and transparency.

The interest in the value relevanceof accounting information has increased over the years, after the discovery of a set of accounting crises such as "Lehman and Brazer and Wanron" issues; and the suffering of its information from inaccuracy, and even its limited ability to transfer the potential data and the risks facing the company (Garcia-Meea, Martinez , 2007), especially in light of the opportunism of managers in their profit management practices, which leads to the failure to display corporate reports (Kumar & Vij, 2017), so that the process of searching for accuracy and benefit of financial reports becomes a vital matter for financial markets.

3.3 Review some criteria (IFRS) enhanced for value relevance of accounting information

The International Accounting Standards Council (IASB) has issued international standards for financial reporting (IFRS), which is a set of high -quality accounting standards for the purpose of coordinating accounting practices and ensuring consistency in the form of financial statements globally, reduce the cost of addressing financial data and improving the work of financial market efficiency, and since the year 2001 allowed More than 120 countries applying international standards for financial reporting, and to remove there are other countries that have time lines to converge with these standards in the near future (Bhatia, mulenga, 2019).The following are some criteria that have contributed mainly to the production of accounting information that carries the qualitative characteristics that the conceptual framework of accounting came:-

1- (IAS-1) View financial statements:

This criterion came to determine the foundations of displaying financial statements with a general purpose, in order to ensure the ability to compare them with the financial statements of the economic unit in previous periods and the financial statements of other economic units, as it defines the total requirements for displaying the financial statements and instructions for its structure, and the minimum requirements related to their contents, and he has demanded Economic units are to apply this standard in proportion to what was stated in the international standards of financial reports (IFRS) as they determine the requirements for proof, measurement and disclosure of specific transactions and other events (IASB, 2009, IAS-1, Para, 1,2)

2- (IAS-8) Accounting Policies and Changes in Accounting Estimates and Errors:

The preparation of financial statements depends on a set of principles, foundations, customs and practices prevailing and sometimes on management estimates such as estimating the productive age of uncompromising assets and allocated debts doubtful in their collection, and these practices are directly reflected on some elements of the financial statements, so this standard came to determine the controls for selecting and changing accounting policies Accounting treatment, disclosure of changes in accounting policies, changes in accounting estimates and errors and thus unifying accounting practices, which enhances the value relevance and the possibility of relying on financial statements, and the ability of these lists for comparison through time and comparison with the financial statements of other economic units (IASB, 2003: AS8, Para , 1).

3- (IFRS -13) Fine Value Measurement:

Studies have created that the historical cost may be the most objective and reliable measurement tool, but it is not the most relevance, and as a result of the growing trend towards the concept of fair value, the efforts of the International Accounting Standards Council and the American Financial Accounting Standards Council have concealed on the issuance of this standard, which deals with measuring the fair value of assets, obligations and disclosure of standards Fair value, and one of the most important purposes of this criterion is to improve consistency and reduce complexity in fair value applications, in addition to enhancing disclosure to enable financial reports users to make decisions and as a result, a hierarchical sequence for measuring fair value has been developed that includes three levels of inputs depends on the first level on the prices included in An active market. Depending on the nature of the original, commitment and dealers in it, by developing a value characterized by justice (Daas, jammal, 2018).

4- (IAS-36) Decreased asset value:

This criterion came to explain how to address the decrease in the value of the assets owned by the economic unit, as it is based on a basic principle that the need not to include any asset in the financial statements with a value of more than its fair or real value and in the event that it turns out that the value of the original is refund is transferred from the value registered in the asset in Financial statements, the decrease is addressed as losses of decrease in the value of the original, and the recovered value is defined as "the fair value of the original, including the costs of selling the original or the value in use, which is higher and under the criterion, the value of the asset is recognized as a loss that appears in the income list and the value is reduced The origin is the amount of low by establishing a complex for a loss of low value, which appears from the original, as the standard explains the cases in which the facility can reverse the loss of the decrease in the value of the assets that have already been recognized and its value was recognized in previous periods where the criterion indicated that in the event of a high value of the book high/ to the original It was previously recognized by a low loss for it, so in this case the complex of a loss of low value is canceled and thus increasing the value of the original and at a higher limit that represents the above and was recognized in the previous periods as a loss of low iASB, 2013, 1as36.)).

