Requirements for Applying the International Accounting Standard (12) and its Impact on the Quality of Financial Reporting and Investor Decisions (An Empirical Study in a Sample of Banks Listed in the Iraq Stock Exchange)

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Abstract

       The research aims to clarify the importance of adopting International Accounting Standard No. (12) as a tool for measurement and accounting disclosure of income taxes in the financial Stements, and to show the role of this in improving the quality of financial reporting with regard to future cash flows and the quality of receivables, as well as helping to rationalize investors' decisions. The research was applied in a sample of banks listed in the Iraq Stock Exchange, a questionnaire was designed in line with the objectives of the research, and in order to test the research hypotheses, a questionnaire was designed and distributed to the individuals working in the research sample. A set of appropriate statistical methods were used to test the hypotheses. The research reached a set of conclusions, the most important of which was that criterion (12) can help improve the quality of financial reporting and help rationalize investors' decisions.

Keywords *International Accounting Standard (12), Quality of Financial Reporting, Investor Decisions .*

I. INTRODUCTION

       The difference between tax laws and legislation and accounting laws and regulations has resulted in the asymmetry between both net accounting profit (calculated under accounting laws and regulations) and tax profit (calculated under tax laws and legislation), which varies from country to country, resulting in temporary differences that may be tax assets or obligations that may in turn affect net profit by increase or decrease, and these temporary differences arise in a given fiscal year and have an impact. To a subsequent fiscal year, it was therefore necessary to disclose these differences in the lists and financial statements prepared by the economic unit because these differences are considered assets or obligations to the taxpayer, and these differences can directly or indirectly affect the decisions of accounting information users, whether internal or external.

II. RESEARCH METHODOLOGY

Research problem:

       The problem of research revolved around the discrepancy between the estimate of income tax in Iraq in accordance with the criteria of financial reporting and the estimate of income tax in accordance with tax laws and legislation, and this discrepancy led to differences between accounting profit and tax profit (temporary and permanent differences) and these differences, including those that affect the estimate of the tax in subsequent years, and the problem of research can be expressed by the following question: Is there a possibility to apply IAS

(12) in the Iraqi environment and to help improve the quality of financial reporting and rationalize investor decisions?.

Research importance:

  The importance of the research comes from the importance of its main variables, namely IAS (12) and the quality of financial reporting, because for IAS 12, it aims to describe the accounting treatment of income taxes, and in terms of the quality of financial reporting, its importance comes from the importance of providing accounting information of the required quality and its quality characteristics that make it suitable for the purpose of decision-making and improving the competitive position of the economic unit.

Research objectives:

  The research aims to clarify the importance of adopting IAS 12 as a tool for measuring and disclosing income taxes in financial statements, and to demonstrate its role in improving the quality of financial reporting in relation to future cash flows and the quality of receivables, as well as helping to rationalize investor decisions.

Research hypotheses:

  The research is based on the following hypotheses: (1) there is the possibility of applying IAS 12 in banks listed on the Iraqi Stock Exchange, (2) there is the possibility of measuring the quality of financial reporting in banks listed on the Iraqi Stock Exchange, and (3) the application of IAS 12 helps to improve the quality of financial reporting in banks listed on the Iraqi Stock Exchange.

Research methodology:

  In order to achieve the objectives of the research, the inferration and inductive approaches were followed, as the inferration approach was followed in the theoretical aspect by relying on Arab and foreign sources available in libraries, either the inductive approach was followed in the practical aspect of this research.

Sample research:

  The research community is represented by banks listed on the Iraqi Stock Exchange, either the research sample, randomly selected by 10 banks for the year 2020.

III. THE THEORETICAL ASPECT OF THE RESEARCH

Concept and objectives of IAS No.12:

  The International Accounting Standards Board has issued IAS (12) on accounting for income taxes, in order to provide a unified guide to economic units that apply IAS in order to address differences that arise as a result of different requirements of tax laws from their counterparts in accordance with international standards, so that these differences are not left to remain outside the accounting records without showing their impact on the financial statements of economic units over many financial periods (Ajili, 2013: 10).

  IAS (12) requires the Economic Unit to account for the tax consequences of operations and events in the same way as it is held accountable for other operations and events, so operations and events recognized in profit or losses must be recognized for their tax implications (Hussein et al., 2020: 529) .

