

Investor Behavior and Decisions under the Adoption of IFRS 15: Evidence from Iraq

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Abstract

This study is derived from a doctoral thesis aimed at understanding the challenges and impacts faced by investors' decisions in the Iraqi Stock Exchange when implementing the IFRS 15 standard, Revenue from Contracts with Customers. An exploratory approach and various research tools, including personal interviews and surveys, were used to examine this context. The results showed that there are challenges in implementing IFRS 15 in Iraq due to the new and complex concepts included in the standard. There is a need to enhance the skills of accountants and financial analysts in the market. It is advisable to raise awareness of the standards requirements among listed companies and investors. This study highlights the importance of improving compliance with International Financial Reporting Standards to achieve transparency and a better understanding of financial performance.

Keywords: *IFRS 15, Revenue, Investor Decisions, Financial Statements, Qualitative Analysis, Disclosure, Iraqi Stock Exchange.*

Introduction

Revenue is a critical financial performance measure in the financial reports of economic entities. This is because revenue is one of the most significant figures disclosed in financial statements, playing a pivotal role in depicting the financial position of an entity (Flayyih & khiari, 2022; Flayyih & Khiari, 2023; Maseer et al., 2022). It greatly influences the valuation of a company, which is reflected in its stock price, affecting investor returns and employee stock option-related earnings. Furthermore, revenues offer insightful insights into a unit's past and future performance, serving as a significant driver for other performance metrics, such as pre-tax profits, net income, and earnings per share (Albderi et al., 2023). As a result, strong principles and guidelines for revenue recognition (Haddad & Dammak, 2023) have become necessary (Abass et al., 2023; S. I. Ali et al., 2023; Al-Tae & Flayyih, 2023).

The International Financial Reporting Standard (IFRS) 15, titled Revenue from Contracts with Customers, was issued by the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) on May 28, 2014 (Belesis et al., 2021; Boujelben et al., 2020). This standard has significant implications for the amount and timing of recognized revenues and required disclosures (Davern et al., 2020). Therefore, accounting information related to revenue recognized under IFRS 15 is crucial for current and prospective investors and stakeholders when analyzing and evaluating the performance of an entity in both past and future contexts (Tong, 2014; Knorová, 2016).

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Additionally, disclosures required by entities regarding revenue recognition under IFRS 15 emphasize that revenues recognized under this standard enhance the interpretative power of changes in the market value of a unit's stocks (Kasztelnik, 2015).

In recent years, the Iraqi environment has seen significant economic openness to foreign companies, leading to the entry and participation of foreign companies in Iraqi markets. This has necessitated the urgent development of local accounting rules, resulting in the Iraqi government mandating listed companies on the Iraqi Stock Exchange to implement IFRS 15 from the beginning of 2021 (Hadi, Abdulhameed, et al., 2023; Nikkeh et al., 2022). The Iraqi Stock Exchange, established in 2004 and supervised by the Iraqi Securities Commission, saw the trading of 930 billion shares with a total value of IQD 812 billion through 226 sessions and 114,467 transactions in the final days of 2021. The stock exchange index reached 596 points at the close of the last session of 2021. The Iraqi Stock Exchange is preparing to introduce financial instrument updates in 2022, including government bonds that could increase market value and trading volume, reaching three billion shares daily. The number of listed companies on the market has reached 132 companies (Aqbi, 2020). Given this context, the study aims to explore the mechanisms of implementing IFRS 15 and examine the effects, challenges, and obstacles encountered when implementing this standard in the Iraqi market. The study will also analyze the impact of applying IFRS 15 on investor decisions, conducting an exploratory study to discover the research findings and provide recommendations (Alkhafaji et al., 2018; AL-Timemi & Flayyih, 2013; Hasan et al., 2023; Jaber et al., 2023).

Furthermore, the importance of this scholarly study lies in understanding the changes brought about by improving accounting disclosures for financial reports of companies listed on the securities market, specifically concerning IFRS 15 (Ali et al., 2023; Hadi, Ali, et al., 2023; Saeed et al., 2022). It also aims to investigate the repercussions of implementing IFRS 15 on investment decisions and joint-stock companies, influencing the surrounding environment by opening up to foreign investment, which requires accurate and suitable information for beneficiaries and users of this data (Alyaseri et al., 2023; Salman et al., 2023). Consequently, the research is expected to contribute to the existing academic literature by shedding light on a subject that has not been extensively explored before. Therefore, future research in this area will find this study a valuable starting point and a significant reference.

