



Accounting measurement and disclosure for investment in securities in accordance with Financial Reporting Standard No. (9) and its impact on the financial statements: A case study in private hotels

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Abstract

The research aims to analyze the requirements of IFRS 9. And to find the appropriate mechanism for the recognition of investments for securities in accordance with financial reporting standards. The study sought to work to find an appropriate mechanism to measure and disclose financial investments in accordance with financial reporting standards. Finding appropriate adjustments in the financial statements to accommodate the requirements of IFRS 9 is vital. The objectives of the research are in the light of the problem which states that the weakness of measurement and disclosure leads to non-presentation of accounting information in accordance with the requirements contained in the accounting standards. The researcher analyzed a group of companies registered in the Iraqi market for securities, and reached several conclusions, the most important of which is that the application of financial reporting standard No. (9) leads to provide better measurement and disclosure of accounting if applied to local standards and rules. During the period 2017-2018, Al Amin Investment did not apply this standard and did not calculate the fair value of its investments. The researchers gave several recommendations such as the application of financial reporting standard No. (9) because this leads to the measurement and disclosure of accounting properly. We point out that the investment company calculates the fair value of its investments according to one way of measuring that value.

Keywords: Hotels, FRS, case study, investment, Iraq, governance.

Introduction

Investments in securities in recent decades have occupied a great importance and have become a sector not to be neglected in terms of the size and type of trading in securities after it was approved in the legislation and the establishment of markets for that purpose. The developed countries have already advanced in this area very much now that the accounting profession in the presentation of that activity and its results in the financial statements is not insignificant after the adoption of many economic units to achieve profits and revenues in that activity (Al-Taie et al., 2017). Due to the importance of this activity, the amount of funds invested in it, and the volume of its revenues, it is imperative to find ways and means to measure the volume of investments in that activity and the revenues realized from it properly and there is a need to reflect the reality appropriately and credibly. Investments in securities and its activity document its impact, therefore, the researchers seek to shed light on that activity and its results through three axes which included research methodology and previous studies and a theoretical framework related to investments in securities and the requirements of the camel standard Financial Ag (9). The second topic is to study the application of financial reporting standard (9) in the economic units registered in the Iraqi market for securities (Godfrey et al., 2010).



Research problem

Most of the Iraqi economic units aiming for profit suffer from poor recognition, measurement and disclosure of financial investments in securities and do not rely in dealing with international accounting standards, especially financial reporting standard (9), which was replaced instead of IAS 39 (Epstein, et al., 2010)

Poor measurement and disclosure results in the non-presentation of accounting information in accordance with the requirements of the accounting standards.

Research aims

- 1 - Analytical study of the requirements of IFRS 9.
- 2 - Work to find the appropriate mechanism for the recognition of investments for securities in accordance with financial reporting standards.
- 3 - Work to find the appropriate mechanism to measure and disclose financial investments in accordance with financial reporting standards.
4. Finding appropriate amendments to the financial statements to accommodate the requirements of IFRS 9.

Previous studies

First: Mohammed and Hamid's study (a study of the implications of the adoption of IFRS 9 on the credit and financing policies of the Arab Egypt - Omdurman Islamic University of Sudan)

IAS39 is looking for IAS39 International Standard Analyst on Arab Banks. The mandatory application of this standard began in early 2018, and the requirements of the application of the international standard in the areas of finance, finance and banking systems represent the international standard IAS39, focused on the challenges facing the application of the standard and the impact of the application of the standard on the financial sector ECL, and presented the study of the position of banks tests for financial belief systems In the Arab world in those studies conducted in the USA. This is very bad for liquidity risk and non-payment (Hassan et al., 2014)

The study aims to shed light on the accounting rules and audit evidence issued in Iraq and the time intervals to be issued and how they differ from international standards and the effort and costs that are consistent with the issuance and what benefits were used in practice after the issuance (Lang, et al., 2013).

The problem discussed by the research that the current economic situation in Iraq does not require the issuance of local accounting rules are not very different from international standards and therefore austerity is not necessary and the researcher arrived after an international study and the economy of costs and effort spent on the Iraqi Standards Council. The second section focused on the theoretical aspect of the importance of international standards and their types and their role in supporting the work of the auditors. The last topic was devoted to the conclusions and recommendations reached (Al-Eqab, 2013).