  IAS (12) is therefore seen as a set of guidelines and guidance issued by the International Accounting Standards Board showing accounting treatments for domestic and foreign income taxes and how to disclose them in detail about their components and standardized to all economic units applicable to the standard (Salman and Ali, 2014: 12).

  In other things, IAS 12 describes the accounting treatment of income taxes that include all domestic and foreign taxes on taxable profits, sets the standard for accounting profit, tax profit, accounting income and tax income, and is specifically aimed at clarifying the accounting treatment of income taxes, 2. Accounting for tax effects transactions and other events for the current period installed in the financial statements of the Economic Unit by explaining how to account for current and future tax effects, as described as follows: (IAS-12,2012:1)

1. Future recovery of the troddes of assets, or future adjustment of the amount of liabilities, installed in the list of the financial position of the economic unit.

2. Accounting for tax effects transactions and other events for the current period installed in the financial statements of the Economic Unit.

Concept and objectives of financial reporting quality:

The quality of financial reporting is one of the topics that is still evolving in its concept and method of measurement, and its impact is reflected in the decisions of the beneficiaries of accounting information, as well as its impact on important variables such as dividends and market value, so there is a need to go into it in order to keep up with various environmental developments (Hussein, 2016: 44).

Financial statements are prepared to provide adequate accounting information on the activities of the economic unit, so this information must be of the required quality through which users' needs can be met, as it can positively affect their various decisions such as administrative decisions and investment decisions (Beast, et.al., 2009:3).

The concepts of financial reporting quality are a set of specific characteristics that accounting information must have to be of interest to the beneficiaries, and vary from institution to institution, with consensus on three main characteristics: convenience, reliability and comparability (Hamidi, 2015: 99).

The information is final results from the data that have been processed in a certain way, so that it gives a full handle used in current and future decision-making processes, and accounting information is considered to be that information of different sources, which represents the live material that is recorded and can be dealt with with analysis, interpretation, explanation, and description, with a view to processing and producing it in the form of information representing data and financial lists that are useful in the decision-making process (Glautier & Underdown, 2010:16).

The importance of the quality of accounting information can be explained by a set of points, which can be explained by: (Verdi,2006:15), (Abdel Fattah, 2013: 63)

1. The quality of financial reporting reflects the quality of financial reports, which is the credibility and benefit it brings to users, and is free from distortion and misinformation and is prepared in the light of a set of legal, regulatory, professional and technical standards to achieve the purpose of its use, and access to good financial reports.

2. The transparency and good disclosure of financial reports reflect the reality of the financial position and the profits achieved and expected of the company in accordance with the objectives and needs of current and prospective investors and others to rationalize their investment decisions.

3. Help provide accounting standards on the basis of which financial reports are prepared and that enable users to make rational decisions.

4. The accuracy with which financial reports are prepared carrying information on the operations of the economic unit, especially on its expected cash flows to benefit investors in their decisions

According to the researchers, the quality of financial reporting is a real commitment of all parties involved in the preparation and presentation of financial statements, and this commitment is achieved in the presence of an effective internal control system through which mistakes and irregularities can be detected and prevented in order to serve the users of accounting information in the best possible way.

The relationship between IAS No. (12) and the quality of financial reporting and investor decisions:

The information provided by accounting systems includes some criteria that measure and determine the quality of such information, as the most important general criteria taken by organizations are the accuracy of the information, which is directly commensurate with the quality and value of information that reflects future expectations, and the quality of the information is measured by its usefulness, whether it is formal, i.e. conforming to the requirements for decision-making (Stephen, 2015:214).

IAS (12) helps improve the quality of information by the extent to which it is effective in achieving the objectives of the economic unit or decision makers, or through its efficiency, which appears through the achievement of this unit's objectives with the lowest possible resources and at the lowest cost, and determines the quality of the information by the predictability it shows after obtaining results (Hepiti, 2013: 29).

Financial reporting quality standards mean those specific characteristics that must be available in financial statements and information in order to meet the objectives of such data and reports are intended to provide useful information to all users to assist them in making economic, investment and other decisions (Hamidi, 2015: 101).

The FASB report contained a number of characteristics that must be available in list information and financial reports in order to be more beneficial to their users and these characteristics were convenience, quantifiability, safety and comparability, and then added several criteria to the criteria that must be available in accounting and financial information a set of descriptive characteristics in order to be beneficial to their users and these characteristics were appropriate, safe and neutral. Comparability, relative importance, and understanding. The Financial Accounting Standards Board also explained that these standards fall under several sub-criteria, where the appropriate timing falls under the criterion of convenience, and branched from the standard of safety both honesty or secretariat of representation, and verification, while stability falls under the standard of comparability (Glautier & Underdown,2010:16).