Literature Review

On January 1, 2018, the International Accounting Standards Board (IASB) mandated the compulsory application of the economic entities for the new standard, IFRS 15, allowing economic entities to adopt it before that date with the condition of disclosing it in their financial statements (Haddad & Dammak, 2023; Napier & Stadler, 2020; Kuo & Yu, 2022). The aim of issuing the new revenue standard is to enable economic entities to rely on a single and comprehensive model for revenue recognition, by setting the principles that entities must follow for reporting and providing useful information to financial statement users regarding the nature, amount, and instances of revenue uncertainty and cash flows arising from customer contracts (Cristina & Bunea, 2017). Additionally, it aims to achieve the stated objectives of the joint project of the two international standard-setting bodies, the IASB and FASB (Haggenmüller, 2019), by eliminating inconsistency and weaknesses in the current standards for revenue recognition and recording them in accounting records (Boujelben & Fakhfakh, 2020). In addition to sensitizing the comparability of revenue recognition practices across sectors, economic entities, legislations, and different capital markets (Zhou, 2021), and simplifying the preparation of financial statements by reducing the number and details of revenue recognition requirements from standards and interpretations (Jonick & Benson, 2018), as well as providing useful information to users by improving accounting disclosure requirements

(Ozcelik & Bayrakcoglu, 2021). The basic principle of the new standard is for the entity to recognize revenue to reflect the delivery of goods or services agreed upon with customers, at an amount representing the consideration (payment) received or expected to be received when fulfilling the performance obligation by providing these goods or services to the customer. To achieve this basic principle, the new international standard relies on the five-step approach to revenue recognition (Bertilsson, 2021). According to the International Accounting Standards Board (IASB), steps 1, 2, and 5 pertain to revenue recognition, while steps 3 and 4 represent the process of measuring revenues. In terms of disclosures, the IFRS 15 standard provides explicit presentation and disclosure requirements that are more comprehensive than previous standards. It aims to offer clear and sufficient information to users about recognized revenues and those expected to be recognized in the future from existing contracts (Fakhfakh & Boujelben, 2020). These disclosures encompass information about contracts with customers, revenue breakdown to illustrate how the nature, amount, timing, and uncertainty of cash flows are affected by economic factors, and information about assets and contract liabilities, including changes in those balances. Additionally, it requires disclosure of the amount of revenue recognized in the current period and information about performance obligations, such as types of goods or services and payment terms. Furthermore, it calls for a description of significant judgments and changes in those judgments that affect the amount and timing of revenue recognition, as well as providing information on accounting for costs associated with obtaining a contract with a customer or fulfilling a contract with a customer, including account balances and methods of settlement (Deloitte, 2021; KPMG, 2022).

Revenue recognition is crucial as it provides insight into an entity's past and future performance and is a significant driver for other performance measures, such as earnings before taxes, distributions, net income, and earnings per share. Therefore, establishing strong guidance for revenue recognition is a priority in standard setting (Kieso et al., 2016). The required disclosures under IFRS 15 emphasize that the reported revenues under this standard enhance the interpretative power of changes in the market value of the entity's stocks (Kasztelnik, 2015). Consequently, the adoption of this standard is a critical step toward achieving the ultimate goal of forming a set of high-quality international reporting standards that receive universal acceptance in various capital markets. It allows companies to access different financial markets by reducing the costs associated with preparing and auditing financial statements for those companies, ultimately reducing the cost of capital. Additionally, the application of IFRS 15 enhances global comparability between companies and increases the ability to understand due to the elimination of inconsistencies and ambiguities, aiding investors in making informed investment decisions in the financial market. The role of IFRS 15 in the stock market is evident through the improvement of the quality of accounting information disclosed, focusing on relevance, reliability, comparability, and understandability. This standard provides more useful information to financial statement users by improving accounting disclosure requirements, aiding in a better understanding of the amount, timing of revenue recognition, and cash flows compared to previous revenue standards (Haddad & Dammak, 2023).

Based on the information provided, many previous studies have addressed the topic of revenue recognition, which is directly related to the variables of the current study, and they are distributed according to the core variables of studies related to the IFRS 15 revenue standard, disclosure, and investment decisions. Among these studies is a study conducted by Hagenmuller in 2019, which aimed to provide a high level of detail and deep insights that can be gained through the application of the International Financial Reporting Standard (IFRS) 15. This study evaluated the potential impact on companies' profitability and performance. The study examined the main challenges and issues that may arise during the implementation of IFRS 15, and its potential effects on the profitability and performance of companies. The researcher employed a qualitative approach, conducting semi-structured interviews with 15 participants in Germany,

including auditors and accountants. The study's findings indicate that IFRS 15 primarily addresses specific industries that faced difficulties in implementing the recognition requirements of previous International Financial Reporting Standards (IFRS) due to missing guidance, which forced them to use standards outside the framework of IFRS. However, the international standard IFRS 15 also impacts smaller businesses, and its implementation is more time-consuming than expected.