The International Accounting and Financial Reporting Standards (IFRS) refer to the principles and principles that should be adhered to in the preparation of the financial statements. The objective of the research is to measure and analyze the impact of the measurement and disclosure requirements of the International Accounting and Financial Reporting Standards on the scope of the audit and the procedures involved. The application of measurement and disclosure requirements of the International Accounting and Reporting Standards (IFRS) affects the measurement and disclosure requirements (Karadag, 2012). Variability ratios reached (48%) and (30%) for measurement and disclosure, respectively. Compliance with International Accounting and Financial Reporting



Standards (IFRS) to avoid misleading users of financial statements, as well as extending the scope of the audit to include additional audit procedures to measure and disclose fair value, to avoid risks of error, fraud or inappropriate opinion were all considerations.

The study aimed to identify the fair value accounting standards and the expected problems in their application in investment companies and to know the impact of applying the financial reporting standards on the reliability, comprehensiveness and comparability of the accounting information in the lists of investment companies listed on the ASE (Kaynak, 2006). The research considered the impact of the application of financial reporting standards on the quality of accounting information.

1- Working to increase the level of awareness of workers in investment companies in relation to international financial reporting standards.

2 - Raising the level of coordination and interaction between universities and educational institutions and investment companies. Which was based on a set of conclusions, the most important of which are:

(The application of IFRS positively affects the appropriateness, reliability, comprehensibility and comparability of investment companies and these standards are important from the perspective of financial managers)

Research Methodology

The research sample

A group of companies registered in the Iraqi market for securities will be studied in order to reach the results and requirements on which IFRS 9 is based and present the challenges and difficulties facing the proper application of this standard.

Means of collecting information and data: This was dependent on sources such as academic journals, books and periodicals for the purpose of writing the theoretical aspect related to the subject of securities.

As for the scientific aspect: it relied on the data and the calculation does not need research, it is info which was published by the Iraqi market for securities companies registered in it.

Financial investments in stocks and bonds

Many companies invest their surplus funds through some financial instruments represented by stocks and bonds and they seek financial investments to achieve a set of goals and objectives as follows:

- 1 . Revenue from dividends resulting from investment in equity cases.
2. Interest income in the case of bonds
3. Other income represented in the sale of such securities in case of high prices and profits for the company
4. Companies investing in financial instruments, especially shares, may control some companies through the company owning a high proportion of shares of companies controlled.

The financial investments represented by stocks and bonds are characterized by the ease and speed of selling them in the financial market when the company needs liquidity.

Investments in securities are classified in accordance with International Accounting Standard 39 and US Standard 115. This has been confirmed by IFRS 9 (International Accounting Standards and Financial Reporting Standards issued by the International Accounting Standards Board and Financial Reporting) as follows:



Bond investment

1- Bonds held to maturity - bonds that the company wishes to hold to maturity and are acquired at their nominal value or less or more. In this respect, there are two ways to extinguish it

(A) The straight-line method of distributing the increase and decrease evenly over the number of times the interest is realized throughout the life of the bond and this method has become unpopular at present.

(B) The effective interest method, which is to compare the nominal interest arising from the calculation of interest on bonds with the actual interest represented by calculating the amount invested at the market interest rate and amortization by the difference between them.

The cost of the bond at the end of its life is equal to the nominal value which is collected from the issuers.

It is worth mentioning that the bonds held to maturity are not valued at the end of the year due to the reason for their acquisition since the investing company that they acquired was intended to keep them and not sell them.

2- Bonds prepared for sale - bonds that are acquired for the purpose of selling and collecting interest whenever the opportunity is available to the company, ie the investor company has an opportunity to retain those bonds ie not sold in the short term and as a result can be classified bonds prepared for sale Other long-term investments.

3. Trading securities - securities that are bought and held mainly for the purpose of selling in the near future may not exceed three months and are always classified as short-term investments.

This means that the main purpose of the acquisition of these bonds is to achieve profits from selling them at higher prices.

Equity Investment

1 - Investment in shares prepared for sale as the deletion of that investment is not very different from investing in bonds prepared for sale, as the investment in these shares either to achieve revenue as a result of the distribution of profits or sale and achieve profits from the sale.

2 - Investment in trading stocks The purpose in this area is no different from investing in bonds, except that the first is to achieve profits as a result of selling in the short term.

It is worth mentioning that investment in trading stocks and investment in trading securities are evaluated at the end of the year. This valuation has an impact on the financial statements, which are represented in the statement of financial position and income statement if the market prices are more or less than their cost, which requires settlement at the end of the financial year.

