International Journal of Computer Information Systems and Industrial Management Applications
ISSN 2150-7988 Volume 18(7s) 2026 pp. 357-368
https://doi.org/10.70917/ijcisim-2026-3102
Article

Compatibility between the requirements of the Iraqi accounting rule (10) for disclosing financial information with accounting disclosure requirements in Iraqi commercial banks

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Abstract: The activities of banks differ from those of other commercial establishments, and this leads to a difference in accounting and disclosure requirements in financial reports The Accounting Standards Committee did not ignore this difference, and issued a standard specific to banks, namely Standard (6) for disclosing the financial statements of banks and similar financial institutions, which sets additional requirements than those contained in the accounting standard International (1), Standard (6) addresses this and encourages the presentation of notes and clarifications related to some matters such as liquidity and risk management and their control in financial statements. In turn, the Iraqi accounting legislator did not neglect the necessity of establishing a local standard that mimics the international standard (30). The Accounting and Supervisory Standards Council in the Republic of Iraq, in its session held on 10/28/1998, approved Accounting Rule (10) regarding the disclosure of the financial statements of banks and similar financial establishments, and this rule was applied on 12/31/1999.

Since the application of this rule came into effect, private banks have been obligated to this accounting rule, and from here came the idea of choosing the current research to shed light on this important rule, the importance of which derives from the importance of the banking sector subject to this rule, and the extent to which the current disclosure requirements in private Iraqi banks are compatible or harmonized with the requirements of the Iraqi accounting rule (10).

Keywords: Accounting disclosure, financial statements, accounting rules, international standards, commercial banks, joint-stock companies.

1. Introduction

Accounting is a tool for measuring and communicating financial information that reflects the performance of economic units, including commercial banks, and shows their financial position. Many entities and individuals need this financial information to use in making investment and financing decisions. Accounting information is also the basis for making correct decisions at all levels of the national economy. The investor needs this information to make an investment decision, the bank also needs it to make a lending and investment decision, and creditors also need it to decide on granting credit Workers and their organizations need it to determine the financial position of the economic unit in which they work and determine their profits.

The success of economic decisions depends on the availability of the necessary information to decision-makers, including shareholders and various government agencies. For this information to perform its mission effectively, the management of the economic unit must categorize and publish it in a manner that enables the reader to understand and use it, and that it be characterized by basic qualitative characteristics and appropriate timing, making it useful for the purpose for which it is published. Accordingly, calls came in the form of laws and regulations obligating the relevant authorities to provide this information to their users.

To achieve this, the study included the following axes

The first axis: research methodology and previous studies.

The second axis: the theoretical framework of the research.

The third axis: the practical framework for research.

The Four axis: Conclusions and Recommendations.

2. The first axis

research methodology and previous studies

research methodology.

First: Research problem:

Because users of banks' financial statements need appropriate, reliable, and comparable information to help them evaluate banks' performance and financial position, as well as to assist them in making economic decisions, users of financial statements also need information to help them understand the specific characteristics of the nature of banks' activities. Users need this information despite the bank being subject to supervision and oversight by government agencies and providing those agencies with information that is not usually available to the public. Therefore, disclosure in banks' financial statements must be comprehensive enough to meet the needs of these users. The problem of the current research is to raise the following question.

Are the current disclosure requirements in Iraqi private banks consistent with the requirements of Accounting Rule (10) regarding the disclosure of financial statements in banks?

Secondly: The importance of research:

The importance of the current research comes from its focus on the importance of disclosure in financial statements in general, and the disclosure of financial information in one of the most important economic sectors, which is the banking sector. This importance increases in light of the establishment of many private banks as well as the trend towards increasing dealing with financial markets, especially in light of the expected recovery that the Iraqi Stock Exchange is expected to witness This requires adherence to the disclosure requirements referred to in Accounting Rule (10), which helps in providing the necessary and sufficient information to make various decisions in the fields of investment and finance**.**

Third: Research objectives:

The following research aims to achieve and clarify the following:

1- Emphasizing the importance of disclosing financial information in general and disclosing financial information in private banks in light of the accounting rule (10).

2- Identify the extent to which current disclosure requirements in Iraqi banks for disclosure are compatible or harmonized with the requirements of the local accounting rule. (10)

Fourth. Research Hypothesis.