Another study conducted by Hameed et al. in 2019 aimed to examine the impact of adopting the International Financial Reporting Standard (IFRS) 15 on revenue from contracts with customers in terms of the quantity and quality of accounting profits in the volatile and fundamentally continuous environment of Iraq. The study concluded that there was no significant impact on the quality of net profits due to the adoption of IFRS 15.

Furthermore, a study by Dang et al. in 2019 aimed to understand individual investors' perceptions of the impact of accounting disclosures on their decisions in the securities market. The study found that income information had a significant impact on individual investors' decisions to buy, sell, or hold securities, while information about assets, principles, and accounting policies had a limited impact on investment decisions for individuals. However, voluntary disclosures had more significant effects on investors' decision-making than mandatory disclosures. In 2022, Hoti and Krasniqi conducted a study aimed at understanding how investors tend to invest in sectors that apply International Financial Reporting Standards (IFRS) due to a high level of transparency. The study revealed that appropriate financial data disclosure through the adoption of a common accounting framework would help maintain investor confidence. This, in turn, would attract larger investments as a result of adopting International Financial Reporting Standards (IFRS) for investment. Additionally, a study conducted by Aladwey and Dia in 2023 aimed to illustrate the difference in the effects of the IFRS 15 standard on financial data accounts between early adopters and non-early adopters. Based on the Egyptian stock market index, the study found significant differences in profitability between companies that adopted the International Financial Reporting Standard (IFRS) 15 early and those that did not. This result reflects the economic value of adopting IFRS standards early and their updates in emerging markets, such as Egypt.

Methodology:

In the initial stage of the study, the researcher relied on conducting an exploratory study to test and explore the possibility of adopting the new international standard for recognizing revenue from contracts with customers in the Iraqi environment and its implications on the financial market by investors. This approach is similar to the one followed by many previous studies when attempting to test the feasibility of adopting the new international standard for revenue recognition in different countries that adopt international reporting standards, such as Zimmerman (2016), Lim et al. (2015), Barker and McGeachin (2015), Svensson, and Hagos (2021), Khamis (2016), and Haggemüller (2019). The exploratory approach is suitable for this study because the data to be obtained in this approach are derived from the perspective of expectations of what might happen in the future when adopting the new international standard for recognizing revenue from contracts with customers. This is done by obtaining data related to the opinions of the study participants through personal interviews or survey questionnaires.

On the other hand, the current study could not rely on the phenomenological approach derived from the analysis of actual data and direct experience when testing the feasibility of adopting the new international standard. This is because the new standard will become effective in the Iraqi environment, and thus there is no actual experience or prior real awareness of the steps, results, difficulties, or actual effects of adopting the new standard from the perspective of preparers, financial statement users, or auditors in Iraq.

The researcher used the tool of interviews, specifically semi-structured interviews, to gather the opinions of the respondents realistically and openly about the challenges and obstacles of implementing IFRS 15 and its impact on investors' decisions in the coming years. The questions in the interviews were open-ended. Therefore, by referring to the literature of social sciences, we notice that the subject of interviews has taken many methods, and one of the most common methods used in qualitative research is the semi-structured interviews (Bryman & Bell, 2022). Semi-structured interviews are suitable for understanding human behavior because they generate spontaneous questions and interactions that lead to unexpected results. Often, unstructured interviews are used as an additional source of data in research, while semi-structured interviews can be used as the sole source of research data (Haggenmüller, 2019). The interview questions were primarily based on specific theoretical concepts within the analytical framework. The interview questions are based on theory and practice to achieve accurate analysis. Therefore, a hybrid of inductive-conclusive approach was applied to answer the research question. Although exploratory research is inherently inductive, the mixed methodology provides an opportunity to identify preconceptions of phenomena and focus on the theoretical and practical aspects of the research problem. The extent of knowledge and experience of financial analysts, auditors, and users of financial statements with IFRS 15 is not clear. Therefore, data was collected using semi-structured interviews, which are suitable and effective for collecting qualitative data in business research. Semi-structured interviews are often considered valuable when attempting to capture the experience and personal perspective of individual interviewees. However, interpersonal dialogue makes it necessary for interview questions to be understood by the interviewees (Svensson & Hagos, 2021).

