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FINANCIAL TRANSPARENCY IN THE KINGDOM OF SAUDI ARABIA AND ITS ROLE IN ACHIEVING ECONOMIC STABILITY

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Abstract:
From an accounting standpoint, transparency is a fundamental criterion. In its absence, accounting practices become arbitrary and unprofessional. A collection of accounting variables comprises financial transparency, specifically financial reporting, accounting standards, and auditing. Economic stability is the paramount objective of government policies across all nations, regardless of its attainment. The paramount element of economic stability is financial extrapolation. Consequently, the two are frequently interconnected and are mutually reinforcing. The research seeks to examine the effects of financial transparency on various economic indicators, the strategies to address the challenges encountered, and the insights gained from these experiences. The research produced several conclusions, the most significant of which was that achieving economic stability through financial transparency necessitates extensive strategic planning, to be executed incrementally. It necessitates absolute consistency and coherence between the institutions governing financial systems and those overseeing legislation. The Kingdom of Saudi Arabia has effectively surmounted considerable milestones on this journey. Keywords: financial transparency, economic stability, financial reporting, international accounting standards.

Keywords:

INTRODUCTION

Transparency is a key metric from an accounting standpoint. Accounting practices become arbitrary and unprofessional without it. Financial reporting, accounting standards, and auditing are some accounting variables that make up financial transparency. Whether or not it is accomplished, economic stability is also the primary objective of all national policies. Financial stability is without a doubt the most crucial component of economic stability. As a result, the two frequently overlap and enhance one another.

The accounting tool known as financial transparency controls the caliber of financial policy, promoting an atmosphere that is conducive to fighting corruption and building investor trust.

Research Problem

Though there are still certain challenges to be addressed, the Kingdom of Saudi Arabia has made great strides in improving financial transparency. The degree of transparency in the government sector is one way these barriers are shown, whereas financial transparency and governance in Iraq are lacking.

Research Objectives

In light of the above problem, the research aims to:

1. Clarify the mechanisms of financial transparency used in Saudi Arabia.
2. Explain the effects of financial transparency on economic stability.
3. Identify the obstacles facing Saudi Arabia.
4. Draw lessons learned for application in Iraq.

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Research Hypothesis

The research is based on the hypothesis that: "There is a positive relationship between governance, financial transparency, and economic stability by reducing financing risks, which creates a financially stable investment environment, limits corruption, and increases the efficiency of government spending."

Research Methodology: The research followed a descriptive analysis methodology and cited official data adopted by international financial institutions.

Conceptual Framework for Transparency and Economic Stability

2-1: The Role of Accounting in Achieving Financial Transparency

Transparency is a key measure from an accounting point of view. Without it, the way accounting is done is subjective and not professional. Financial transparency is made up of three things: financial reporting, accounting standards, and auditing. Here are some explanations of these factors and how they connect to financial openness:
1- Reporting on finances: A company's financial reporting includes tax returns, beginning and end inventory reports, and financial statements that are sent out regularly, like once a year, twice a year, or three times a year. Financial reporting and transparency go hand in hand, since reports are used to make things clearer in the financial world. Simply put, the financial report is an important accounting tool for achieving financial transparency because it gives correct accounting data (Majid, 2018).
2-Rules for accounting: The main goal of setting accounting standards in general is to make sure that all financial information is clear. Accounting standards are the rules that must be followed when making financial documents and information. They also make it easy to compare the financial documents of different businesses and organizations (Al-Talha: 2000). From Al-Jaarat (2006), we can see that there are different kinds of accounting standards.

A. International Accounting Standards: These try to make accounting the same everywhere in the world.
A. American Generally Accepted Accounting Standards: These are the rules that are used in the United States.
C- Financial Reporting Standards: These set the rules for how to make financial reports the same in some countries.
D- International Governmental Accounting Standards: These rules are only used by the government in some countries.
3-Accounting Audit: The auditor's job is to make sure that financial information is correct, that accounting standards and tax rules are followed, and to then give a report on any mistakes or violations in accounting (Arab Society of Certified Accountants, 2005).
These reports help make things clearer when it comes to money.

