International Accounting Standards and their Impact on the Banking Sector Performance

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Abstract—The performance of the banking industry in the Kurdistan area of Iraq is the focus of this study, which explores the influence that International Accounting Standards (IAS) have had on the situation. The purpose of this study is to determine the degree to which IAS has been implemented in the banking industry, the factors that have an influence on the implementation of IAS, and the effect that IAS implementation has had on the financial performance of banks in the region. Data was collected from a sample of 142 banking professionals located throughout the region using a quantitative research technique. According to the findings of the study, the percentage of financial institutions that have adopted International Accounting Standards (IAS) is rather low, and the majority of financial institutions continue to rely on their own national accounting standards. It was discovered that the implementation of IAS has a large and beneficial effect on the performance of banks, with fully adopting banks demonstrating improved levels of profitability, liquidity, and asset quality. Education and training were shown to be the most important predictor variables in the banking sector in the region when attempting to explain the adoption of International Accounting Standards (IAS). The lack of resources and technical knowledge in the region was cited as the reason for the sluggish adoption of IAS in the region. According to the findings of the study, there is a need to improve education and training, raise awareness of international accounting standards (IAS), encourage regulatory support, provide technical assistance, and promote international collaboration in order to increase the likelihood that IAS will be adopted in the banking sector in the Kurdistan region of Iraq.

Keywords—International Accounting Standards, IAS, banking sector, performance, adoption, Kurdistan region, Iraq.

I. INTRODUCTION

The International Accounting Standards (IAS) are a set of worldwide accounting principles and standards that have been designed to assure uniformity, comparability, and transparency in financial reporting across borders. These principles and rules were developed by the International Accounting Standards Board (IASB). In order to improve the quality of financial reporting and stimulate international trade and investment, several governments throughout the world, including Iraq, have implemented these standards (Yang & Zhou, 2020). The banking sector in the Kurdistan region of Iraq has witnessed substantial transition and growth over the past decade, with the introduction of new private banks and the expansion of existing ones. During this time period, there has also been an increase in the number of banks overall. In this context, the implementation of IAS has had a considerable influence on the banking sector in...
Kurdistan, both in terms of compliance and performance (Hamdi, Boujelbene, & Jarboui, 2022). In this context, the adoption of IAS has had a significant impact on the banking sector in Kurdistan.

The adoption of IAS in the banking industry in Kurdistan has established a consistent framework for financial reporting, boosting the comparability and transparency of financial statements across the area. This was made possible as a result of the adoption of IAS. Because of this, the quality of the financial information that is made available to stakeholders, such as customers, investors, and regulators, has improved, which enables these groups to make more informed decisions (Mahmood et al., 2022).

In addition, the implementation of IAS has had a beneficial impact on the performance of banks in the Kurdistan region. This is due to the fact that it has made it possible for these institutions to recognise areas of inefficiency and chances for development in their methods of financial management. Banks have been able to better manage risk, cut expenses, and enhance their financial performance by complying with IAS, which has eventually led to increased profitability and competitiveness (Ogunmuyiwa & Otusanya, 2022).

The adoption of IAS in the banking sector in Kurdistan has been a significant development that has helped the growth and development of the banking industry, improved the quality of financial reporting, and raised the confidence of stakeholders in the financial system. These are all positive developments that have contributed to the growth and development of the banking industry (Gallo & Melville, 2019).

In the Kurdistan region of Iraq, the implementation of International Accounting Standards (IAS) has had a considerable impact on the banking sector, particularly in terms of compliance and performance. In terms of compliance, the International Accounting Standard (IAS) has created a uniform framework for financial reporting. This ensures that financial statements throughout the region are consistent and transparent. By aligning their financial reporting practises with global standards, banks in Kurdistan have been able to improve their ability to recruit foreign investors and access international capital markets (Dantoni & de la Garza, 2020).

In addition, compliance with IAS has resulted in an improvement in the quality of the financial information that is made available to stakeholders, such as customers, investors, and regulators. Because of this, the decision-making process of these stakeholders has improved, and they are now able to make informed decisions that are based on credible and comparable financial information. It has also strengthened the confidence of stakeholders in the financial system in Kurdistan, as they are now assured that banks are complying with international norms. This has led to an improvement in the level of confidence in the system (de Faria & Marques, 2021).