Sample

One of the selection criteria is that the interviewees should have reasonable knowledge of the new revenue standard, IFRS 15, since the new accounting standard primarily affects specific sectors such as telecommunications and the construction industry. All participants in the interviews have experience in these sectors. An additional criterion is that all interview participants selected have more than 10 years of experience in their profession. Experience is considered necessary due to the complexity of International Financial Reporting Standard 15. Also, financial reports prepared under the International Accounting Standards Board framework are designed for users who have a reasonable understanding of business and economic activities.

However, using purposive sampling technique requires that the results cannot be generalized to a larger population. The interview participants consist of auditors and financial analysts. Auditors and financial analysts are among the most important and specialized information intermediaries in the financial market. They have the ability to influence the credibility and efficiency of the information provided. As a result, auditors and financial analysts were the focus of the previous research when analyzing changes in the financial information environment (Svensson & Hagos, 2021).

The interviews were conducted in November 2022, and each employee was given the option to choose the location of the interview. Most of the interviews took place at the workplace and were conducted in person, through Zoom, or on WhatsApp in a phone call due to the distances involved, cost reduction, and time-saving. The interviews aimed to find suitable participants who possessed the required knowledge to answer the interview questions. All interviews were recorded in audio format and transcribed verbatim. To assist in data analysis, all interview data were managed and organized using NVivo 12. The following table summarizes the respondent information in the personal interviews:

Table (1): Summary of Respondent Information in Personal Interviews

Domain	Job Description	Time	Site
Chartered Accountant	Observer in a subsidiary of PWC for 30 years	1/ November/2022 at 9am, it lasted an hour	Labor Office
Chartered Accountant	Controller at EY for 10 years	20/November2022at 10:30 am,it took 45 min	Labor Office
Contracting Company	Accountant in a contracting company for 16 years	20/ November 2022 at 1 pm, it took 22 min	company
Investor Broker	Accountant in an investment brokerage company.	November 21, 2022 at 9 am, duration: 30 min	Company Office
Chartered Accountant	Auditor in an audit firm for 22 years	November 15, 2022 at 4 pm, duration:30 min	Syndicate of Accountants
Investor Broker	Accountant worked in investment brokerage companies for 13 years.	16 November 2022 at 10am, duration: 22 min	Stock Market
Chartered Accountant	Auditor who has worked in many fields for 38 years.	16Nov2022 at 11am, duration 19 min	Labor Office
Chartered Accountant	Auditor and Director General of the Central Government Audit Department for 15 years.	15 November 2022 at 4 pm , Time17 min	Labor Office
Chartered Accountant	Auditor in one of the audit companies for 13 years in addition to his work as an internal auditor in one of the joint stock companies.	November 15, 2022 at 3 pm, duration 22d	Labor Office
Chartered Accountant	Auditor in one of the audit firms for 30 years.	November 16 at 12 noon, duration30 min	Labor Office
Investor Broker	He has 20 years of experience working for 5 years in one of the joint stock companies and 15 years in investment brokerage and financial analysis companies.	November 17, 2022 at 11 am, duration 22m	Intermediary Company Business Office
Joint Stock Company Auditor	Worked in the accounts of joint stock companies for 13 years	November 21, 2022 at 8 pm, Time20m	Telephone
Accountant Etisalat Company	He worked in the accounts of joint stock companies	November 22, 2022 at 10 am, time 25 min.	Company Accounts Room

	for 22 years and was the head of the financial unit of a university.		
accountant	He worked in the field of the profession of corporate auditing for 25 years.	November 23, 2022 at 9 pm, time 30 min.	By phone
accountant	He worked in the field of the profession of corporate auditing for 13 years.	November 23, 2022 at 1 pm, time 28 min.	University of Sumer

Source: NVIVO 12

The interview questions are based on theory and application to achieve a precise analysis; thus, a mixed-method approach of inductive reasoning is applied to answer the research question. Although exploratory research is fundamentally inductive in nature, the mixed-method approach offers an opportunity to identify preconceptions of phenomena and focus on the theoretical and practical aspects of the research problem (Svensson & Hagos, 2021: 2020).