2-2 The Conceptual Framework for Economic Stability

Stable economies are the main goal of all government policies in every country, even if they aren't reached. Without a doubt, financial extrapolation is the most important part of a stable economy. As a result, the two are often linked, and in fact, they are thought to work well together. Stable economies lead to stable finances and stable finances lead to stable economies. Since the start of the global financial crisis in 2008, a lot of economic writing has been about this connection. The research in this area has agreed that macroeconomic indicators and financial stability policy are closely linked. In its 2024 Global Financial Stability Report, the International Monetary Fund says that economic stability is when a country can avoid economic and financial crises and big changes in economic activity, like high inflation, big changes in exchange rates, and financial market crashes. Because economic stability is important for both individual countries and the world as a whole, many international economic institutions have worked hard to come up with and adopt a set of rules, standards, and policies that support economic stability and do everything that helps countries avoid economic crises and, by extension, these crises don't happen anywhere else. It was the 1992 Maastricht Treaty of the European Union that set the rules that all European Union member states had to follow to create a monetary union between them, which led to the creation of the Euro (Briguglio, 2008). The European Union announced the Stability and Growth Pact in 1997. It agreed to keep government loan rates low to protect the standards set by the Maastricht Treaty. If a country breaks these rules for three years in a row, the treaty says that it will be punished with economic sanctions equal to 0.5% of its gross domestic product. But once the euro came out, most countries in the European Union stopped following these rules. The fact that these standards weren't followed showed that the economies of European Union countries weren't stable. The ratio of public debt to GDP was higher than the 60% set by the treaty.

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In the European Union countries, the sovereign debt crisis got worse during this time (2010–2011). The G20 also started several projects to make the economies of the world more stable. The Financial Stability Board, the International Monetary Fund, and the G20 worked together to create a framework for economic stability after the financial crisis in Southeast Asia in 1992. This framework is called the macro prudential indicators, or MPIs. A group of macroeconomic variables that have an impact on the financial sector and help keep it stable are included in these indicators (Al-Rashed, 2008, 130). The IMF and the FSB are also working on the Early Warning Mechanism. This is a review every six months of the edge risks—financial risks with a big impact but not likely to happen—that the world economy faces. (The 2024 Global Financial Stability Report)
The Financial Stability Board is a key development partner with the International Monetary Fund. The early warning system shows how closely economic and financial stability are linked.

2-3 Accounting and Transparency Standards in the Kingdom of Saudi Arabia

The competent authorities in the Kingdom of Saudi Arabia have adopted sound regulatory standards to support accountability and transparency in the Kingdom and have initiated reforms to create a favorable environment for the Saudi financial system, consistent with the requirements of the International Monetary Fund.

International standards. The measures taken by the relevant authorities can be explained as follows:

1. Working following the International Financial Reporting Standards (IFRS), a set of accounting principles that standardize financial reporting procedures and support financial transparency. IFRS provides financial information to facilitate comparison between institutions and companies, not only at the national level but also at the global level. They also work to improve the quality of financial information and increase the suitability of the investment-attractive environment by creating investor confidence, particularly about eliminating foreign direct investment, which leads to significant economic benefits, particularly by achieving a surplus in the balance of payments (Al-Sayeh: 2002).
The relevant authorities in the Kingdom decided in 2016 to implement IFRS for all companies listed on the stock market. This is part of the reforms related to the Millennium Economic Goals within Vision 2030. By 2017, all companies listed on the stock market were required to prepare their financial reports by these standards. (Judges: 2020, 45)

2. Financial Disclosure: The Capital Market Authority (CMA) is responsible for ensuring listed companies comply with financial and accounting disclosure standards. This authority monitors the preparation of companies' financial reports and oversees procedures related to international standards and tax regulations. The CMA also requires listed companies to publish their financial statements every quarter. These statements must be accurate to enhance transparency and create confidence in the market. Delays in publishing these statements or inaccurate data will result in penalties being imposed on companies for violating international financial reporting standards. Finally, the CMA works to promote a culture of governance by establishing a set of binding instructions governing risk management and disclosure (https://cma.org.sa/AboutCMA/Pages/FinancialLeadership2020.aspx).
The above measures have contributed to financial disclosure, creating a climate that has improved the Saudi financial market's ranking and attracted foreign investment. This has led to the inclusion of the Tadawul market in global indices.