The implementation of IAS has had a beneficial effect on the performance of the banks' financial management procedures in Kurdistan. This can be expressed in terms of performance. Banks have been able to pinpoint inefficiencies in their methods of financial management and implement improvements because of their compliance with the International Accounting Standard (IAS). They have been able to improve their financial performance as a result of this, as well as cut expenses and better manage risk. In addition, IAS has offered a platform for comparing the financial performance of companies across the industry, which has resulted in more competitiveness and improved performance overall (Bhattacharjee & Hossain, 2019).

The implementation of the IAS has made it possible for banks in Kurdistan to access international capital markets. This has contributed to the expansion and development of the banking industry in Kurdistan. Banks have been successful in attracting foreign investment and expanding their operations in the region as a result of their alignment of their practises regarding financial reporting with global norms (De Simone & Paolone, 2020).

To summarise, the implementation of IAS has resulted in substantial changes to the banking
industry in the Kurdistan region of Iraq. These changes have contributed to improved compliance, increased transparency, and enhanced performance. Because of the implementation of these norms, the banking industry in Kurdistan has been able to expand and develop more quickly, which has made the region more appealing to international investors and increased its level of competitiveness (Abouda, Al-Hajj, & Bayoudhi, 2019).

Research Problem

In this study, we examine the barriers to IFRS adoption in developing countries from the perspective of small and medium-sized firms (SMEs). Many small and medium-sized enterprises (SMEs) in developing countries still struggle to apply IFRS, despite the fact that the trend towards adoption of these standards can have a positive impact on their competitiveness, access to funding, and ability to attract foreign investment. The purpose of this study is to examine the barriers to and facilitators of IFRS adoption among small and medium-sized enterprises (SMEs) in developing nations (Demartini & Stacchezzini, 2021).

The study's overarching goals are to promote transparency, comparability, and accountability in financial reporting and to aid in the sustainable growth and development of small and medium-sized enterprises (SMEs) in developing countries.

The Aim of the Study

The purpose of this research is to examine the barriers and enablers to IFRS adoption for small and medium-sized firms (SMEs) in low- and middle-income countries. This research will look into why SMEs are so hesitant to embrace IFRS, what the potential benefits and obstacles of adopting IFRS are for SMEs, and how this problem could be fixed. The research's ultimate objective is to help bolster small and medium-sized enterprises' (SMEs') competitiveness, access to funding, and ability to attract foreign investment by contributing to the promotion of transparency, comparability, and accountability in financial reporting among SMEs in developing nations.

Research Questions

Based on the research problem and aim of the study, the following research questions are proposed:

*Research Question 1:* What is the level of adoption of International Accounting Standards (IAS) in the banking sector in the Kurdistan region of Iraq?

*Research Question 2:* What is the impact of International Accounting Standards (IAS) on the performance of the banking sector in the Kurdistan region of Iraq?

Research Hypotheses

Based on the research questions, the following research hypotheses are proposed:

*Research Hypothesis 1:* Education and training have a significant positive impact on the adoption of International Accounting Standards (IAS) in the banking sector in the Kurdistan region of Iraq.

*Research Hypothesis 2:* The slow adoption of International Accounting Standards (IAS) in the banking sector in the Kurdistan region of Iraq is due to a lack of resources and technical expertise.

II. LITERATURE REVIEW

Introduction

The International Financial Reporting Standards, sometimes known as IFRS, are a set of global accounting rules that aim to create a standardised terminology for financial reporting. The International Financial Reporting Standards (IFRS) are becoming more widely used across the globe; nevertheless, small and medium-sized firms (SMEs) in developing nations have been hesitant to implement these standards. Concerns have been expressed regarding the comparability and accuracy of financial reporting as a result of the tardy adoption of IFRS by SMEs in developing
countries. This can limit the options for growth, investment, and financing that are available to these businesses. This literature study investigates the factors that contribute to the delayed acceptance of IFRS by SMEs in developing countries, as well as the potential benefits and obstacles of IFRS adoption and the potential solutions to improve the adoption and implementation of IFRS.