Investments in equities prepared for sale or bonds prepared for sale, if their market prices are more or less than their cost, require settlement at the end of the financial year and the effect on the statement of financial position in the classification of those investments in assets. Gains and losses arising are dealt with in the statement of comprehensive income, which is also addressed in the statement of financial position under the equity clause.

As for the investments in shares in order to control other companies, it depends on the size of the contribution of the investing company in the invested company, if it is more than 50%, it requires a merger accounting.

The researchers believe that these fundamental classifications are important in influencing the presentation of accounting information in the financial statements in terms of recognition, measurement and disclosure and it will certainly have an impact on the users of those financial



statements, especially current and supervised investors. This requires taking into account and clarify whenever the possibilities are available to apply it because that provides more detailed information and benefits firms who rely on valuation of investments at cost only and is limited to two items which are short-term financial investments and long-term financial investments.

Disclosure of financial investments.

The economic role played by the global financial markets and the increasing role of this makes a direct impact on accounting, and has been imposed on accountants who have to pay special attention to theories and concepts that take into account the requirements and mechanisms of these markets, such as portfolio theory. Efficient financial market assumptions as well as the importance of disclosing information in existing financial statements when they became a major source of information for market participants (Kim, 2002).

Full disclosure is part of the conceptual framework of accounting. Because the decision to report information or non-reporting follows the great importance of the information required, which affect the judgment and decision of the users of them, and the number and nature of this information to be published submissive to the budget in terms of the adequacy of information and details that make a change in the user's decision to this information and taking into account the necessary so that the information It is well known and clear to the user (Ko, 2005).

The US Financial Accounting Standards Board has issued several accounting standards, the picture of which includes many aspects of disclosure. There are several reasons for increasing disclosure requirements.

- The work environment has complexities, especially in some areas such as financial derivatives, rent, business unit, retirement, revenue recognition and deferred tax issues.
- The use of accounting as a means of supervision and control leading to government agencies to report and disclose information that has future effects such as management bonuses and others.

The user needs information at certain times and has a predictive value over the working time and needs full interim financial reporting and periodic financial analysis.

Financial Reporting Standard No. 9 which consists of aspects stated below:

The concept of financial reporting

Financial reporting is defined by the FASB as the activity that is used to serve the needs of users of the financial information they need at the facility. FASB considers the financial reporting process to be larger and wider than financial reports, and there is financial information such as appendices, reserve reporting and analyzes. Administration The annual report contains letters addressed to preferred shareholders submitted with their financial statements.

Quality of financial reporting

Quality and its standards are the good specifications of the product and certain fixed directories agreed upon by independent, internationally and internationally recognized parties in order to achieve satisfaction and acceptance of the product (Siakwah, 2018).

The quality of financial reporting from FASB's perspective reflects many good and distinctive characteristics of accounting information based on honesty and relevance in this subject as it is the main them as well as other characteristics such as relevance, accuracy, impartiality, comparison, feedback and good timing. The quality of the work done by the Organization is the result of the quality of financial reporting (George, 2003: 1-2)

There are several decisions affecting the quality of financial reporting (Porte & et.al., 1998: 5).



- 1 - The quality of financial accounting standards causes efficient levels of transparency in companies
2. Auditing the financial statements by a third party makes them more accurate in terms of the quality of financial information reported in the department.

The users of financial reporting information assess the audits through their expectation that the auditor will detect the errors after searching for them and recognize that a certain paragraph has been removed from the financial statements and these practitioners strive to ensure that their experience and personal information to the auditors are independent, understandable, compassionate, accurate and credible in the financial statements. To convey information to the beneficiaries in the financial reporting system, there are three advantages:

- 1 - Exercise many appropriate means in communicating information.
- 2 - When the beneficiary needs the information to reach him or her.
- 3 - Good and easy communication between the system and the beneficiary.

As well as the benefit, which is measured by the quality of financial reporting of information and this benefit lies in two points which are the validity of information and ease of use of that information. The work and effectiveness of measuring the quality of information is the extent to which the organization has achieved the required objectives through the allocated resources. The quality of information is defined in terms of efficiency and effectiveness as the ability to achieve information for the objectives of the organization or decision makers through the exercise of certain resources. The quality of information is also measured by forecasting and forecasting as a means by which information can be used for past and present to predict future results and events. Achieving goals with the least use of required and existing resources is also a measure of the quality of that information.