Therefore, the questions were prepared based on the study's phenomenon and specific theoretical concepts within the conceptual framework. Through the interview process and understanding the respondents' answers and intellectual orientations, we developed new questions that were not predefined. The exploratory study aims to answer a set of research questions, which include:

- What is your opinion on the actual implementation of IFRS 15 in the Iraqi environment for the upcoming years?
- Are there any obstacles and challenges in applying the standards and IFRS 15 in particular?
- What do we need to overcome these obstacles?
- What is your opinion on the five steps adopted by the standard to achieve revenue recognition? Which step do you find complex?
- What is your opinion on the revenue measurement methods used by IFRS 15 for revenue recognition?
- Is there a difference in accounting treatments for these contracts between the accounting system and IFRS 15, especially regarding revenue measurement and recognition?
- Do you believe that comprehensive application of the standards will improve the disclosure process?
- Does IFRS 15 provide comprehensive accounting information that accurately reflects all revenue-related operations?
- Does the accounting system provide good disclosure levels in the preparation and presentation of financial statements, or is it characterized by ambiguity, especially Accounting Standard 6 and revenue disclosure for commercial activities?

Do you believe that the revenue item in financial statements is important in the decision-making process by investors or brokerage companies? Is it important primarily or secondarily?

Do you think that the adoption of International Accounting Standards, particularly IFRS 15, by Iraqi stock market companies, will help investors in making appropriate decisions?

Do you believe that disclosing revenue information according to IFRS 15 will enhance the quality of financial data, which will impact investor decisions?

These questions were answered in detail during the interview process. The researcher ceased conducting interviews once saturation in responses was reached, with the same information repeatedly presented, as reflected in table 2.

Table (2): Qualitative Data Analysis.

Word	Repetition	Weighted (%)	Word	Repetition	Weighted (%)
revenue	228	3.8	Unified	44	0.59
IFRS15	167	2.26	decision	42	0.57
standard	165	2.23	Recognition	42	0.57
Contract	112	1.51	company	39	0.53
Disclosure	112	1.51	measurement	37	0.43
investors	94	1.28	difference	33	0.44
Yes	92	1.25	activity	30	0.41
system	87	1.18	considered	27	0.37
Accordinging	83	1.12	ifrs	27	0.37
Apply	67	1.15	certain	25	0.34
steps	65	0.84	comprehensive	24	0.32
international	59	0.8	local	24	0.32
Information	58	0.78	quality	24	0.32
customers	50	0.68	related	24	0.32
Environment	50	0.68	market	23	0.31
Iraqi	50	0.68	difficult	22	0.3
provide	48	0.65	rule	22	0.3
important	47	0.64	improve	19	0.26
find	45	0.61	performance	19	0.26
process	44	0.59	decisions	18	0.24

Source: NVIVO 12

From the results of the above table, word frequency and its percentage were calculated through textual analysis in the NVivo program. This analysis indicates that certain words were repeated frequently during the interviews, which means they are inherently important and address fundamental aspects of the study. The extracted results in the table represent the key variables of the current study's title.

These words include terms related to revenue, which were mentioned 228 times with a relative weight of 3.8. This term encompasses various dimensions discussed within the interviews. It is followed by the mention of the standard itself, IFRS 15, which appeared 167 times with a relative weight of 2.26. This demonstrates the significance of this term in the professional context of the study's respondents, implying their familiarity with and understanding of it.

The term "disclosure" was discussed 165 times with a relative weight of 2.23, indicating that all respondents had a good understanding of this term and its importance in accounting disclosure. Regarding the main keyword related to the dependent variable, "investors," it was mentioned 94 times with a relative weight of 1.28. This suggests that there were numerous and diverse responses addressing the differences between local and international standards, particularly concerning measurement and recognition of revenue.

Word frequency and relevance can be visualized using a word cloud generated by NVivo12, as follows:

application of this system requires greater awareness on the part of implementing companies, and it should be implemented gradually.

Q2. Are there any obstacles and challenges during the application of standards and specifically IFRS 15? What do we need to overcome these obstacles?

Name	Relative difficulty as a result of transformation	There is no difficulty or obstacles in applying the standard	It needs to develop the cadres working on it	Total
Total	9	4	10	23
Ratio	39.13	17.39	43.48	100%

Based on the above results, it is evident that approximately 43.48% of the responses indicate that the application of IFRS15 requires the development of the workforce involved in it. The interviews revealed anticipated problems and obstacles during implementation, especially for publicly traded companies. This includes training and developing accounting human resources and leveraging foreign expertise. Regarding the 39.13% portion, responses suggest a relative difficulty due to the transition to IFRS15. Meanwhile, 17.39% of the responses indicate that there are no difficulties or obstacles in applying IFRS15. Regarding Table No. 13, specific information about the complicated step for the respondents was not provided. Overall, the analysis shows that there are anticipated challenges in applying IFRS15 related to workforce development and transitioning to the standard, which can be addressed through professional training and development of accounting personnel in the financial market.