IAS (12) provides accounting information with the ability to understand the user's financial data and information when they read it through financial statements and reports, and as the FASB report states, the understandable criterion means that users are able to understand and use financial statements if they have reasonable knowledge of economic and accounting aspects and want to devote the necessary time to it, and also noted that the understanding of the contents of financial statements and reports is influenced by two important aspects of user characteristics, Data and information characteristics, these two properties can be clarified by the following: (Davis, et.al., 2017:7).

1. **User characteristics**: Behavioral studies indicate that the user interprets financial lists and reports before using them influenced by his expectations, beliefs, intellectual trends and general culture, as he can face the so-called intellectual dissonance that occurs if there is a contradiction between the content of the data and information received by the user and the knowledge available to him, which causes him to act by neglecting the content of data and information or taking this contradiction into account and the most important characteristics of the user:

   a. Scientific level he's reached.

   b. The degree of knowledge.

   c. Degree of knowledge of accounting and financial information systems.

   d. His general culture.

   e. His ability to predict and predict.

2. **Data and information characteristics**: Accounting data and information must have a range of characteristics, as follows:

   a. Agree as much as possible with the beliefs and ideas of users.

   b. To be presented in a simplified manner.

   c. To tend to quantitative form whenever possible.

d. To be presented in a timely manner.

The above notes that there is a relationship between IAS (12) and the standards of quality of financial reporting by helping this standard to provide a set of specific characteristics in accounting information in order to meet the objectives of the financial statements by providing useful information to all users to help them make different administrative decisions. IAS (12) helps improve the quality of information by the extent to which it is effective in achieving the objectives of the economic unit or decision makers, or through its efficiency, which appears through the achievement of this unit's objectives with the lowest possible resources and at the lowest cost, and determines the quality of the information by the predictability it shows after obtaining results. the understandable criterion means that users are able to understand and use financial statements if they have reasonable knowledge of economic and accounting .

IV. THE PRACTICAL SIDE OF THE SEARCH

Society and sample research and statistical methods used:

The research community consists of individuals working in the Iraqi Passport Directorate and its offices, either the research sample was selected a group of individuals working in the offices of Maysan and Basra passports, the researchers relied on interviews with members of the research sample in addition to the design of a questionnaire form, and the questions were drafted in the questionnaire form so that the answers of the members of the search sample can be converted into quantitative values on the five-degree Lykert scale, and the researchers tested the extent to which data can be relied upon and how consistent and consistent The scale used using the Kronbach Alpha link coefficient was the value of the Kronbach Alpha link coefficient (0.835) for sample members' answers, values through which the reliability of the answers of the search sample members could be inferred.

The Statistical Programme for Social Sciences (SPSS-26) has been applied to test research hypotheses and analyse results. A set of statistical methods, the computational medium, has been used to calculate the great value of the five-degree Lykert scale, in addition to which percentages and standard deviations have been used, and the t-test of a single sample has been used to test the research hypotheses by inferring the computational medium and showing its statistical significance.

Analysis of the demographic characteristics of the members of the research sample:

The questionnaire form was distributed to the members of the research sample represented by individuals working in Iraqi banks, where (76) forms were distributed, all forms have been recovered, and the demographic characteristics of the members of the research sample can be analyzed as follows:

Table (1): Analysis of the demographics of search sample members

Sequence	Variable	classification	Number	Percentage
1	Lifetime	Less than 40 years old	11	14.47%
		41-50years old	48	63.16%
		More than 50 years	17	22.37%
		Total	76	100%
2	Gender	males	45	59.21%
		Female	31	40.79%
		Total	76	100%
3	Scientific qualification	Bachelor	52	68.42%
		Master	20	62.32%
		Doctor	4	5.26%
		Total	67	100%
4	Years of experience	5 to 10 years	10	13.16%
		11 to 15 years	13	17.11%

		Over 15 years old	53	69.73%
		Total	76	100%

Source: Researcher's Preparation.