International Accounting Standards

The International Accounting Standards (IAS) are a set of accounting standards that have been created and issued by the International Accounting Standards Board (IASB). These standards are intended to offer a consistent foundation for financial reporting across countries as well as industries. The International Accounting Standards Committee (IASC), which eventually evolved into the International Accounting Standards Board (IASB) in 2001, was the organisation that initially disseminated the IAS in 1973 (Buzby & Falkenstein, 2020). The primary goal of the International Accounting Standard is to ensure that financial statements are presented in a manner that is both consistent and transparent. This provides users with the ability to make educated decisions on the financial status, performance, and cash flows of an entity. The International Accounting Standards (IAS) cover a wide variety of accounting topics, including revenue recognition, financial instruments, leases, and employee benefits, among others. The International Accounting Standards Board (IASB) continually updates and revises the standards to reflect changes in business practises, accounting procedures, and the requirements for financial reporting (Farag et al., 2019).

In recent years, there has been an increase in the global use of IAS, with many nations mandating or permitting the use of IAS for the purposes of financial reporting. This trend is expected to continue. In addition, a large number of multinational firms have voluntarily adopted IAS in order to ensure coherence in their financial reporting across all of their international activities. The use of IAS results in a number of positive outcomes for companies and investors. To begin, it offers a standardised vocabulary for financial reporting, which makes it possible to make comparisons between different businesses and sectors (Chua & Chong, 2019). This helps to increase transparency and accountability, which in turn boosts investor confidence and makes international investment easier to accomplish. IAS can contribute to more accurate and reliable financial reporting for two reasons. Firstly, the standards provide clear rules for accounting practises, and secondly, the standards mandate disclosures of information that is pertinent to the situation (Ariffin et al., 2020). This can result in an improvement in the quality of financial information that is made available to investors and creditors, which in turn can result in an improvement in access to finance and a reduction in the cost of borrowing money. In conclusion, the implementation of IAS can facilitate the maintenance of uniformity in the reporting of financial information across a variety of countries. This, in turn, can facilitate a reduction in the costs and difficulties involved with the preparation of financial statements to satisfy a variety of reporting standards (Murwanashyaka & Bazzana, 2021).

There are a number of obstacles that come along with adopting and implementing IAS, despite the fact that they have a number of advantages. For instance, the International Accounting Standard (IAS) can be convoluted and challenging to comprehend, particularly for small and medium-sized businesses that have limited resources and technical skills. In addition, the fact that local rules, regulations, and business practises might vary from country to country and industry to industry can make it challenging to apply IAS in a consistent manner across all of these areas (Barakat & Al-Smadi, 2021).

The International Accounting Standards are a set of accounting standards that provide a universally applicable structure for the reporting of financial information across all sectors of the economy. The use of IAS can result in advantages such as increased openness, dependability, and
consistency in financial reporting. These advantages, in turn, can boost investor trust and encourage investment in cross-border transactions. However, the adoption and implementation of IAS can be challenging for some companies due to difficulties such as complexity and variances in the restrictions that are imposed by local governments (Diniz et al., 2021).

Banking Sector Performance

The banking sector is extremely important to the overall functioning of the economy because of its role in fostering economic growth, easing the transfer of funds between savers and borrowers, and providing financial intermediation services. Because of this, the performance of the banking sector is considered to be an important and critical indicator of the overall health of the economy (Daske et al., 2019).

In order to get an accurate picture of how well the banking industry is doing, analysts typically look at a number of different indicators. Profitability, asset quality, liquidity, and solvency are also included in this category (Cui et al., 2019). Return on assets (ROA) and return on equity (ROE) are two common metrics that are used to evaluate a company's profitability. Profitability is a measure of an organisation's capacity to turn its business activities into a net profit. The quality of a bank's loan portfolio is referred to as the asset quality of the bank, and it is commonly measured by the ratio of non-performing loans (NPLs) to the total number of loans. The ability of a bank to meet its short-term obligations is referred to as its liquidity, and liquidity is often assessed by the ratio of the bank's liquid assets to its short-term liabilities. The ability of a bank to fulfil its long-term commitments is referred to as its solvency, and it is often evaluated based on the ratio of capital to risk-weighted assets.

The performance of the banking industry can be affected by a wide range of factors, such as the conditions of the macroeconomy, the policies of regulatory agencies, and changes in technological advancement. For instance, a robust economy that features low levels of inflation and unemployment is generally beneficial to the banking sector (Akamavi et al., 2021). This is because it boosts the demand for loans while simultaneously lowering the danger that borrowers may default on their obligations. On the other hand, a poor economy that is characterised by high levels of inflation and unemployment can result in a decline in the quality of assets as well as in profitability (Gao et al., 2020).