Q3. Table No. (13) Which step among the standard's steps do you consider complex for you?

Name	First step	Step Three	Step Two	Step Five	Step Four	Total
Total	2	2	2	1	1	8
Ratio	25	25	25	12.5	12.5	100%

It is evident from the above that the respondents' answers regarding the difficulty they will face when applying the five steps of IFRS 15 standard vary. About 25% of the interviewees mentioned challenges in the first step, which involves identifying the contract with the customer. Similarly, 25% of the responses highlighted difficulties in the third step, which relates to allocating the transaction price. Also, 25% of the answers indicated challenges in the second step, which is about determining the performance obligation. On the other hand, 12.5% of them expressed concerns about both the fourth and fifth steps, which involve recognizing revenue and allocating the transaction price.

Q4. What is your opinion on the revenue measurement methods adopted by the standard for revenue recognition?

Name	Lack of measurement methods that allow companies to exercise their own professional judgment	Dealt with all economic transactions of contracts	Provide more accurate and accurate information to users of financial statements	Good if it represents the actual revenue fact of the annual performance	Addressed all previous problems	Total
Total	3	3	2	5	3	16
Ratio	18.75	18.75	12.5	31.25	18.75	100%

From the above, it is evident that 31.25% of the respondents believe that revenue measurement methods are good as they represent the actual revenue for annual performance. On the other hand, 18.75% stated that the absence of measurement methods allows companies and institutions to exercise their professional judgment, and to further

support this, the sixth interviewee mentioned that measurement methods have addressed all previous problems and added a crucial step. The absence of a standard for measurement can lead to confusion and personal interpretations in the revenue measurement process. Similarly, 18.75% of the respondents gave their opinion on measurement methods according to IFRS 15, whereas, regarding measurement based on the unified accounting system, from my knowledge, it did not cover anything about measurement compared to the IFRS 15 standard for revenue from contracts, which measures revenue according to the third step, measuring the variable consideration to include it in the transaction price by estimating the expected value or the most likely amount that the entity expects to receive as part of its rights in exchange for performance obligations under the contract. It is evident that all answers revolve around the importance of following revenue measurement methods according to the IFRS 15 standard, as it addresses many revenue measurement issues in previous standards or at the local level.

Q5. Are there any differences in accounting treatments for these contracts between the accounting system and the standard, especially concerning revenue measurement and recognition?

Name	I don't think there's a fundamental difference, it's an organizational difference.	Yes, there are differences in accounting treatments and the standard has addressed them	Yes, there are differences in terms of measurement.	Total
Total	4	9	5	18
Ratio	22.22	50	27.78	100%

From the table above, it is evident that there are multiple answers regarding the extent of differences in accounting treatments for these contracts between the accounting system and the IFRS 15 standard, especially concerning revenue measurement and recognition. Some respondents answered that there is no difference, while others focused on differences in measurement stages. The highest percentage, which is 50%, indicated that there are differences in accounting treatments that have been addressed by the standard.

To further emphasize this, important interview texts reveal that the tenth interviewee stated that there is indeed a difference between the unified accounting system applied in the Iraqi environment and the IFRS 15 standard for revenue from contracts with customers. The IFRS 15 provides more details, disclosures, and different measurement methods, which are generally better than what is currently applied in the Iraqi environment. Meanwhile, 27.78% indicated differences in measurement, and the last percentage of 22.22% acknowledged differences but not in a substantial way. To reinforce this, the fifth interviewee mentioned the existence of a significant difference only in accounting treatments for construction or contracting contracts. Here, it becomes clear that although the respondents varied in their conceptual expressions, they unanimously agreed on a common opinion: there is a substantial difference in the accounting treatments for these contracts between the unified accounting system and the IFRS 15 standard.

Q8. Do you believe that the comprehensive application of standards will improve the disclosure process?

Name	Applying standards comprehensively will improve disclosure	The implementation of the standard will improve the quality of accounting disclosure of financial reports.	Total
Total	11	6	17
Ratio	64.71	35.29	100%

From the table above, it is evident that the majority of answers related to the sixth question were at a rate of 64.71%. These responses explain that the comprehensive application of standards will improve the accounting disclosure process. A percentage of

35.29% indicated that applying the standard will lead to an improvement in the quality of accounting disclosure for financial reports.