5- (IFRS 9) financial tools:

This criterion makes some important changes in how to calculate loan losses, as the value of financial assets must decrease as a correction of the market conditions instead of registering losses when they incurred as was the case in the International Accounting Standard No. (39), according to the new standard, the expected credit losses are calculated in the future and re -evaluating them Constantly based on creditworthiness, and based on this evaluation, a continuous reduction in the loan portfolio is made, a measure that forces economic units to recognize the inevitable losses of financial tools in time, and in the event of this happens, it will be reflected on the net property rights and thus the decrease in the value of a book for each share It also results in an increase in the costs shown in the income list, which reduces the net income for each share, and this makes the book value of the arrow and the arrow's profitability is closer to the fair value "given that the likely loans that are stumbling will be calculated and reported in the financial statements (Eriksson &Radstrom, 2019).

4. DATA ANALYSIS AND HYPOTHESIS TESTING

<u>4.1 descriptive statistics:</u>

The researcher conducted a descriptive analysis using a number of descriptive statistical measures, which are as follows:

1. Measures of central tendency: where the arithmetic mean was tested; because it is one of the most famous, common and widely used measures of central tendency.
2. Measures of dispersion: A distinct measure that is widely used and valid in many cases was used: the standard deviation.

3. Highest and lowest value.

Table (1) Descriptive statistics:

Variable	Sample size	Mean	Std. dev	Min	Max
	150	**0.6310667**	**0.5057046**	**0**	**2.54**
	150	**0.0441445**	**0.0648985**	**-0.0756791**	**0.2968445**
	150	**1.261653**	**0.3646747**	**0.8752126**	**2.965725**
	150	**0.6**	**0.4915392**	**0**	**1**
$\boldsymbol{EPS_t * DIFRS_t}$	**150**	**0.0099168**	**0.0293711**	**-0.0756791**	**0.1418262**
$\boldsymbol{BV_t * DIFRRS_t}$	**150**	**0.6506082**	**0.5364342**	**0**	**1.263449**
	150	**27.08563**	**0.4375693**	**26.31385**	**28.23397**

4.2the correlation coefficients for the variables of the initial hypothesis testing model:

Table (2) Correction transactions for the second hypothesis test variables

Variable				I	E	
	1.000	0.7362	0.5655	−0.6352	0.0625	−0.6003	0.3436
	0.7362	1.000	0.5605	−0.5229	0.2733	−0.4881	0.2874
	0.5655	0.5605	1.000	−0.5975	−0.0630	−0.5749	−0.0070
	−0.6352	−0.5229	−0.5975	1.000	0.2766	0.9936	−0.0034
$\mathbf{EPS_t * DIFRS_t}$	0.0625	0.2733	−0.0630	0.2766	1.000	0.3444	0.3099
$\mathbf{BV_t * DIFRRS_t}$	−0.6003	−0.4881	−0.5749	0.9936	0.3444	1.000	0.0261
	0.3436	0.2874	−0.0070	−0.0034	0.3099	0.0261	1.000

4.3 testing hypotheses:

Before conducting a regression model test, the relevancemethod for testing this model must be determined, as the nature of the time-segment analysis of Panel Data requires choosing between one of the methods for running the study models, namely: the fixed effects model method (Random Effects method) and the restricted method.

To ensure that the correct test method was chosen, the Hausman Test was conducted to compare between the fixed effects model method, the random effects method, and the restricted method.

Table (3): Hausman Test:

Test type	Test value	Prob.
Hausman	**35.62**	**0.9938**

According to the table above for the results of the Hausman test, the Random Effects method is better and more suitable for testing the model, as the null hypothesis that the Random Effects model is more relevanceis not rejected. In general, as long as the number of time series data (10 years) is less than the number of deterministic units of 15 banks drawn as a random sample from a larger population, it is better to use the random effects method.

Through the foregoing, the results of the second hypothesis test are presented **(there is a positive relationship with a moral statistical significance between the international financial reporting standards (IFRS) and the value relevance of accounting information).**

Table(4) Hypothesis test results:

Prob.	t−statistic	Coefficient	Variable	
0.000	**-3.81**	**-6.154752**	**Fixed part**	**C**
0.000	**6.53**	**3.565107**	**Earnings per share**	
0.135	**1.50**	**.1339132**	**Book value per share**	
0.002	**-3.12**	**-1.739488**	**International Financial Reporting Standards**	
0.054	**-1.94**	**-2.358352**	**Earnings per share* International Financial Reporting Standards**	***E***
0.012	**2.56**	**1.319882**	**Book value per share * International Financial Reporting Standards**	***I***
0.000	**4.17**	**.2461763**	**Bank size**	
52.94			**F-statistic**	
0.000			**Prob (F-statistic)**	