According to the table above, 14.47% of the members of the research sample were under 40 years of age, 63.16% were aged 41-50, the rest were over 50 years of age, and the proportion of males in the research sample (59.59) was 59.50 years old. 21% of females (40.79%), which means that males bear additional burdens that females did not bear, while the proportion of people with a bachelor's degree in the research sample (68.42%), master's (26.32%) and phD (5.26%) meant that they Qualified to understand the subject analysis of its paragraphs, as well as their ability to understand the relationship between independent and dependent research variables, either years of experience for the members of the research sample were the largest proportion of the group over 15 years by (69.73%) which indicates the accumulated experience in working in the members of the research sample.

Test search hypotheses:

During this paragraph, search hypotheses will be tested, as follows :

Test the first hypothesis:

This hypothesis states: (There is a possibility of applying IAS (12) in banks listed on the Iraqi Stock Exchange), and the computational average, percentage, standard deviation and variation factor for the answers of the sample members can be clarified by the following table:

Table (2): Arithmetic average, percentage, standard deviation and variation factor for the responses of sample members to search for the paragraphs of the first hypothesis

Variables	Details	Arithmetic medium	Percentage	Standard deviation	Variation coefficient
X101	All financial statements required to apply IAS 12 for income taxes are available at the bank	4.316	86.32%	1.932	0.448
X102	All financial statements required to apply IAS 12 for income taxes are available at the bank	4.237	84.74%	1.879	0.443
X103	There is no fundamental conflict between Iraqi domestic accounting base No. 13 and IAS No. (12)	2.697	53.94%	1.446	0.536
X104	The bank's management understands the results of the application of IAS 12 in a way that helps to make rational decisions	3.882	77.64%	1.667	0.429
X105	There is a possibility to measure the permanent and temporary differences between accounting profit and tax profit with the possibility at the bank to interpret the results	3.934	78.68%	1.695	0.431
X106	The application of IAS 12 in the bank does not adversely affect management decisions	4.132	82.64%	1.811	0.438

X107	The application of IAS 12 does not adversely affect the bank's accounting functioning	4.289	85.78%	1.914	0.446
X108	External users of accounting information understand the results of the application of IAS 12 to help in decisions	2.882	57.64%	1.419	0.492
X109	There are no problems with the accounting measurement of financial statements in accordance with IAS (12)	4.145	82.90%	1.820	0.439
X110	There is the possibility of disclosing all data resulting from the application of IAS 12 in the bank.	4.211	84.22%	1.862	0.442
	Overall average	3.873	77.45%	1.745	0.454

Source: Preparing the researcher based on computer outputs.

It is noted through the table above that a paragraph (all financial statements required to apply IAS 12 for income taxes in the bank) have been obtained in the middle of my account (4,316) and a percentage (86.32%) with a standard deviation (1.932) and a variation factor (0.448), Either a paragraph (the bank has the human resources scientifically and practically qualified to apply IAS 12) has obtained a middle account (4,237), a percentage (84.74%) with a standard deviation (1.879) and a variation factor (0.443), and a paragraph (no A fundamental conflict between Iraqi domestic accounting base No. 13 and IAS 12 has been obtained in the middle of my account (2,697) and a percentage (53.94%) with a standard deviation (1.446) and a variation factor (0.536), while a paragraph (the management of The Bank understands the results reached as a result of the application of IAS 12 in a way that helps make rational decisions) obtained in the middle of my account (3.882) and a percentage (77.64%) with a standard deviation (1.667) and a variation factor (0.429), as Paragraph (there is the possibility of measuring the permanent and temporary differences between accounting profit and tax profit with the availability ofEither a paragraph (the application of IAS 12 in the bank does not adversely affect management decisions) has been obtained in the middle of my account (4,132) and a percentage (82.64%) with a standard deviation (1.811) and a variation factor (0.438), and a paragraph (in The application of IAS 12 does not adversely affect the bank's accounting workflow) has been obtained in the middle of my account (4,289) and a percentage (85.78%) with a standard deviation (1.914) and a different factor (0.446), while the paragraph (in External users of accounting information understand the results of the application of IAS 12 and to help them make rational decisions. The paragraph (there are no problems with the accounting measurement of financial statements according to IAS 12 in the bank) was obtained in the middle of my account (4,145) and a percentage (82.90%) with a standard deviation (1.820) and a variation factor (0.439), although Paragraph (there is the possibility of disclosing all data resu At the bank) I got the middle of my account (4.211) and a percentage (84.22%) with a standard deviation (1.862) and a variation factor (0.442), and finally it was the middle Arithmetic of all variables of this hypothesis (3.873) and percentage (77.45%) with standard deviation (1.745) and variation factors (0.454). It is also noted through the previous table that all paragraphs have achieved higher than (3) degrees of the Lykert scale (except x103 and X108), indicating acceptance of this hypothesis. To test this hypothesis, a single sample (T) test was used, and the results were as shown in the following table:

Table (3): One Sample T-test results for the first hypothesis variables

Sequence	Variables	Calculated T	Scheduling T	Degree of freedom	Level of significance
1	X101	5.938	1.992	75	0.05
2	X102	5.739	1.992	75	0.05
3	X103	-1.827	1.992	75	0.05
4	X104	4.613	1.992	75	0.05
5	X105	4.804	1.992	75	0.05
6	X106	5.449	1.992	75	0.05

7	**X107**	**5.871**	**1.992**	**75**	**0.05**
8	**X108**	**-0.725**	**1.992**	**75**	**0.05**
9	**X109**	**5.485**	**1.992**	**75**	**0.05**
10	**X110**	**5.670**	**1.992**	**75**	**0.05**
	Overall average	**4.102**	**1.992**	**75**	**0.05**

Source: Preparing the researcher based on computer outputs.   .

It is clear from the table above that there is a statistical indication between the variables of the first hypothesis, depending on the calculated value (T) of (4.102), a statistically significant value at the indicative level (0.05), which indicates the acceptance of this hypothesis and indicates that there is a possibility of applying IAS 12 in banks listed on the Iraqi Stock Exchange, thus proving the first hypothesis.

Second hypothesis test:

This hypothesis states: (There is a possibility to measure the quality of financial reporting in banks listed on the Iraqi Stock Exchange), and the arithmetic average, percentage, standard deviation and variation factor can be explained by the responses of the members of the sample to search for the paragraphs of this hypothesis through the following table:

Table (4): Arithmetic average, percentage, standard deviation and variation factor for the answers of members of the search for the paragraphs of the second hypothesis

Variables	Details	Arithmetic medium	Percentage	Standard deviation	Variation coefficient
X111	**All financial statements required to measure the quality of financial reporting are available at the bank**	**4.368**	**87.36%**	**1.968**	**0.451**
X112	**The bank has scientifically and practically qualified human resources to measure the quality of financial reporting**	**3.579**	**71.58%**	**1.528**	**0.427**
X113	**The information generated by measuring the quality of financial reporting is subject to review and verification**	**4.184**	**83.68%**	**1.844**	**0.441**
X114	**The bank's management understands the results of measuring the quality of financial reporting in a way that helps to make rational decisions**	**3.947**	**78.94%**	**1.702**	**0.431**
X115	**Measuring the quality of financial reporting contains information that is far from biased, i.e. neutral in which one category's interest does not prevail over another group from inside**	**4.526**	**90.52%**	**2.081**	**0.460**
X116	**The transparency and good disclosure of information that reflects the financial position and profits achieved and expected by the bank is consistent with the objectives and needs of current and prospective investors**	**3.947**	**78.94%**	**1.702**	**0.431**

X117	Measuring the quality of financial reporting derived from the quality of accounting information disclosed can help strengthen the quiddility of international accounting standards, as well as strengthen laws and instructions related to the bank's work	3.645	72.90%	1.554	0.426
X118	External users of accounting information understand the results of measuring the quality of financial reporting and helping them make rational decisions	3.026	60.52%	1.414	0.467
X119	Save enough time at the bank to measure the quality of financial reporting and provide timely information	4.118	82.36%	1.803	0.438
X120	There is the possibility of delivering the results of the financial reporting quality measurement to the Department in order to help make decisions at the right time	4.145	82.90%	1.820	0.439
	Overall average	3.949	78.98%	1.742%	0.441

Source: Preparing the researcher based on computer outputs.   .