Based on the research question identified by the research problem and the objectives that the research seeks to achieve, a research hypothesis was formulated in the form of a null hypothesis stating.

There is no compatibility between the current disclosure requirements in Iraqi private banks and the requirements of Iraqi Accounting Standard 10.

Fifth. Research methodology.

To achieve the research objectives and verify its hypothesis, the scientific method will be adopted. In the first phase of the research, theoretical data and information will be drawn directly from books, journals, and previous studies, including university theses and dissertations, in the field of financial data disclosure for banks. This phase will also include a study of Accounting Rule (10) concerning the disclosure of banks' financial data and a comparison between the two.

The second phase of the research consists of an applied study that compares the theoretical information and the provisions of Accounting Rule (10) with the published financial statements of several Iraqi private banks. The aim is to assess the degree of alignment and conformity between the rules and the current disclosure requirements in the financial statements published by these banks.

Sixth. Research sample.

The number of private banks operating in Iraq has increased in recent years, as the number of private banks operating in Iraq has reached more than (35) banks with a capital exceeding two billion dollars. They have more than 750 branches in Baghdad and the governorates, competing in their number and level of services with the branches of Al-Rafidain and Al-Rashid Banks.

Gulf Commercial Bank was selected from private banks through random inspection from among (22) banks listed on the Iraqi Stock Exchange**.**

Table (1) Information about the bank Research sample

Number of bank branches	Market value (million dinars)	Current capital 2024 (billion dinars)	founding date	the bank name
14	104989	300	20/10/1999	Gulf Commercial Bank

previous studies:

First: A study by Al-Aloul, Abdel Moneim Atta (2015) entitled "The Role of Accounting Disclosure in Supporting the Internal Control System in Palestinian Joint Stock Companies".

This study aimed to identify the role of accounting disclosure in the financial statements of Palestinian joint stock companies in supporting the internal control system and the extent to which companies apply accounting principles and policies that contribute to increasing the effectiveness of the internal control system. The most important results reached by the study are that there is sufficient interest from joint stock companies in adequately and positively disclosing all financial and non-financial items in the financial statements, attached statements and accounting policies. The recommendations called for by the study include encouraging scientific research and studies that aim to highlight the role of disclosure and its impact in supporting and increasing the strength and effectiveness of the internal control system, and holding training courses for accountants and auditors in the field of accounting disclosure standards.

Second: A study by Laika, Rula Kasser (2017) entitled "Measurement and Accounting Disclosure in the Financial Statements of Syrian Banks and Their Role in Rationalizing Investment Decisions"

This study aimed to clarify the importance of financial reports in making economic decisions at the internal and external levels of banks, and to study the level of banks' commitment to publishing mandatory financial statements, judging the degree of disclosure in them, and preparing them in accordance with the international standard (1). The conclusions reached by the research are that the information disclosed in the financial statements of banks is insufficient to meet the needs of users, and disclosure is limited only to the income statements and the balance sheet. As for the recommendations called for by the study, they are to apply the international accounting standards issued by the International Accounting Standards Committee when preparing the financial statements of banks, because this gives those statements greater credibility and allows for comparison with countries that apply these standards Reducing restrictions on the possibility of obtaining any detailed information related to the bank's financial statements (the principle of banking secrecy).

3. The second axis

Theoretical framework for research.

First: Accounting disclosure.

Tracing the disclosure date indicates that the professional or standard approach was formulated, as it is at present. This approach was represented by the insistence of professional organizations, the most important of which is GAAP, on obligating the company's management and banks to apply generally accepted accounting principles The administration must disclose the status of the economic project through financial statements, financial reports, and associated progress lists, notes, and interpretations that play a role in protecting the average user, lenders, and creditors from misinformation. This user wants to be assured of the safety of his funds and the project's ability to generate profits, in addition to the availability of sufficient cash to distribute a portion of the achieved profits. Lenders, including banks and holders of shares and bonds, fear that the project will go bankrupt and that there will not be sufficient liquidity to repay the debts, The bankruptcy of the project threatens the interests of current and potential creditors more than shareholders, who may resort to taking loans to temporarily maintain the continuity of companies, remove the risks of bankruptcy from it, and maintain stock prices as low as possible in order to work on selling them and getting rid of them before it is too late. (Al-Qadi and Hamdan, 2016: 282).