Requirements for transition from IAS39 implementation to IFRS implementation “Classification and Measurement”

In 2011, the International Accounting Standards Board (IASB) issued its latest amendment, which requires the implementation and implementation of IFRS 7 and IFRS 7, which set the effective date of IFRS for financial periods beginning on or after 1 December 2015. And authorize expedited implementation. It also added a recent amendment to the additional disclosure requirements of IFRS7 by switching to IFRS instead of IAS39. After January 1, 2012, it is said that January 1, 2013 has the right to choose between the amendment of the financial statements of the past years or only the additional disclosures mentioned in IFRS7 (Siakwah, 2018).

Concept and Origin of IFRS

The global financial crisis has a clear impact on the labor market in general and on accounting standards in particular for the important role played by these accounting standards in the economic and labor market. These effects were clearly demonstrated by the changes made in the International Accounting Standards and the International Financial Reporting Standards in addition to the changes in Generally Accepted Accounting Principles. These changes have a tangible impact in minimizing the negativity of the crisis. In addition to meeting the requirements of some individuals to make improvements to existing standards in order to ensure the quality of financial reporting and attention to these standards supports comparability and improve transparency and the quality of financial reports and the goal is to increase the use of investors and improve the efficiency of the financial market Weaver, Transformation Management.

In particular, the financial instruments of IAS39 and the desire for trends and significant efforts by the American Financial Accounting Standards Board (FASB), the International Accounting Standards Board (IASB) and the Financial Crisis Advisory Group (IFAG), IFRS were issued in 2009 as the beginning of the standard and part of recognition and measurement of financial assets. . Provided that the replacement between the two standards is completed during 2010 (IFRS Part A, Central



Printing Press, 2014), after several amendments to IAS39, most notably that IFR covers the classification and measurement of financial assets and liabilities. Because the application of the standard is effective in 2018 and the Board has defined a program for the purpose of IFRS becoming an alternative to IAS39 (Al-Mabrouk, 2011).

Measurement and Disclosure Applications in accordance with Financial Reporting Standard No. (9)

The first axis / study and analysis of the practical applications of investments for companies registered in the Iraqi market for securities: -

Al-Amin Investment Company:

- Establishment of the company: The company was established under the certificate of incorporation numbered (6675) dated 28/4/1999 issued by the Companies Registration Department according to the Companies Law No. 21 of 1997 amended with a capital of (100) million shares and obtained a license to practice financial investment from the Central Bank of Iraq Numbered p. 1/9/3/604/1 on 8/7/1999 and commenced work as of 1/8/1999 and the capital increase was as follows:

First: Increasing the company's capital to (200) million dinars according to the General Assembly decision on 3/4/2000, which is accompanied by the approval of the Companies Registration Department in the book number 28294 on 17/9/2000.

Second: Increase the company's capital to (300) million dinars under the decision of the General Assembly on 22/11/2001 in conjunction with the approval of the Department of Companies Registration letter No. 516/1 on 17/9/2002.

Third: Increasing the company's capital to JD (600) million according to the decision of the General Assembly on 6/9/2004, which is related to the approval of the Companies Registration Department in the numbered book.

Fourth: Increasing the company's capital to (750) million dinars according to the decision of the General Assembly on 28/6/2006, which is related to the approval of the Companies Registration Department in the book number 25616 on 7/12/2006.

Fifth: Increasing the company's capital to (1) billion dinars according to the decision of the General Assembly on 17/1/2017, which is associated with the approval of the Department of Companies Registration in the book number 5505 on 24/2/2014.

Sixth: Increasing the company's capital to (1.5) billion dinars under the decision of the General Assembly on 17/1/2017, which is accompanied by the approval of the Companies Registration Department in the book number 29947 on 9/10/2017.

Table 1. Bank details in terms of total cost

The Company's name	Number Shares	of	Total cost	Cost per share	Market share price	Market value	the change
Bank of Baghdad	145000000		124596473	0,859	0,610	884500000	-36146473
Warka Bank	8585161		8928730	1,040	1,260	10817303	1888573
Commercial Bank	130000000		102565334	0,628	0,350	25550000	-20307347
Middle East Bank	73000000		45857347	0,628	0,350	25550000	-20307347
Investment Bank	7000000		3743740	0,535	0,420	2940000	-803740
Bank of Basra	16814270		34420350	2,047	1,150	19336411	-15083940
Gulf Bank	7750000		2715213	0,350	0,390	3022500	307288
Credit Bank	46000000		41846282	0,910	0,680	31280000	-10566282
Electronic Industries	1476000		7906515	5,357	0,450	664200	-7242315
Bicycles and pipes	820000		2722236	3,320	0,710	582200	-2140036
Baghdad is alcoholic	1758132		12596020	7164	7164	12595258	-762