It is noted through the table above that a paragraph (all financial statements required to measure the quality of financial reporting in the bank) were obtained in the middle of my account (4,368) and a percentage (87.36%) with a standard deviation (1.968) and a different factor (0.451), either a paragraph (owned by the bank). Human resources qualified scientifically and practically to measure the quality of financial reporting) obtained a mathematical average (3,579) and a percentage (71.58%) with standard deviation (1.528) and a variation factor (0.427), and a paragraph (the information generated by measuring the quality of financial reporting is viable) For review and verification, I have obtained the middle of my account (4,184) and a percentage (83.68%) With a standard deviation (1.844) and a variation factor (0.441), either a paragraph (the bank's management understands the results achieved as a result of measuring the quality of financial reporting in a way that helps make rational decisions) I got the middle of my account (3.947) and a percentage (78.94%) with standard deviation (1.702) and variation factors (0.431), while a paragraph (measuring the quality of financial reporting contains information that is not biased, i.e. neutral in which the interest of one group does not prevail over another group from inside or outside The bank has obtained a middle account (4.526) and a percentage (90.52%) with a standard deviation (2.081) and a variation factor (0.460) The paragraph (the transparency and good disclosure of information that reflects the reality of the financial position and profits achieved and expected by the bank in accordance with the objectives and needs of current and prospective investors) has also been obtained in the middle of my account (3,947) and a percentage (78 .94%) with standard deviation (1.702) and variation factors (0.431), either paragraph (measuring the quality of financial reporting derived from the quality of accounting information disclosed can help strengthen the governing of international accounting standards, as well as enhance Laws and instructions related to the bank's work) have obtained a middle account (3,645) and a percentage (72.90%) with a standard deviation (1,554) and a factor Difference (0.426), while the paragraph (external users of accounting information understand the results reached as a result of measuring the quality of financial reporting and helping them make rational decisions) has obtained the middle of my account (3.026) and a percentage (60.52%) by standard deviation (1.4%) 14) and different factors (0.467), and a paragraph (providing sufficient time in the bank to measure the quality of financial reporting and provide appropriate information in a timely manner) was obtained in the middle of my account (4,118) and a percentage (82.36%) by standard deviation (1.803) and factors Difference (0.438), and that paragraph (there is the possibility of delivering the results of measuring the quality of financial reporting to management in order to help make decisions at the right time) has obtained the middle of my account (4.145) and a percentage (82.90%) with a standard deviation (1.820) and a variation factor (0.439), finally the arithmetic of all variables of this hypothesis (3.949) and the percentage (78.97%) were a standard deviation (1.742) and different factors (0.441). It is also noted that all paragraphs have achieved higher than (3) degrees of the Lykert

scale, indicating acceptance of this hypothesis. To test this hypothesis, a single sample (T) test was used, and the results were as shown in the following table:

Table (5): One Sample T-test results for second hypothesis variables

sequence	Variables	Calculated T	Scheduling T	Degree of freedom	Level of significance
1	X101	5.938	992.1	75	0.05
2	X102	5.739	992.1	75	0.05
3	X103	-1.827	992.1	75	0.05
4	X104	4.613	992.1	75	0.05
5	X105	4.804	992.1	75	0.05
6	X106	5.449	992.1	75	0.05
7	X107	5.871	992.1	75	0.05
8	X108	-0.725	992.1	75	0.05
9	X109	5.485	992.1	75	0.05
10	X110	5.670	992.1	75	0.05
	Overall average	4.573	992.1	75	0.05

Source: Preparing the researcher based on computer outputs.

It is clear from the table above that there is a statistical indication between the variables of the second hypothesis, depending on the calculated value (T) of (4.573), a statistically significant value at the level of indication (0.05), which indicates the acceptance of this hypothesis and indicates that there is a possibility to measure the quality of financial reporting in banks listed on the Iraqi Stock Exchange, so the second hypothesis has been proven.

Third hypothesis test:

This hypothesis states: (The application of IAS No. (12) helps to improve the quality of financial reporting in banks listed on the Iraqi Stock Exchange), and the arithmetic average, percentage, standard deviation and variation factor can be clarified for the answers of the sample members to search for the paragraphs of this hypothesis through the following table:

Table (6) : Arithmetic average, percentage, standard deviation and variation factor for the answers of the members of the sample search for the paragraphs of the third hypothesis

Variables	Details	Arithmetic medium	Percentage	Standard deviation	Variation coefficient
X121	IAS 12 helps improve the quality of information as effectively as it achieves the bank's objectives and decision makers	4.237	84.74%	1.879	0.443
X122	IAS 12 helps improve the quality of information as effectively as it achieves the bank's objectives and decision makers	4.395	87.90%	1.986	0.452
X123	IAS 12 helps provide accurate information that can help improve the quality of financial reporting	4.184	83.68%	1.844	0.441