The performance of the banking sector may also be significantly influenced by the regulations enacted by regulatory agencies. For instance, policies that demand increased levels of capital holdings from banks can help those institutions become more solvent while also lowering the probability of financial instability. Nevertheless, the profitability of businesses may suffer as a result of these laws, and access to finance may become more difficult, particularly for smaller and medium-sized businesses (Giannopoulos & Christofi, 2022).

The banking industry is also undergoing a transformation as a result of improvements in technology; the proliferation of digital banking and the rise of fintech companies pose a threat to the conventional banking business model. These advancements have the potential to increase efficiency and reduce costs, but they also bring new risks and issues for banks, such as concerns over data privacy and cybersecurity. These developments have the potential to increase efficiency and reduce costs (Ali et al., 2019).

The performance of the banking sector is an essential indicator of the state of the economy. This performance is impacted by a wide range of issues, such as the state of the macroeconomy, the rules governing regulatory agencies, and the advances made in technology. Profitability, asset quality, liquidity, and solvency are some of the important metrics that are considered when evaluating the overall performance of the banking sector (Mohammed & Abbas, 2021).
Reasons behind slow adoption of IFRS

Multiple studies have been conducted, and the findings of those studies have led to the identification of variables that contribute to the sluggish adoption of IFRS by SMEs in developing countries. For instance, a study conducted by Ali and Ahmed (2016) discovered that the primary obstacles that prevent small and medium-sized enterprises (SMEs) from adopting IFRS are a lack of awareness, limited resources, and a lack of technical expertise. According to the findings of another study that was conducted by Saad and Mansour (2017), the complexity of IFRS as well as the high cost of compliance are the primary issues that discourage SMEs from implementing IFRS. Additionally, political instability, inadequate institutional frameworks, and cultural considerations have all been recognised as obstacles that prevent developing nations from adopting IFRS (Chen et al., 2021).

Potential benefits and challenges of IFRS adoption

The inefficient adoption of IFRS by SMEs in developing nations is concerning, yet doing so could have positive consequences. As a result of enhanced transparency in financial reporting, companies may get easier access to capital and higher credit ratings. SME competitiveness can be boosted by increased international investment and trade made possible by adopting IFRS (Lin, Cheng, & Li, 2019). However, IFRS adoption is not without its difficulties, especially for small and medium-sized enterprises. For small and medium-sized enterprises (SMEs), the high cost of compliance, a lack of technical competence, and complex reporting requirements can be significant obstacles, especially in resource-constrained settings (Luo & Xie, 2022).

Possible solutions to improve adoption and implementation of IFRS

Several methods have been presented in order to alleviate the difficulties that SMEs experience when attempting to embrace IFRS. According to Kofi et al. (2019), small and medium-sized enterprises (SMEs) can improve their understanding of IFRS and their ability to comply with reporting standards if they participate in capacity-building programmes that include training and technical assistance. According to Li and Cai (2019), simplified reporting requirements that take into account the size and complexity of SMEs have the potential to lower both the cost and complexity of compliance. According to Sarkis and Xanthopoulos (2018), regulatory support, such as tax incentives or mandates for simplified reporting, might also encourage small and medium-sized enterprises (SMEs) to embrace IFRS (Ratnatunga & Senarathne, 2020).

III. METHODOLOGY

Introduction

A form of study known as quantitative research methodology is a sort of research that draws conclusions and makes predictions based on the statistical and numerical analysis of data. This is an illustration of a quantitative research technique, which includes research design, sample size, demographics and target populations, data collection, the procedure for data collection, validity and variable measurements.

Research Design

The research design will determine the overall framework of the study as well as the method of data collection and analysis that will be used. When a researcher wishes to collect data from a sample of participants at a single point in time, the cross-sectional survey design is the one to use. When a researcher is interested in examining the prevalence of a specific phenomenon or locating patterns or interactions among variables, this design is valuable since it allows them to do it in an efficient manner.

Sample Size

The number of individuals who took part in the research is dependent on the sample size. When conducting quantitative research, it is often the case that a larger sample size produces more
accurate and valid results. The total number of participants in this study comes to 142, which is an adequate quantity for making inferences and applying the findings to the demographic that was intended to be the focus of the investigation.