National Food	6316019	36671385	4,223	4,223	26672548	1163
Northern gas	21236468	27175067	1,280	0,350	7,532764	-19742303
NINEWA FOOD INDUSTRIES	2300000	5429240	2,361	2,361	5430300	1060
Eastern beer	500000	511938	1,024	0,770	385000	-126938
Rafidain for grain	35000000	35001750	1,000	1,000	35000000	-1750
Baghdad is invading	10000000	23405051	2,341	2,680	26800000	3394949
IRAQ LAND TRANSPORT	32500000	9258802	2,849	0,710	2307500	-6951302
Games Rusafa	1715761	24634774	14,350	5,750	9865625	-14769148
Iraq for manufacturing and marketing dates	4500000	4890385	1,087	0,880	3960000	-930385
Asia Cell Company	4428524	24598875	5,555	5,250	23249751	-1349124
Mansour Bank	97000000	94093867	0,970	0,790	76630000	-17463867
Rafdi Iraq Food	236742845	236742845	1,000	1,000	6742845	0
Alayam Investment	11618	15204	1,309	0,620	7203	-8001
Al Khaimah Investment	10000	15150	1515	1,000	10,000	-5150
Top Investment	75124	146492	1,950	1,620	121701	-24791
Total	631289922	670489065			483553109	186935956

C- Shareholders' Equity: The company's capital as of January 31, 2017 is JD (1.5) billion paid in full.

- The company does not have any membership in other companies, but a contribution to the capital of the companies shown in the disclosure below as at 31/12/2017 and the market price according to the bulletin of the Iraqi market for securities:

We would like to show that there are companies that have been invested in, but were removed from the market for not adhering to the requirements of the Iraqi market securities and cost them (182288945) dinars and cannot be a sale process and that these companies are not dealt with their shares because they are outside the market and the Board of Directors seeks to take the necessary connection These companies in the event of a desire to buy these shares, and in the table below shows these companies that are implicitly present in the company's portfolio above.

Table 1. Bank details in terms of total cost and market value

T	The Company's name	Number of Shares	Total cost	Cost per share	Market share price	Market value	the change
1	Warka Bank	8585161	8938730	1040	1260	10817303	1888573
2	Bank of Basra	16814270	34420350	2047	1150	19336411	-15083940
3	Baghdad is alcoholic	1758132	12569020	7164	7164	12595228	-762
4	National Food	6316019	26671385	4223	4223	26672548	1163
5	Northern gas	21236468	27175067	1280	0350	7432764	-19742303
6	NINEWA FOOD INDUSTRIES	2300000	5429240	2361	2361	4530300	1060
7	Eastern beer	500000	511938	1024	0770	385000	-126938
8	Rafidain for grain	35000000	35001750	1000	1000	35000000	-1750
9	Games Rusafa	1715761	24634774	14358	5750	9865626	-14769149
10	Rafdi Iraq Food	6742845	6742854	1000	1000	6742854	0
11	Al Ayam Investment	11618	15204	0620	0620	7203	-8001
12	Al Khaimah Investment	10000	15150	1000	1000	10000	-5150
13	Top Investment	75124	146492	1620	1620	121701	-24791
14	Total	101065398	182288945			134416958	-47871985

5 - The company relied on the unified accounting system and its instructions in the organization of accounts. Automation was also used in the preparation of financial and shareholder accounts.

A - The value of the investment portfolio of the company according to the prices of the Iraqi market for securities for the last session of 2017 (483553109) dinars and its cost in the records (670489065)



dinars as at 31/12/2017, this has been a provision for a decline in the value of investments, which was taken by the company (186935956) dinars .

B- The Company's Activity: The company continues to achieve a deficit of JD (101857409) during the year 2017 and the accumulated deficit reached JD (548620930) as at 31/12/2017. The management report explains the reasons for that detail.

There are companies that have been invested in them, but they have been removed from the market for not adhering to the requirements of the Iraqi securities market and cost them (182288945) dinars and cannot conduct the sale process and because these companies are not dealt with their shares because it is outside the market and the Board of Directors seeks to take the necessary connection with these companies in cases of having a desire to purchase these shares, the table below shows these companies that are implicitly present in the company's portfolio above.

Assets at fair value through statement of income

Debt instruments that are not expensed with the business model for financial assets at amortized cost, or when the Bank has chosen to classify it at fair value through the income statement, are measured at their fair value through the consolidated statement of income, unless the Bank classifies an investment held to Trading at fair value through other comprehensive research at the time of purchase.