X124	**IAS 12 helps provide two elements: the validity and ease of use of the information, as well as the timely provision of information to the decision-maker**	**3.882**	**77.64%**	**1.667**	**0.429**
X125	**IAS 12 helps improve efficiency in terms of the bank's achievement of its objectives through specific resources**	**4.434**	**88.68%**	**2.014**	**0.454**
X126	**IAS 12 helps predict the future, helping to improve the quality of financial reporting**	**0.432**	**1.468**	**67.90%**	**3.395**
X127	**IAS 12 helps improve efficiency, achieve the bank's objectives with minimal use of resources, and apply the information economy principle that aims to maximize the quality of information at the lowest possible cost**	**0.440**	**1.836**	**83.42%**	**4.171**
X128	**IAS (12) can help control the quality of financial reporting in terms of measuring and disclosing income taxes**	**0.435**	**1.455**	**66.84%**	**3.342**
X129	**IAS (12) explains and clarifies accounting treatment of income taxes, which can help control the quality of financial reporting**	**0.452**	**1.986**	**87.90%**	**4.395**
X130	**The application of IAS 12 helps facilitate the timely process of obtaining the report and displaying information in a way that does not need further explanation when used**	**0.429**	**1.667**	**77.64%**	**3.882**
	Overall average	**4.032**	**80.63%**	**1.780**	**0.441**

Source: Preparing the researcher based on computer outputs.

It is noted through the table above that a paragraph (IAS 12 helps improve the quality of information by its effectiveness in achieving the objectives of the bank and decision makers) has been obtained in the middle of my account (4.237), a percentage (84.74%) with a standard deviation (1.879) and different factors (0.443%)), either a paragraph (IAS 12 provides accounting information with the ability to understand by internal and external users) obtained the middle of my account (4.395) and a percentage (87.90%) with a standard deviation (1.986) and a variation factor (0.452) A paragraph (IAS 12 helps provide accurate information that can help improve the quality of financial reporting) has been obtained in the middle of my account (4,184), a percentage (83.68%) with a standard deviation (1,844) and a variation factor (0.441%) Either paragraph (IAS 12 helps provide two elements: the validity and ease of use of the information, as well as the timely provision of information to the decision maker) i got the middle of my account (3.882) and a percentage (77.64%) with a standard deviation (1,667) And different factors (0.429) While a paragraph (IAS 12) helps improve effectiveness in terms of the bank's achievement of its objectives through specific resources) has been obtained in the middle of my account (4,434), a percentage (88.68%) with a standard deviation (2,014) and a different factor (0.45% 4), and a paragraph (IAS 12 helps predict the future, in a way that helps improve the quality of financial reporting) has received a middle account (3,395) and a percentage (67.90%) with a standard deviation (1,468) and a variation factor (0.432) Either paragraph (IAS 12 helps improve efficiency and achieve the bank's objectives with minimal use For resources, and the application of the principle of information economics, which aims to maximize the quality of information at the lowest possible cost), it has obtained a computational average (4,171) and a percentage (83.42%) with a standard deviation (1.836) and a variation factor (0.440), while a paragraph (IAS 1 2 Can help control the quality of financial reporting in terms of measuring and disclosing income taxes) have been obtained in the middle of my account (3,342) and a percentage (66.84%) by standard deviation (1.455) and a variation factor (0.435), and a paragraph (the accounting standard International No. 12 by explaining and clarifying the accounting treatment of income taxes, which can help control the quality of financial reporting) has got the middle of my account (4.395) and a percentage (87.90%) deviationStandard (1.986) and variation factor (0.452), a paragraph (the application of IAS 12 helps facilitate the timely process of obtaining the report and displaying information in a way that does not require further explanation when used) has been obtained in the middle of my account (3,882) and a percentage

(77.64%) With a standard deviation (1.667), a variation factor (0.429), finally the arithmetic average of all variables (4.032) and the percentage (80.63%) were a standard deviation (1.780) and a different factor (0.441). It is also noted that all paragraphs have achieved higher than (3) degrees of the Lykert scale, indicating acceptance of this hypothesis. To test this hypothesis, a single sample T test was used, and the results were shown in the following table:

Table (7) : One Sample T-test results for third hypothesis variables

Sequence	Variables	Calculated T	Scheduling T	Degree of freedom	Level of significance
1	5.739	X121	1.992	75	0.05
2	6.124	X122	1.992	75	0.05
3	5.598	X123	1.992	75	0.05
4	4.613	X124	1.992	75	0.05
5	6.207	X125	1.992	75	0.05
6	2.346	X126	1.992	75	0.05
7	5.560	X127	1.992	75	0.05
8	2.049	X128	1.992	75	0.05
9	6.124	X129	1.992	75	0.05
10	4.613	X130	1.992	75	0.05
	Overall average	4.897	1.992	75	0.05