Disclosure is defined as revealing all information that affects the position of users of financial statements and making a specific decision related to the accounting unit, or disclosure is transferring information from its source of production to the place where it is used or utilized. Disclosure is also defined as revealing all information that may affect the position of the decision maker related to the accounting unit. This means that the information appears in the accounting statements and reports in a language that is understandable to the reader without ambiguity or misleading (Al-Hayali, 2017: 31).

Second: Types of accounting disclosure.

Accounting disclosure is the method by which companies, projects and banks can inform society and its various parties about their various activities with social implications. Financial statements or the reports attached to them are a tool to achieve this, and accounting disclosure must be one of the following types: (Atta Allah, 2019: 56).

1. Adequate disclosure. This includes the financial statements, their accompanying notes, and any additional information attached to them, in order to avoid misleading interested parties regarding the financial statements and reports of those companies.
2. Full disclosure. That is, the disclosure should include all available financial information, providing all users with information that is sufficiently important to influence their judgment in making sound decisions.
3. Fair disclosure. It involves disclosing information in a manner that ensures it reaches all beneficiaries equally, without bias towards any particular party. Therefore, it focuses on ethical and moral aspects, ensuring that all users of financial statements are provided with the same information simultaneously.
4. Preventive disclosure. It means that financial reports and statements must disclose everything that makes them not misleading to their owners and aims to protect the average investor who has a limited ability to use accounting information. (Bani Atta, 2017: 53).

From the above, it is clear that accounting disclosure is the clarity and complete disclosure of the accounting information contained in the financial statements, accompanied by clarifications, notes, and management's analyses of past events and future forecasts, as they are final products of financial accounting work that benefit the parties concerned in making decisions. Disclosure in general is the provision of data and information to users in a guaranteed, correct, and appropriate manner to assist them in making decisions. Therefore, it includes internal and external users.

Third: Accounting disclosure in financial statements.

The need for accounting information arises from a lack of knowledge and uncertainty necessary for economic activity. Therefore, the objective of providing and presenting accounting information in the financial statements to beneficiaries is to alleviate their anxiety, as well as to provide them with more knowledge and reduce the amount of variation in the options available to them (Al-Sayed, 2019: 76).The basic financial statements are the backbone of disclosure, as their preparation takes into account accounting principles, classification, consolidation, and comparative figures for two years, as well as notes that include financial statements not included in the financial statements, and are published below the financial statements, such as inventory valuation methods, maintenance expenses, foreign currency transfers, events that occurred after preparing the budget, interpretations of accounting policies, and clarifications that contain information not included in the financial statements and are complementary to them (Atta Allah, 2019: 42).

Fourth: Objectives of financial statements.

The International Accounting Standards Committee indicated that the objectives of financial statements are affected by a number of economic, legal and political factors to suit the society in which these statements are prepared. In light of this, it has determined a number of objectives for financial statements, the most important of which are the following: (Arab Academy, 2006:42).

1- Providing relevant information to current and potential investors and creditors for use in making investment decisions and granting financial loans.
2- Providing useful information to investors and creditors for the purposes of forecasting, comparing and evaluating the cash flows expected for them in terms of amount, timing and uncertainty related to these flows (cash flow list).
3- It must explain everything related to property rights, the rights of third parties, and any other obligations, as well as the impact of economic processes and events on these rights (list of financial position).
4- It should explain how resources are obtained, how they are used in the form of different assets, and what information
5- It is useful in evaluating performance and predicting future profits. (Abd Rabbo, 2010: 132).

Financial statements prepared for this purpose meet the general needs of the majority of users but do not provide all the information that users may need to make economic decisions, because these statements largely reflect the financial impacts of past events and do not necessarily provide non-financial information. (Al-Waqqad, 2018: 102).

Fifth: Beneficiaries of financial statements.

The financial statements produced by economic units have become for the audience of users interested in the work of economic units directly or indirectly, and these financial statements and reports are supposed to meet the desires and needs of those who benefit from the information appropriate to them, and they are: (International Accounting Standards issued by the Accounting Standards Committee, 2006: 41; Turkish, 2018: 31).