To reinforce this, the ninth interviewee provided a clear answer: "Certainly, the application of standards will significantly improve the disclosure process. As I mentioned before, the IFRS 15 standard for revenue from contracts with customers contains elements that we are not currently implementing, especially in the disclosure process. As we discussed in the first point with the example of airline tickets, all these measurements will enhance the disclosures."

Q7. Does IFRS 15 provide comprehensive accounting information that accurately represents all revenue-related processes?

Total	Provides comprehensive accounting information that expresses truthfully, but needs development and clarification	Yes, it saves to some extent	Name
14	10	4	Total
100%	71.43	28.57	Percentage

From the table above, it is clear that the majority of responses related to the seventh question were at a rate of 71.43%. These responses focused on the idea that IFRS 15 provides comprehensive accounting information that accurately represents revenue-related processes but requires further development and clarification. To reinforce this, the first interviewee's textual response stated, "Certainly, the application of IFRS 15 provides comprehensive accounting information that accurately represents all revenue-related processes, but it needs further development and clarification by simplifying the methods and details of the IFRS 15 standard." Additionally, 28.57% of the answers centered around the idea that IFRS 15 does provide information to some extent. Here, it becomes evident that the results suggest that the IFRS 15 standard provides comprehensive and accurate accounting information that faithfully represents various revenue-related processes.

Q8. Do you believe that the revenue item in financial statements is important in the decision-making process by investors? Is it important primarily or secondarily?

Name	Attention to the amount of profit	Revenue is considered important and who is considered a follower	Elementary important	Total
Total	2	3	12	17
Percentage	11.76	17.65	70.59	100%

From the table above, it is evident that the majority of responses related to the eighth question were at a rate of 70.59%, indicating that the revenue item or figure in financial statements is important in the decision-making process by investors or brokerage firms primarily. The remaining percentages conveyed the same message, emphasizing the importance of this item. To reinforce this answer, the researcher refers to the fourth interview, where it is stated that the interest of investors or brokerage firms in these figures and their understanding of the relationship with other items is to assess the company's performance and activity. For example, a struggling company is certainly not considered a good investment, as it incurs increasing expenses and decreasing revenues, which affects its total profit and net income. Revenue is an important element for both brokerage firms and investors, whether as a number or as part of an income statement they belong to. Therefore, the broker or investor is concerned with the stock price, revenue figure, and profits. Thus, it has primary importance in making investment decisions. It becomes clear that all the response percentages indicate the importance of the revenue item or figure in the decision-making process by investors.

Q9. Do you believe that the companies listed on the Iraqi stock market will help investors in making decisions?

Name	Going to IFRS15 helps investors make the right decision	IFRS15 deals with core activities and will therefore improve the presentation and disclosure of revenue	Yes. It is better when adopting joint stock companies in the Iraq Stock Exchange	Total
Total	9	4	2	15
Ratio	60	26.67	13.33	100%

It is evident from the table above that most responses related to the ninth question were that 60% of them were about the inclination towards the application of IFRS15, which will help investors make the appropriate decisions. To further support this, we can refer to the fourth interview response, which indicates that the adoption of International Financial Reporting Standards (IFRS), especially IFRS15, by publicly traded companies in the Iraq Stock Exchange will assist investors in making informed decisions. This is in response to the changes in financial reporting, emphasizing fairness, transparency, and uniformity. It particularly benefits foreign companies with branches and main operations outside Iraq. As mentioned earlier, this standard will accurately and realistically reflect revenue, which will undoubtedly impact investors' decisions. In my opinion, all standards serve investors and stakeholders in decision-making, while 26.67% of the responses mentioned that the standard addresses core activities and, as a result, improves the presentation and disclosure of revenue. Here, it becomes clear that most of the interviews discussed the significant role of applying IFRS15 in investment decision-making by providing important revenue-related information.

Q10. Do you believe that disclosing revenues according to IFRS15 will enhance the quality of financial data, which will reflect on decisions?