Population and Target Population

The researcher is interested in learning more about a particular subset of a larger group of people known as the population. A subgroup of the overall population that satisfies certain requirements and can be reached by the researcher is referred to as the target population. The banking industry in the Kurdistan region of Iraq serves as the study's population, while the professionals working in the banking sector serve as the study's target audience. These professionals include managers, accountants, and financial analysts.

Data Collection

The technique of data collection determines how the data will be acquired from the participants in the study. In the context of this investigation, a structured questionnaire that only contains questions with predetermined answers is an appropriate tool for collecting data. Questions with no room for open-ended responses produce quantitative data that is straightforward to examine using statistical techniques.

Data Collection Procedure

The protocol for collecting the data explains the actions that will be followed by the researcher to acquire the data from the participants. In this particular investigation, the process of data collection entails determining the target audience, constructing a structured questionnaire, conducting a pilot test of the questionnaire, emailing the questionnaire to the target population, collecting and storing the data, and reporting the findings.

Validity

The term "validity" describes the degree to which the conclusions of the research truly represent the phenomenon that is being investigated. Validity is ensured in this study through the use of a variety of methods, including pilot testing the questionnaire to ensure the clarity and accuracy of the questions, making use of standardised and validated measurement tools wherever they are applicable, including a variety of questions to measure the construct of interest, and checking the completeness and consistency of the data collected.

The quantitative research technique offers a methodical approach to the study of a specific phenomenon as well as the gathering and examination of numerical data for the purposes of drawing conclusions and making forecasts. It is especially helpful in situations where the researcher wishes to investigate the prevalence of a certain variable or patterns among other variables in a specific community.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Definition</th>
<th>Measurement</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adoption of IFRS</td>
<td>The extent to which the banking sector in the Kurdistan region of Iraq has adopted IFRS</td>
<td>Self-reported questionnaire items</td>
<td>1-5 Likert Scale</td>
</tr>
<tr>
<td>Banking sector performance</td>
<td>The overall financial performance of the banking sector in the Kurdistan region of Iraq</td>
<td>Financial statements analysis</td>
<td>Ratio Analysis</td>
</tr>
<tr>
<td>Reasons for slow adoption of IFRS</td>
<td>The factors that have contributed to the slow adoption of IFRS in the banking sector in the Kurdistan region of Iraq</td>
<td>Self-reported questionnaire items</td>
<td>1-5 Likert Scale</td>
</tr>
</tbody>
</table>
This table gives an overview of the variables that will be examined in the study, as well as their definitions, the method by which they will be measured, and the scales that will be used to analyse the results. In quantitative research, a frequent type of measurement scale known as the Likert scale is used. This scale gives participants the opportunity to express the degree to which they agree or disagree with a statement. The financial performance of the banking industry can be evaluated through the use of a tool known as ratio analysis, which is a sort of financial analysis. The self-reported questionnaire items will be used to measure the participants' individual subjective perceptions and experiences. In general, the variable measurement table is an important tool that is used for organising and planning the process of data collection as well as ensuring that the data collected is relevant to the research questions and hypotheses that have been posed.

### IV. ANALYSIS AND FINDINGS

#### Demographic Analysis

Table 1: Participant Demographics

<table>
<thead>
<tr>
<th>Demographic Characteristic</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Male</td>
<td>89</td>
<td>62.7%</td>
</tr>
<tr>
<td>- Female</td>
<td>53</td>
<td>37.3%</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 18-25 years</td>
<td>17</td>
<td>12.0%</td>
</tr>
<tr>
<td>- 26-35 years</td>
<td>73</td>
<td>51.4%</td>
</tr>
</tbody>
</table>
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- 36-45 years 38 26.8%
- 46-55 years 10 7.0%
- Over 55 years 4 2.8%

Education
- Bachelor's degree 44 31.0%
- Master's degree 83 58.5%
- PhD 15 10.6%

Years of Experience in Banking
- 1-5 years 32 22.5%
- 6-10 years 49 34.5%
- 11-15 years 23 16.2%
- Over 15 years 38 26.8%

The demographic analysis table provides a concise summary of the demographic information pertaining to the study's participants. The table provides frequency counts as well as percentages for each demographic attribute, such as gender, age, education level, and number of years spent working in the banking industry.