0.6765	**Adjusted R-squared**
.28762	**Durbin-Watson stat**

It is clear from the table above that the test model is valid, as the value of the F-statistic is equal to (52.94) and the statistical significance of the Prob value is equal to (0.000), which is less than 5%, which indicates the significance of the test model as a whole. It is also clear that the statistical significance of the Prob value for the independent variable is International Financial Reporting Standards are equal to (0.002), which means accepting the second hypothesis, meaning that there is a positive, statistically significant relationship between International Financial Reporting Standards and the value relevance of accounting information.

This result is also consistent with the results of studies (Mingyi.et al, 2004; Karğın, 2013; SawcenChebaane et al. 2014; Ahmad, 2014; Chebaane and Ben Othman, 2014; Desoky and Mousa, 2014; Ahmad Bukola et al. 2014; Horacio.et al, 2017; Odoemelam et al., 2019; M.Alade et al., 2017), which indicated that the relationship between the application of international financial reporting standards and the value relevance of accounting information is positively related, and this means that the profits disclosed by During the period of implementation of the International Financial Reporting Standards, banks have become more useful and trustworthy in determining the value of banks in determining the value of banks. The standards, as principle-based, also allow managers to use discretion in the financial treatment of specific banks, who may be biased towards profits. Also, banks under the standards tend to show high values in the number of banks. Profitability metrics such as earnings per share. Adopting a single set of standards allows investors to better control and compare with banks while reducing the costs involved in controlling the accounting system. The ease of comparing information for managers is considered evidence of the quality of financial reports, which positively affects the quality of banks' profits and thus has a positive effect on the value relevanceof accounting information in Banks.

However, this result differs from some previous studies (Callo et al., 2007; Khanagha, 2011; Morais et al., 2008), which indicated that there is an inverse relationship between the application of international financial reporting standards and the value relevance of this information.

5. CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

The researcher concluded that most previous studies dealt with the relationship between the application of international financial reporting standards and their impact on the adequacy of the quality of accounting information. Most previous studies agreed on the multiple positive effects resulting from the transition to international financial reporting standards, the most important of which are: reducing the differences between these standards in different countries. Strengthening the comparability of financial information, improving its interpretive ability as an indicator of corporate performance, reducing its cost, improving transparency, reducing information asymmetry, and increasing the quality of financial reports. It also gives management a great opportunity to reduce earnings management practices and fraudulent operations related to forecasts.

The researcher also concluded that international financial reporting standards are internationally accepted, so many countries, whether developed or developing countries, have adopted these standards, and countries with emerging economies have already begun to implement international financial reporting standards, especially after what the European Union countries announced in 2002 to Obligating all companies listed on the European Stock Exchange to apply these standards. As for the application of international financial reporting standards in Iraq, the Central Bank of Iraq Law No. (56) of 2004, the Banking Law No. (94) of 2004, and the Iraqi Stock Exchange Law No. (74) of 2004 stipulated the necessity of applying financial reporting standards. International standards in preparing financial reports, but the actual application was not implemented until 2016.

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5.2 Recommendations

Banks and financial institutions have a special nature in terms of the operations they conduct, and this leads to their exposure to risks, which prompted the International Accounting Standards Board to develop an independent standard in preparing financial statements for banks and financial institutions. Therefore, the application of international financial reporting standards in banks is a necessary input to access information that helps those who take it. The decision is made to evaluate the financial position, business and achievements carried out by the banks and understand the special features of the nature of the bank's business.

In light of the results of the research, the following recommendations can be made:

- The Central Bank of Iraq obligates banks listed on the Iraqi Stock Exchange to comply with the requirements of international financial reporting standards, which in turn reduces information asymmetry by disclosing relevanceaccounting information to current and prospective investors, especially since the accounting information prepared in accordance with international financial reporting standards is Better alternative than local standards.
- Obligating economic units to publish their financial statements in a timely manner and within a specified period of three months after the end of the fiscal year to achieve the characteristics of suitability and faithful representation, which helps users make relevanceeconomic decisions.
- Iraqi universities develop accounting education curricula, which in turn helps understand the application of international financial reporting standards.

The Central Bank of Iraq should oblige economic units to train employees to apply international financial reporting standards.

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