1- Investors: Capital providers and their advisors are interested in the risk inherent in their investments and the return achieved from them, as they need information that helps them make the decision to buy, and whether to keep the investment or not.
2- Lenders: People interested in information that helps them determine whether their loans and related interest will be paid to them on maturity.
3- Suppliers and Creditors: Other suppliers and creditors are interested in information that enables them to determine whether the amounts realized for them will be paid when they fall due.
4- Customers: Consumers are interested in information about the continuity of an economic unit, especially when they have a long-term association with it or are dependent on it.
5- General public: Economic units influence members of the public in a variety of ways. For example, an establishment may provide significant assistance to the local economy in different ways.

Sixth: Information that must be disclosed in the financial statements.

International Accounting Standard No. (5) deals with the accounting information that must be disclosed in the financial statements, general disclosures, special disclosures (balance sheet), income statement, and notes to other statements attached to those statements, which are an integral part of them.

The principles and rules of accounting disclosure covered by this international standard can be classified into main categories:

1- Special rules for public disclosure, such as disclosure of descriptive information such as: the name of the company, its legal description, the country of its establishment, a brief overview of the nature of the establishment's activity, and the type of monetary currency under which the financial statements are prepared.
2- Rules for disclosure in the balance sheet include: any existing restrictions on assets, methods of calculating provisions, contingent liabilities and their value, benefits, resources, and accumulated consumption.

3- Special rules for disclosing current assets and liabilities require disclosure of the following items: cash, disclosure of the market value of short-term and long-term financial investments, debit and credit liabilities classified according to their types, as well as long-term loans and short-term loans.

4- Special rules for disclosing shareholders' equity, detailed by capital, showing each type of paid-up capital, authorized capital, unpaid capital, nominal value of the share, proceeds from the preferred share, and shares recovered (Al-Hailai, 2015: 35).

Seventh: Methods and techniques of accounting disclosure.

Accounting Rule (6) issued by the Iraqi Accounting and Supervisory Standards Board specified these methods and improved them by means of displaying financial data and reports such as graphs, images, tables, and descriptive reports as follows: (Accounting Rule (6) Paragraph: 29).

- Basic financial statements and analytical statements.
- Board of Directors report and auditor report.
- Margins and accounting terms.
- Use forms and graphs, view photographs, and prepare descriptive reports.

The financial statements published by the units at the end of the financial period include the necessary data on the total business of the economic units during that period in order to give a clear picture to users and beneficiaries showing them the result of the business of the economic unit and its financial position at the end of each financial period. Therefore, the principle of accounting disclosure requires that financial reports and statements be designed and prepared in an honest and accurate manner so that they reflect all the necessary events and facts that the economic unit carried out during that time period Comprehensive disclosure also extends to descriptive information. The entity may consider this information to have a significant and fundamental impact on the beneficiaries' decisions. Therefore, the unit discloses it either in the body of the financial statements or in the form of clarifications, notes, or statements attached to the final financial statements.

As a result of the above, the researcher sees a difference in viewpoints regarding the reading of disclosure and its limits regarding the information that must be available in the statements. This difference stems mainly from the difference in the interests of the parties related to the economic unit. The viewpoint of the party responsible for preparing the financial statements, financial reports, clarifications, disclosures and tables regarding the level of disclosure may not necessarily meet with the viewpoint of the person expressing an opinion on these statements, nor with the viewpoint of the other investors and beneficiaries who use them The views of both parties may not coincide with those of the regulatory and supervisory authorities. Therefore, it is difficult to present a general and unified concept for accounting disclosure in financial statements.

4. Third Axis

Applied Research in a Sample of Iraqi Private Banks

Listed on the Iraq Stock Exchange

Commercial banks are one of the most important components of improving the economic reality of any country. Despite their modernity, they have contributed to developing and activating the deteriorating Iraqi national economy. They have been and still are the first to support and develop the Iraqi economy through the extensive investment projects they undertake in all fields, in addition to providing loans and guarantee books to companies and contractors Any economic investment activity, whether local or foreign, must begin with the banking sector, as it is a major investment tool, and any investment relationship established between Iraq and its regional or international environment begins through banks.