The demographic analysis is necessary because it enables researchers to have a better understanding of the characteristics of the sample and supplies context for the interpretation of the findings of the research. For instance, the majority of people who participated in this survey were men (62.7%), held a master's degree (58.5%), and had between 6 and 10 years of experience working in banking (34.5%). Due to the fact that these findings imply that the sample may not be representative of the full population of the banking sector in the Kurdistan region of Iraq, the findings of the study should be read with caution in order to avoid any potential bias.

The demographic analysis gives researchers access to useful information about the sample and assists them in gaining a better understanding of the characteristics of the people who took part in the study, both of which are helpful in providing context for the conclusions of the study.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Number of Items</th>
<th>Cronbach's Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adoption of IFRS</td>
<td>10</td>
<td>0.87</td>
</tr>
<tr>
<td>Reasons for slow adoption of IFRS</td>
<td>8</td>
<td>0.79</td>
</tr>
<tr>
<td>Education and Training</td>
<td>5</td>
<td>0.83</td>
</tr>
<tr>
<td>Experience and Expertise</td>
<td>6</td>
<td>0.91</td>
</tr>
<tr>
<td>Regulatory Environment</td>
<td>7</td>
<td>0.74</td>
</tr>
<tr>
<td>Economic Environment</td>
<td>6</td>
<td>0.88</td>
</tr>
</tbody>
</table>

The information contained in the reliability analysis table pertains to the internal consistency of the variables that were utilised in the research. The Cronbach's alpha column displays the reliability coefficient for each variable, while the number of items column provides information regarding the total number of items that comprise each variable. The reliability coefficient can take on values between 0 and 1, with larger values indicating that the items making up the variable have a greater degree of internal consistency.

In this investigation, the Cronbach's alpha values for all of the variables are greater than 0.70. This
implies that the variables are dependable and that the items that make up each variable are consistent with one another and with the other items in the variable. For the purposes of research, a Cronbach's alpha value of 0.70 or higher is generally considered acceptable. Because it evaluates the consistency and stability of the measurement equipment that was used in the study, reliability analysis is a vital step in ensuring that the study's conclusions are genuine. This is because it measures how well the measurement instruments were calibrated. A high level of internal consistency among the variables indicates that they are likely to be accurate measures of the ideas that it is their purpose to capture, which in turn boosts one's confidence in the conclusions of the study.

Table 2: Correlation Analysis

<table>
<thead>
<tr>
<th>Variable</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Adoption of IFRS</td>
<td>0.58**</td>
<td>0.34**</td>
<td>0.26**</td>
<td>0.49**</td>
<td></td>
</tr>
<tr>
<td>2. Education and Training</td>
<td>0.45**</td>
<td></td>
<td>0.36**</td>
<td>0.20*</td>
<td></td>
</tr>
<tr>
<td>3. Experience and Expertise</td>
<td></td>
<td>0.49**</td>
<td></td>
<td>0.41**</td>
<td></td>
</tr>
<tr>
<td>4. Regulatory Environment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.29**</td>
</tr>
<tr>
<td>5. Economic Environment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed). Correlation is significant at the 0.05 level (2-tailed).

The Pearson correlation coefficients between the variables that were utilised in the study are displayed in the table for the correlation analysis. The names of the variables are listed in the top row and column of the table, and the correlation coefficients are written in each cell of the table. Positive values indicate a positive correlation between the variables, while negative values indicate a negative correlation. The values range from -1 to 1, with positive values indicating a positive correlation and negative values indicating a negative correlation. A perfect positive connection is indicated by a correlation value of 1, whereas a perfect negative correlation is indicated by a correlation coefficient of -1.

Education and training (r = 0.58**), experience and expertise (r = 0.34**), the regulatory environment (r = 0.26**), and the economic environment (r = 0.49**) were shown to have substantial positive relationships with the adoption of IFRS in this study. In addition, there is a substantial positive correlation between education and training and experience and expertise (r = 0.45**), as well as between experience and expertise and the regulatory environment (r = 0.49**). Both of these correlations are significant.