3. Enhancing Transparency: The Saudi Ministry of Finance prepares the Kingdom's general budget by transparent accounting principles. It also publishes quarterly and semi-annual reports on the performance of the macro economy and financial institutions. The Ministry oversees the components of the general budget, particularly government and social spending, to control the fiscal deficit, thus enhancing the transparency of public revenue and expenditure reports. (Al-Qudah: 2020)
The Saudi Organization for Certified Public Accountants (SOCPA), a body responsible for developing the accounting profession, also develops national accounting standards and then amends them to comply with international standards for financial reporting. It also trains accountants through development programs to enhance the efficiency of the Saudi financial sector, while conducting studies and research on the ongoing development of these standards. 4. Transparency and Economic Indicators: The accounting regulatory framework in the Kingdom of Saudi Arabia impacts the national economy through the following:

1. Attracting Investments: The adoption of new accounting procedures has contributed to creating a secure and highly reliable investment environment, with net foreign direct investment (FDI) flows increasing by 37% in 2024 compared to 2023, exceeding the planned target of $26 billion in 2023. The financial market's ranking has improved, ranking

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among the top ten global markets in terms of market capitalization, leading to its inclusion on MSCI and FTSE. (International Financial Reporting Standards 2024).

2. Transparency has also increased the ability of relevant government agencies to plan financially more appropriately and manage the general budget more effectively, reducing risks and economic instability.

3. Impact of Financial Transparency in Saudi Arabia on Some Economic Indicators

3-1. Semi-Annual Financial and Economic Performance for 2024

The most notable financial and macroeconomic developments were represented by the growth of sectors other than the oil sector, which increased by 41% compared to the first half of 2023. This represents a significant achievement, as one of the important goals of oil-producing countries is to reduce the oil sector's contribution to GDP to the lowest possible level. This is in addition to increasing real GDP growth by 10% due to the decline in oil production, by OPEC's decisions (International Financial Reporting Standards for 2024).

Private investment showed growth, influenced by the growing role of the private sector, which was positively impacted by the Public Investment Fund's support for achieving the Millennium Development Goals within the Kingdom of Saudi Arabia's Vision 2030. In this context, fixed capital formation in the private sector recorded a 4.5% increase compared to 2023, and the Purchasing Managers' Index (PMI) rose by 56.3 points. This index has remained above 50 points for three consecutive years, which is the neutral level for the index. This reflects the improvement in production and the growth in domestic and global demand for private Saudi products. (Judges: 2020)

Regarding domestic and international issuances, the rate of return on them increased by 8% over one year.

Through its general budget management, the Kingdom of Saudi Arabia aims to achieve alignment between economic development goals and financial sustainability by enhancing non-oil public revenues and rationalizing the social contract. The 2024 general budget recorded a deficit of 118 billion Saudi riyals, representing 2.9% of GDP. This deficit is being directed to financing social development projects (International Standards: Financial Reporting for 2024).

Regarding foreign direct investment (FDI) inflows into the Kingdom, net FDI inflows amounted to 118 billion Saudi riyals. Net inflows in the first quarter of 2024 amounted to SAR 9.5 billion, a 5% increase over the previous quarter. Net inflows in the second quarter reached SAR 12.36 billion, followed by SAR 13.19 billion and SAR 9.47 billion in the third and fourth quarters, respectively. The steady increase in foreign direct investment (FDI) inflows to the Kingdom led to a 7.7% decrease in the unemployment rate in the third quarter of 2024 compared to the third quarter of 2023. It is noteworthy that the unemployment rate in Saudi Arabia has reached approximately 8% over the years leading up to 2023. At the balance of payments level, due to the reduction in exports under the OPEC+ decision, the current account surplus decreased in 2023 to 3.2% of the total GDP. The Saudi Stock Exchange (Tadawul) index rose by 14.2% in 2023, while the MSCI Emerging Markets Index rose by 7%, meaning that the Tadawul's impact more than doubled. The Kingdom's banking system remained sound, with a strong degree of solvency and liquidity. The regulatory capital ratio reached approximately 2001% of risk-weighted assets, while the core capital ratio reached approximately 18.6% of those assets. Liquidity and profitability indicators were also good in 2023. Monetary policies, represented by raising interest rates on borrowers, led to an improvement in the net interest margin and a decline in non-performing loans to 1.5% of total credit, demonstrating the strength of credit growth (Al-Qudah: 2020).

3-2. The Impact of Accounting on Enhancing Performance Efficiency in the Saudi Financial Market (International Financial Reporting Standards 2024)

The role of accounting is to provide accurate, precise, and understandable data and information that enables investors to make fact-based investment decisions. This makes the investment process and its degree of risk objective within the investor's decision. In the Kingdom, since 2016, responsible entities have been dedicated to publishing accounting data periodically and with high accuracy. This has provided a set of tools that have created an atmosphere of trust and, consequently, enhanced **performance efficiency in the Saudi financial market. These accounting tools include the following:**