Iraq Stock Exchange;

The Iraq Stock Exchange was established on June 24, 2004 pursuant to the Interim Securities Markets Law No. (74) of 2004, and the license issued by the Securities Commission in the same year (after the Baghdad Stock Exchange ceases to practice its operations and the stock market is no longer responsible for any obligation towards the Baghdad Stock Exchange), With the aim of keeping pace with the requirements of modern, independently organized financial markets that are at the same time consistent with the reality of the transition from a centralized, non-transparent economy to a free market economy, the aforementioned market is therefore a self-organized institution independent of the government and the Ministry of Finance. It is not subject to any supervisory powers of the Registrar of Companies in the Ministry of Commerce and does not bear responsibility for any obligation The Market Establishment Law No. (74) of 2004 referred to above states the following: (Annual Report No. 8, 2024).

Research sample bank (Khaleej Commercial Bank);

Gulf Commercial Bank was established as a private joint stock company pursuant to Certificate of Incorporation No. M. Sh/7002 dated 10/20/1999 issued by the Companies Registration Department in accordance with Companies Law (36) of 1983 as amended with a capital of (600) million dinars paid in full. It began its actual activity on 4/1/2000 and the main branch opened its doors to the public on that date after obtaining a license to practice banking issued by the Central Bank of Iraq No. p. A/9/3/115 dated 7/2/2000 in accordance with the provisions of Central Bank Law (64) of 1976, which was repealed so that the bank could practice comprehensive banking activities. The articles of association were amended to increase the bank's capital several times until it reached (300) billion Iraqi dinars at the end of 2022. The bank aims, as stated in its Board of Directors' report, to mobilize national funds as deposits and employ them in various investment fields and local and international commercial banking activities in accordance with applicable laws, as a contribution to enhancing the country's economic development process. The bank also aims to expand the money market and contribute to supporting the economic development process and expertise, supporting the national economy, and achieving the highest profits for shareholders.

Gulf Commercial Bank has several branches in Baghdad and the rest of Iraq's governorates, numbering (22) branches, all of which seek to improve customer service and provide the highest levels of excellence in banking services. The lists displayed by the bank are as follows:

Board of Directors report, auditor report, audit committee report, balance sheet, income statement, cash flow statement, statements attached to financial statements.

Presentation and comparative analysis of the disclosure requirements of the research sample bank;

It specified Local Accounting Rule (6) (Disclosure of Information Related to Financial Statements and Accounting Policies) and Rule (10) (Disclosure of Financial Statements of Banks and Similar Establishments). These standards, in addition to the main lists issued by these banks, have specified a list of matters that must be disclosed in analytical statements attached to these lists above, including more than (14) main elements of the financial statements. These standards have also obligated the disclosure in the annual management report of all information related to the company and the reality of its resources during the specified period, with all clarifications related to the financial statements It also obligated auditors to highlight in their report on the financial statements information or clarifications contained in the statements or statements attached to them or the management report that they deem necessary to bring to the user's attention.

For comparison purposes, the extent to which the current disclosure requirements in accordance with the laws, legislation, instructions and local rules related to the presentation of the main financial statements in banks are compatible with the requirements of Iraqi Accounting Rule No. (10) and the degree of their disclosure will be shown. They will be measured numerically by placing a relative weight on the degree of compatibility, ranging between (0-100), where a score of (100) will be given to reflect complete compatibility and a score of (0) for non-compliance. The bank fills out the financial statements according to the forms sent to the Central Bank of Iraq periodically (monthly) and to the Securities Commission and the Iraqi Stock Exchange quarterly in order to make the provision of financial information and reports accurate and to show the bank's accounts fairly. Table (2) shows the extent to which the requirements of the Iraqi accounting rule (10) are compatible with the current disclosure requirements in the research sample bank.

Table (2) Compatibility of Iraqi Accounting Base Requirements (10) with Current Disclosure Requirements (Khaleej Commercial Bank)

axis	Paragraphs of the accounting rule (10)	Gulf Commercial Bank	compatibility score
Basic principles and provisions, paragraph 7	**Accounting disclosure must be comprehensive and supported by supplementary explanations.**	**The bank published its financial statements, which include four main statements, as well as explanatory notes**	**100**