Na me	It will enhance the quality of financial statements, which will be reflected in investors' decisions	Yes, the standards and their adoption are a great addition to improving the quality of disclosures for financial reports	Tot al
Tot al	12	3	15
Rat io	80	20	100 %

The text above indicates that the majority of responses to the last question, at a rate of 80%, answered that IFRS15 would enhance the quality of financial data, which would reflect on investors' decisions. Meanwhile, 20% of them answered "yes" that standards and their adoption would significantly contribute to improving the quality of disclosures in financial reports. This is because inconsistent or non-aligned disclosure of revenue figures in financial statements with the nature of economic transactions or a misunderstanding by beneficiaries or users of financial statements would have negative effects on the quality of financial statements for economic entities, especially profit quality. The opposite is also true.

Conclusion:

The exploratory study concludes that there is consensus between the theoretical and exploratory aspects of this research regarding the criticisms directed towards the Iraqi local standards. Practitioners, including auditors, accountants, locals, and financial statement users such as intermediaries or investors in Iraqi entities, agreed on all of these responses, with some differences in the degree of each criticism and response. The study also found that there is agreement that all the events and developments in the modern business environment, the increasing reliance on information technology, and e-

commerce operations, as well as the shift from a production-based economy to a service-based one, have led to changes in the nature of activities, complex transactions, and business models in various industries. Consequently, this has resulted in some complex issues when recognizing revenue in practical application. It is challenging for the adopted local standards to deal with these issues, making it necessary to consider implementing IFRS15.

The study's results also indicate that there are some difficulties in implementing the new IFRS15 standard, primarily due to its introduction of new concepts that may be challenging to apply in practice. Additionally, the standard presents a new and unconventional method for recognizing revenue, which may lead to initial errors in its application by financial statement preparers due to misunderstanding the guidelines. To address these challenges, professional accountants working in the Iraqi securities market can undergo training and development through the Securities Commission or the Iraqi Association of Accountants and Auditors or professional institutes for postgraduate studies. This is necessary because it requires experienced and highly qualified accountants to interpret and apply the new revenue recognition standard consistently.

Furthermore, the study's results suggest that reconciliation between the unified accounting system applied in the Iraqi environment and the requirements of applying international financial reporting standards (IFRS) is possible. Additionally, there is a draft proposal to launch a unified and adapted accounting system according to IFRS by the Financial Control Bureau, which translates and compiles the numerical and entry aspects of this system. Regarding revenue measurement methods, the interview results highlighted the importance of following revenue measurement methods according to IFRS15, as it addresses many revenue measurement issues present in previous standards or at the local level. The absence of standardized measurement methods allows companies and institutions to exercise professional judgment.

On the other hand, the interview results indicated a significant difference in the accounting treatment of these contracts between the unified accounting system and IFRS15. It was revealed that IFRS15 provides comprehensive and accurate accounting information that faithfully represents a wide range of revenue-related activities. Additionally, the study results pointed out shortcomings and weaknesses in the disclosure phase according to the unified accounting system when preparing and presenting financial statements. Moreover, it provides general information without detailed specifics. The Iraqi disclosure standard (No. 6) did not cover all disclosures related to the company's activities and operations in the revenue recognition phase. It lacked timing disclosures and cases of uncertainty, unlike IFRS15, which addressed revenue classification and the disclosure of contract balances and performance obligations.

Furthermore, regarding the importance of the content covered by this standard, the study's results emphasized the significance of the revenue number or item in making investment decisions by investors. It helps determine the company's performance and strength compared to its weaknesses. Additionally, the results indicated that IFRS15 plays an important role in making investment decisions by providing valuable information related to revenues.

Finally, the study's results highlighted that disclosing revenue information according to IFRS15 would enhance the quality of financial data, reducing the risks of uncertainty and reducing information non-alignment. This would ultimately provide reliable and suitable information for investors, which would reflect on their investment decisions.

Recommendations:

In light of the findings, the researcher recommends that it is imperative for publicly traded companies in the Iraq Stock Exchange to adopt International Financial Reporting

Standards (IFRS) to provide useful accounting information to both general financial statement users and investors specifically. Furthermore, it is essential for the Iraq Stock Exchange to organize training sessions and educational publications for decision-making investors, local entities, financial intermediaries, and other financial statement users. These initiatives should aim to raise awareness about their responsibilities and roles in accordance with the new requirements and guidelines for revenue recognition in IFRS15, as well as accounting disclosure requirements.

Additionally, there is a need for collaboration among all stakeholders in the Iraqi business environment involved in issuing accounting standards. They should study and analyze the experiences of countries that have taken significant steps towards actual implementation of IFRS15. This collaborative effort can leverage the positive effects of IFRS15 to enhance the quality of accounting disclosures in financial statements, reduce information non-alignment, and minimize earnings management practices, ultimately improving the quality of financial reporting.

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