These assets are stated at fair value at the acquisition date (acquisition expenses are charged to the consolidated statement of income at acquisition) and subsequently reassessed at fair value. The change in fair value is recognized in the consolidated statement of income, including changes in fair value arising on translation differences on non-monetary assets in foreign currencies. When the assets or part of them are sold, the resulting gain or loss is recognized in the consolidated statement of income.

Financial assets at fair value through statement of other comprehensive income

The Bank may, on a financial instrument basis, permanently choose to classify equity instruments at fair value through other comprehensive income. This classification is not permitted if the investment is a proprietary instrument for trading. These assets are stated at acquisition at fair value plus acquisition costs. These are subsequently re-measured at fair value and the change in fair value is recognized in the statement of comprehensive income in the consolidated statement of comprehensive income, including the change in fair value resulting from the recognition of the translation differences on non-monetary assets in foreign currencies. Gains and losses arising from registration in the consolidated statement of comprehensive income, and within the consolidated equity.

Change in fair value reserve for financial assets traded for sale

This reserve is applied in the Bank for the first time based on the International Accounting Standards that have been applied since 2015 and retrospectively.

Accumulated surplus:

The balance reached 33790 billion dinars representing the profits of previous years not distributed, where the reserve of profits in 2014 amounted to about 7.5 billion dinars were not distributed by a decision of the General Assembly where the distribution of only 20 billion dinars was added to the profits in 2015 in full and the decision of the General Assembly. Also, the distributable profits for the financial year 2016 will be added to the amount of 9670 billion dinars, bringing the balance as above and its details shown.

Financial assets at fair value through statement of other comprehensive income



The Bank may choose on a financial instrument basis that the equity instruments are classified at fair value through other comprehensive income. The change in fair value is recognized in the consolidated statement of comprehensive income and within consolidated equity, including changes in fair value arising from the recognition of translation differences on non-monetary assets in foreign currencies. The resultant gains or losses are recognized in the consolidated statement of comprehensive income and within consolidated equity. The balance of the valuation of assets sold is transferred directly to retained earnings and losses not through the consolidated statement of income. These assets are not subject to impairment testing and dividends are recorded in the consolidated statement of income.

Impairment of financial assets

The Bank reviews the recorded values of financial assets at the consolidated statement of financial position date to determine whether there is any indication of impairment individually or in the form of a group.

- The impairment of financial assets carried at amortized cost represents the difference between the carrying amount of the asset and the present value of the expected cash flows discounted at the original rate.
- Impairment is recognized in the consolidated statement of income and any subsequent savings as a result of the previous decline in assets of the debt instruments are recognized in the statement of income.

Requirements for the application of the standard of financial reporting No. (9).

First: - through the study of the reality of the accounts of Al-Amin Investment Company shows that the company records all its investments within the account of short-term financial investments and the amounts for the years 2016 - 2018 as follows: -

790322, 670498 and 914658 (amounts in thousands of dinars)

It was noted that most of these investments are investments in equities prepared for sale and that the financial reporting standard No. (9) requires a comparison between the cost of investments and their fair value and not the market value.

On the other hand, the processing of investments in equities prepared for sale and fixing them by that name gives a better picture of the user of the financial statements and it has to address that at the end of each financial year and the impact on the expense of investments prepared for sale shown in the balance sheet within the current assets and The other side is within the comprehensive income clause which is addressed with equity.

During the financial year 2017, if we assume that the market value represents the fair value, the difference between the cost and the market value at that date amounting to JD 483553 would be JD 186936 which requires a record adjustment and amendment of its presentation in the general budget and in the following form:

Conclusions

1. The application of IFRS 9 will provide better accounting measurement and disclosure if local standards and norms are applied.
- 2- During the years 2017-2018, Al-Amin Investment Company did not apply this standard and did not calculate the fair value of its investments.
- 3- Al-Amin Group classified the investments in one account, which is the short-term investments account.



- 4 - There is no within the Iraqi market for securities and according to the information available to us for investment and bonds of all three types (trading and prepared for sale and maturity).
- 5 - The Iraqi Investment Bank classified all its investments as investments prepared for sale, but without calculating the fair value, but was adopted market value, which is very different from the first.
6. The investment bank closed the roads between the market value and the investment cost in the income statement.
7. The non-application or improper application of the standard has led to distortion of the information included in the financial statements.

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