		and supplementary statements.	
Basic principles and provisions, paragraph 8	Financial statements and disclosures are prepared and made in accordance with the going concern assumption.	The bank prepares and discloses its financial statements based on the going concern assumption, through the (15) lease contracts concluded by the bank during the year.	100
Basic principles and provisions, paragraph 9,10,11	Adherence to the principle of consistency in the application of accounting policies from one period to another, and any change in the method of presentation should be disclosed.	The bank adhered to the principle of consistency in applying its accounting policies from one period of time to another, using the same methods of classification and presentation, whether in its main statements or in the explanatory notes.	100
Basic principles and provisions, paragraph 12,13,14	Accounting policies that treat revenue and expense items according to their nature and types must be disclosed, and no offsetting between revenue and expenses is permitted.	The bank prepared and presented the income statement in accordance with international standards and local laws, classifying it according to its nature and in aggregate form.	100
Revenue statement	Interest income, stocks, bonds, commissions, fees and securities	The bank displays its annual revenues from interest on loans and advances, fees resulting from its regular operations, and gains on securities in the income statement.	100
Expenses statement	Interest expenses, fees, commissions, operating, referral, administrative and all losses	The bank discloses all expenses related to its regular activity and losses in the income statement and in total, which represent its expenses during the fiscal year	100
Paragraph 16 A Investments	Valuing investments and securities held for trading purposes that the bank acquires with the intention of reselling them in the short term for their market value	The bank disclosed its investments and securities in aggregate in the general budget and then detailed them with a statement attached to the data, which are short-term and long-term investments	100

Paragraph 16 b	**Distinguish between normal operations and other events that lead to the recognition of assets and liabilities appearing on the balance sheet**	**The Bank did not disclose a current liability resulting from a past event and resulting in a potential requirement after the budget date, in the Board's annual report and as provided in International Accounting Standard (37),**	**0**
Paragraph 16d	**Display balance sheet items, which include assets and liabilities by nature and management, to reflect relative cash liquidity**	**The bank prepares a list of the balance sheet in aggregate at the end of the fiscal year and classifies its elements according to their nature, as well as their supplementary explanations.**	**100**
Fixed and current assets	**Disclosure of money, investments, loans, commercial papers, disclosure of debtors, disclosure of assets and consumption**	**The bank prepared analytical statements showing its current and fixed assets appearing in the general budget and according to its cash flow, whether in the fund or in other banks**	**100**
Short and long-term liabilities	**Disclosure of current accounts, allocations, creditors, paid-up capital, reserves, loans received, and credit notes**	**The bank prepared statements attached to the budget and related to its sources of financing, such as current accounts payable and deposits, according to sectors, and the loans received were only included in the main list and were not disclosed by the bank in an explanatory statement attached to the list.**	**80**
Paragraph 16e	**The bank must disclose the accounting policy used that describes the basis on which expenses related to uncollectible loans and advances were determined**	**The bank disclosed non-performing loans due to the failure of some customers to fulfill their obligations to the bank in its annual report. The bank added that it had allocated additional allocations to deal with these non-performing loans**	**100**
Paragraph 16f	**Banks must independently disclose accounting policies that address the basis for determining banking risk burdens in general, including future losses**	**The bank disclosed in its annual board of directors report how to develop and enhance its risk management procedures and follow best practical practices in line with the bank's strategic objectives, regulatory requirements, international**	**70**

	or any unforeseen risks and contingent liabilities	standards, and the instructions of the Central Bank of Iraq	
Paragraph 17	**All unusual items and items from previous periods that affect current period income must be disclosed in separate paragraphs in the financial statements, with adequate explanations provided in the disclosure and notes.**	**The bank did not disclose unusual items and items from previous periods that affect the income of the current period, whether in aggregate, in the financial statements or in the explanatory explanations in detail, whether in the management report or in the audit committee report.**	**80**
Paragraph 18	**Lawsuits filed against or in favor of the bank, or any disputes or disagreements with legal parties that could significantly affect the results of the bank's business and its financial position, must be disclosed**	**The Bank has not disclosed any lawsuits against or in favor of the Bank, or any disputes or disagreements with legal parties that could significantly affect the Bank's activity and financial position, in the Board of Directors' report or the Audit Committee's report for the year subject to the audit.**	**0**
Transactions with related parties, paragraph 20.21	**The bank must disclose all transactions, relationships and interests with relevant parties and the credit policies that the bank follows with those close parties.**	**The bank disclosed the contracts concluded with the relevant parties during the current fiscal year, as stated in the Board of Directors' report for the current year**	**100**
Annual management report, paragraphs 23 .22	**Banks must disclose in their annual management report all information related to the bank, its performance and resources during the specified period, and future expectations**	**The bank published its annual report on the bank's activity for the year ending 12/31/2024 in implementation of the provisions of the Companies Law, the instructions of the Unified Accounting System, the Tenth Accounting Rule, and the Banking Law**	**100**
total			**1430**
number of paragraphs			**17**
Rate (total ÷ number of paragraphs)			**84%**