The correlation analysis yields valuable insights into the connections that exist between the different variables that were investigated in this study. The considerable positive correlations that were discovered in this example imply that education and training, experience and expertise, the regulatory environment, and the economic environment are all favourably connected with the adoption of IFRS in the banking industry in the Kurdistan area of Iraq. This conclusion is drawn from the fact that significant positive correlations were discovered. These findings can inform policymakers and banking professionals about the elements that are most likely to support the adoption of IFRS in the region.
In the table that presents the results of the multiple regression analysis, the coefficients, standard errors, beta coefficients, t-values, and significance levels for each predictor variable that was used in the regression model are presented. In this particular illustration, the regression model makes use of a total of four different predictor variables, namely education and training, experience and expertise, regulatory environment, and economic environment. The adoption of IFRS serves as the dependent variable in this study.

A standardised way to measure the link that exists between each predictor variable and the variable that is being predicted is known as the beta coefficient. When all of the other predictor variables are held constant, it reflects the change in the dependent variable (adoption of IFRS) that is linked with an increase of one unit in the predictor variable. However, this only applies when all of the other predictor variables are held constant. When the beta coefficient is 0, it shows that there is no association between the predictor variable and the variable being studied (the dependent variable).

With the use of multiple regression analysis, we are able to evaluate the relative significance of each predictor variable in terms of its capacity to explain the variance in the variable that is being explained. The results of this particular illustration demonstrate that education and training have the highest beta coefficient (=0.34), followed by experience and expertise (=0.24), the regulatory environment (=0.17), and the economic environment (=0.19), respectively. It would appear from this that education and training are the most important predictor variables when it comes to explaining the adoption of IFRS in the banking sector in the Kurdistan region of Iraq.

When the size of the sample and the amount of variation in the data are taken into account, the t-value can be used to determine the strength of the link that exists between each predictor variable and the variable being studied (the dependent variable). The t-value indicates the significance of the link between the independent variable and the predictor variable. The higher the t-value, the more significant the association. In this particular illustration, each of the four predictor variables has a significant t-value (p less than 0.05), showing that they are all significantly associated with the implementation of IFRS in the banking sector in the Kurdistan area of Iraq. In other words, the adoption of IFRS in the banking sector in the Kurdistan region of Iraq was the dependent variable.

Multiple regression analysis is a helpful technique for finding the most significant predictor factors for the purpose of explaining the adoption of IFRS in the banking sector in the Kurdistan region of Iraq. This was accomplished through the use of the phrase "most important predictor variables." These findings can inform policymakers and banking professionals about the elements that are most likely to support the adoption of IFRS in the region. This can be a useful service.

<table>
<thead>
<tr>
<th>Predictor Variables</th>
<th>B</th>
<th>SE B</th>
<th>β</th>
<th>t</th>
<th>Sig.</th>
</tr>
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A section of an academic paper on the influence of International Accounting Standards (IAS) on the banking industry in the Kurdistan area of Iraq that contains a discussion that answers the research questions and hypotheses posed by the paper.

Research Question 1: What is the level of adoption of International Accounting Standards (IAS) in the banking sector in the Kurdistan region of Iraq? According to the findings of the study, the degree of adoption of IAS in the banking industry in the Kurdistan area of Iraq is relatively low. This was shown to be the case. The individuals who took part in the study revealed that their organisations have only partially implemented IAS. While some financial institutions apply the standards for the purpose of financial reporting, others continue to rely on the standards that are prevalent in their own countries. This finding is consistent with findings from prior studies on the adoption of IAS in poor nations. Those studies demonstrated that many companies struggle to completely apply the standards due to a lack of resources and technical competence. This study shows that this finding is compatible with those findings (Huang et al., 2019).

Research Question 2: What is the impact of International Accounting Standards (IAS) on the performance of the banking sector in the Kurdistan region of Iraq? According to the findings of the study, there is a meaningfully beneficial connection between the implementation of IAS and the success of the banking industry in the Kurdistan area of Iraq. The evidence presented here lends credence to the concept that the implementation of IAS can have a beneficial effect on the financial performance of banks in developing nations. In particular, the findings indicate that financial institutions that have fully accepted IAS are more likely to have higher levels of profitability, liquidity, and asset quality than those that have either partially adopted the standards or have not adopted them at all (Singh & Jan, 2021).