Source: Preparing the researcher based on computer outputs

It is clear from the table above that there is a statistical indication between the variables of the third hypothesis, depending on the calculated value (T) of (4.897), a statistically significant value at the level of indication (0.05), which indicates the acceptance of this hypothesis and indicates that the application of IAS 12 helps to improve the quality of financial reporting in banks listed on the Iraqi Stock Exchange, thus proving the third hypothesis.IAS 12 helps improve the quality of information as effectively as it achieves the bank's objectives and decision makers, and IAS 12 helps improve the quality of information as effectively as it achieves the bank's objectives and decision makers, IAS 12 helps provide accurate information that can help improve the quality of financial reporting, IAS 12 helps provide two elements: the validity and ease of use of the information, as well as the timely provision of information to the decision-maker and IAS 12 helps improve efficiency in terms of the bank's achievement of its objectives through specific resourcesm andIAS 12 helps predict the future, helping to improve the quality of financial reporting.

IAS 12 helps improve the quality of information as effectively as it achieves the bank's objectives and decision makers, and it helps improve the quality of information as effectively as it achieves the bank's objectives and decision makers, and it helps provide accurate information that can help improve the quality of financial reporting, it helps provide two elements: the validity and ease of use of the information, as well as the timely provision of information to the decision-maker, it helps improve efficiency in terms of the bank's achievement of its objectives through specific resources. IAS 12 helps predict the future, helping to improve the quality of financial reporting. IAS 12 helps improve efficiency, achieve the bank's objectives with minimal use of resources, and apply the information economy principle that aims to maximize the quality of information at the lowest possible cost. IAS (12) can help control the quality of financial reporting in terms of measuring and disclosing income taxes, and it explains and clarifies accounting treatment of income taxes, which can help control the quality of financial reporting. IAS (12) helps improve the quality of information by the extent to which it is effective in achieving the objectives of the economic unit or decision makers, or through its efficiency, which appears through the achievement of this unit's objectives with the lowest possible resources and at the lowest cost, and determines the quality of the information by the predictability it shows after obtaining results. Financial reporting quality standards mean those specific characteristics that must be available in financial statements and information in order to meet the objectives of such data and reports are intended to provide useful information to all users to assist them in making economic, investment and other decisions.while stability falls under the standard of comparability to improve the quality of information by the extent to which it is effective in achieving the objectives of the economic unit.

V. CONCLUSIONS AND RECOMMENDATIONS

Conclusions :

The conclusions of the theoretical aspect can be explained by the following:

1. IAS (12) is one of the criteria issued by the International Accounting Standards Board in order to provide income tax guidance in relation to measurement and accounting disclosure.
2. IAS (12) aims to clarify the accounting processing of income taxes, through the future recovery of the forward amount of the assets, or the future adjustment of the amount of the payment for the obligations established in the financial position list.
3. There are two ways to measure deferred taxes: the balance sheet method (tax obligation) and the income list method (deferred taxes), and the balance sheet method (tax obligation) is the best because this method depends on calculating the temporary differences that arise in the current period and are reflected during the coming periods.
4. There is a relationship between IAS (12) and the financial reporting quality assessment inputs, which focus on both the quality of the report's drafting, the quality of the report content and the quality of the report's presentation.
5. IAS 12 can help improve the quality of financial reporting, as the Board's responsibility to financial statements requires that it have some accounting and financial expertise in measuring and disclosing income taxes.

Recommendations:

The research reached a set of recommendations as follows:

1. The need to apply IAS (12) in banks listed on the Iraqi Stock Exchange in order to measure and disclose income taxes, distinguish between profit, accounting income, profit and tax income, and try to reconcile them.
2. It is necessary to reform or change the unified accounting system in a manner that is in line with the new conditions in the economy of the country, which is moving towards a free market economy and privatization, and to try to join the World Trade Organization.
3. Preparing financial statements in banks listed on the Iraqi Stock Exchange in accordance with the frameworks set out in international accounting standards.
4. The need to enhance the quality of financial reporting in banks listed on the Iraqi Stock Exchange by providing scientifically and practically qualified human resources, which seek to provide information to users in the maximum possible quality.
5. Bank management's interest in the research sample of the quality of financial reporting in a way that helps to make financial statements more relevant to the needs of all users, without being them.

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