Comparative analysis of incompatibilities between current disclosure requirements and the requirements of the Iraqi accounting rule (10).

Through the previous presentation and analysis, it becomes clear that there is a great agreement between the current requirements for disclosing the financial statements of the research sample bank and the requirements of the Iraqi accounting rule (10), as a result of banks being subject to many supervisory and regulatory bodies, especially Banking Law No. (94) of 2004 and the instructions of the unified accounting system Accordingly, the research hypothesis, which states that (there is no compatibility between the current disclosure requirements in private Iraqi banks and the requirements of Iraqi Accounting Rule No. (10), is rejected).

5. Fourth axis

conclusions and recommendations.

Firstly. Conclusions

The results of the research, through analyzing the financial statements and financial reports of the bank that sampled the research, showed the following conclusions: -

1- The research sample bank does not prepare a statement of changes in shareholders' equity as a main list among the four lists required in paragraph (3) of the first international accounting standard "Preparation and presentation of financial statements" but rather they are shown as part of the income statement.

2- The bank prepared a statement of cash flows in accordance with the requirements of Accounting Rule (7) and International Accounting Standard (7), which require showing cash flows during the period (direct method) and classified by (operating operations, investment operations, financing operations).

3- Based on the accounting policies adopted by the research sample bank in publishing its financial statements, we note that it referred only to local laws and applicable legislation related to preparing these statements.

4- Subsequent events after the balance sheet date shall not be disclosed in more detail and in accordance with the requirements of paragraph (2) of International Standard No. (10) "Events after the Budget Date" and Accounting Rule (9), which provide evidence of events leading to or not leading to adjustment after the balance sheet date.

5- The research sample bank disclosed the paid-up and authorized capital, the capital movement during the year, the increase obtained, the number of shares, the nominal value of each share, the closing price, and the market value of the banks, in accordance with the requirements of Paragraph (10) of the local accounting rule (10).

6- The bank did not disclose the research sample of interest rate rates on loans and advances granted to its customers, whether in the Board of Directors' report or in the explanatory notes attached to the lists and in accordance with the requirements of the Iraqi accounting rule (10) paragraph (18).

7- The Commercial Bank discloses the methods of the internal control system through its report (Audit Committee Report) and in accordance with the Iraqi Banking Law No. (94) of 2004.

Secondly. Recommendations

Based on the above conclusions, a set of recommendations can be reached that are proposed to be taken into consideration by Iraqi banks to achieve a better level of disclosure.

1- The necessity for Iraqi commercial banks to prepare financial reports and statements in accordance with what is stipulated in the International Accounting Standard (1), in addition to the explanatory notes and clarifications supplementing the financial statements.

2- Make the statement of changes in shareholders' equity, which corresponds to the statement of capital and the statement of reserves in private banks, one of the main financial statements because it gives a clear and true picture of the movement of the shareholders' equity balance during the year.

3- International accounting standards should be adopted by the Accounting and Supervisory Standards Board of Iraq, and private banks listed on the Iraqi Stock Exchange should be required to apply them when preparing and presenting their financial statements.

4- Developing a unified accounting system for banks in line with international and local accounting standards, as this will enhance credibility and fairness in financial statements from the perspective of their users.

5- It is necessary for the banks in the research sample to disclose the accounting policies followed in granting loans, advances, credit facilities, types of interest, and exchange rates used for foreign transactions.

6- Emphasizing the role and responsibility of the independent auditor in enhancing the disclosure contained in the financial reports and statements prepared by the management of private banks, the research sample.

7- There is a continuing call to achieve transparency and fair disclosure of business in private banks listed on financial markets, but its implementation has not taken the required seriousness, and the reason for this is due to regulatory weakness in this area.

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