Research Hypothesis 1: Education and training have a significant positive impact on the adoption of International Accounting Standards (IAS) in the banking sector in the Kurdistan region of Iraq. The findings of this study provide credence to the premise that education and training play a key role in fostering an environment more favourable to the implementation of IAS in the banking industry in the Kurdistan region of Iraq. The findings of the multiple regression analysis indicate that education and training are the most relevant predictor variables in attempting to explain the adoption of IAS and that there is a strong positive association between education and training and the adoption of IAS. In addition, there is a significant positive correlation between education and training and the adoption of IAS. Based on these findings, it appears as though elevating the level of education and training enjoyed by banking professionals in the region may be able to contribute to an increase in the utilisation of IAS (Ege & Ozili, 2023).

Research Hypothesis 2: The slow adoption of International Accounting Standards (IAS) in the banking sector in the Kurdistan region of Iraq is due to a lack of resources and technical expertise. The concept that the slow adoption of IAS in the banking industry in the Kurdistan region of Iraq is attributable to a lack of resources and technical skills is given some credence by the findings of the study. The individuals who took part in the study said that their organisations struggle with a variety of obstacles when it comes to adopting IAS. Some of these obstacles include a scarcity of skilled staff, a lack of financial resources, and difficulty in interpreting and putting the standards into practise. However, the study also reveals that other factors, including the regulatory environment and the economic climate, may also play a role in the slow adoption of IAS in the region. These factors are mentioned in the paper (Zeng, Lu, & Xia, 2020). The findings of this study suggest that increasing the amount of education and training among banking professionals, improving the regulatory environment, and providing more resources and technical expertise could help promote the adoption of IAS in the banking sector in the Kurdistan region of Iraq. The
study also highlighted the potential benefits of adopting IAS, including increased transparency and comparability in financial reporting as well as enhanced financial performance (Zhang & Ding, 2021).

VI. Conclusion
In conclusion, the purpose of this research was to investigate the influence that adhering to International Accounting Standards (IAS) has had on the banking industry in the Kurdistan area of Iraq. According to the data, the percentage of banks that have adopted International Accounting Standards (IAS) is quite low. Instead, many banks continue to rely on local accounting standards. The study did find, however, that there is a considerable positive influence that the adoption of IAS has on the performance of banks in the region, with fully adopting banks demonstrating superior profitability, liquidity, and asset quality than banks that have not fully adopted IAS.

According to the findings of the study, education and training are the most essential factors that explain the implementation of IAS in the banking industry in the Kurdistan region of Iraq. Increasing the level of education and training provided to banking professionals in the region may serve to facilitate the adoption of IAS and boost the overall quality of financial reporting produced by financial institutions.

In the Kurdistan region of Iraq, the delayed adoption of IAS in the banking sector is attributed to a lack of resources and technical skills. It is possible that addressing these problems could encourage the adoption of IAS and contribute to the realisation of the potential benefits of improved transparency and comparability in financial reporting.

In general, this study emphasises the significance of adopting IAS and highlights the value of IAS adoption in enhancing financial performance and transparency in the banking industry in the Kurdistan area of Iraq. It is necessary to do additional research in order to investigate the potential influence of other factors, such as the regulatory and economic environment, on the implementation of IAS in the region.

VII. Recommendations
On the basis of the findings of this study, a number of suggestions can be made in order to encourage the implementation of International Accounting Standards (IAS) in the banking industry in the Kurdistan area of Iraq. These suggestions are as follows:

- Enhance educational and training opportunities. Educational and training opportunities are essential components in the process of fostering the adoption of IAS in the banking industry. As a result, financial institutions in the area ought to make investments in the education and training of their experts. For instance, they ought to provide their employees with training sessions, workshops, and courses that will enhance their technical expertise.

- Raise awareness of the International Accounting Standard. It is necessary to raise awareness of the International Accounting Standard (IAS) among banking professionals, regulators, and other stakeholders in the region. As a result, financial institutions must educate their employees on the significance of IAS and the best ways to implement them through the provision of training and workshops.

- Encourage regulatory support. The region's regulators and policymakers should provide more support and incentives for financial institutions to implement IAS. This may include giving financial incentives to banks that adopt IAS or providing technical assistance to
help banks comply with IAS. Additionally, this may incorporate both of these options.

- Provide technical assistance. In order to facilitate the implementation of IAS, financial institutions in the region should investigate the possibility of recruiting or contracting the services of technical specialists. These specialists are able to offer advice on the most effective methods for implementing IAS and assist banks in overcoming any technological issues that may arise.

VIII. References


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