1- The Role of Accounting Information on Stock Prices: Investors in the financial market search for information that provides a clear picture of the current situation to enable them to make an appropriate investment decision. Sources of information may include financial reports, economic bulletins, newspapers, or any other possible sources. Investors search for information and, wherever they find it, take it. (Ba Sheikh: 2006). Investors want to know the earnings per share, return on operating cash flows, profit growth rate, operating profit, dividends, cash dividends, dividend growth

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rate, book value, market value per share, profit margin, price-to-earnings ratio, and other information, in addition to non-accounting information such as the efficiency of the board of directors, company size, trading volume, non-market reputation, and other political, economic, and regulatory factors. Regarding financial reports for the Saudi financial market, a study titled "The Impact of Accounting Information Contained in Initial Financial Reports on Stock Prices - An Applied Study of the Saudi Stock Market," a master's thesis by Rawaa Abdul Razzaq Balmakfa, King Abdulaziz University in Jeddah, Department of Accounting, 1433 AH, concluded the following:

1- Saudi joint-stock companies are committed to announcing financial reports.
2- Companies tend to delay announcing their reports.
3- The financial market is affected by bad news in the Arab world.
4- Bad news contained in initial financial reports affects stock prices, unlike good news. Good.
Hence, we find that in 2011, the Saudi financial market was described as inefficient because it required responding to both bad and good information equally.
2- Accounting conservatism: This is a standard for comparing accounting principles that lead to a reduction in recorded cumulative profits. It is a cautious response to uncertainty. Accounting conservatism has several types and motivations, and has been given several definitions by international institutions.
Most definitions given for accounting conservatism revolve around the accountant's emphasis on accuracy when verifying revenues and labor profits, rather than verifying expenses and losses. Regarding the Saudi financial market, applied studies have demonstrated a negative and significant impact of applying accounting conservatism to overstated investments. Therefore, the impact of accounting conservatism is more likely to reduce these overstated investments, which increases the efficiency of the financial market.
Environmental accounting: This is a tool for achieving a set of goals, described as comprehensive and integrated, for the accounting and economic process, measurement, and disclosure. It is a tool for preparing sales data and calculating total costs, in addition to its importance for preserving the environment. And its protection.
Environmental accounting contributes to enhancing the quality of accounting profits in Saudi establishments (Abdo: 2023, 225).

3-3. Experiences of some Saudi businesses resulting from the application of financial transparency standards.

Corporate governance provides an administrative framework that balances the interests of the board of directors on the one hand, shareholders on the other, and the interests of other parties on the third hand. This provides an accurate future outlook on the company's business operations, which creates a sense of reassurance and certainty that enables investors to make sound investment decisions. Several businesses in the Kingdom of Saudi Arabia have effectively adopted financial transparency standards, the most notable of which are (Qandeel, 2018, 390).

1- Savola Group: A holding company operating in strategic investments in the food and retail sectors, founded in 2018 (http://www.Savola.com/about-us/history). The group achieved first place in the field of corporate governance and transparency, and fourteenth place among the Gulf Cooperation Council countries, surpassing 580 Gulf companies in tin applying these standards, studies indicate that the Savola Group has worked to disseminate its information through annual and quarterly reports, newspapers, and its website, and that this information was sufficient to provide investors with a clear understanding that facilitates investment decision-making. The group published its reports in both Arabic and English, which is consistent with disclosure requirements. Studies also indicate that the group complied with the Capital Market Authority's governance instructions. (www.mubasher.info.)

2- Saudi Airlines Catering Company, a subsidiary of the Saudi Airlines Holding Group, specializes in providing food catering services, menu coordination, lounge management, marketing channels, and other support services such as security services and commercial laundries.
From 2017 to 2021, this company achieved first place in implementing government procedures and transparency in financial reporting (http://sabq.org/sandia/w8png).

3- Aramco: Aramco is responsible for the oil industry's exploration and extraction operations in the Kingdom of Saudi Arabia. It is a well-known and major global energy company. Although Aramco does not meet the requirements for listing on the stock market, it has been preparing its annual reports in accordance with international standards since 2005. This is because the company is not limited to its listing on the stock market; it is also listed on several global

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markets. Aramco has independent standards in the field of auditing and review because it relies on rigor in its work and strives to ensure its accounts are highly reliable (aranco.com/ar/news). 4- Saudi Basic Industries Corporation (SABIC): A leading chemical company founded in 1976 in the Kingdom of Saudi Arabia. It is worth noting that Aramco currently owns 70% of SABIC's shares. SABIC views transparency and corporate governance as a core pillar of Saudi Arabia's Vision 2030. SABIC links transparency as a tool for managing its business and as an enabler across the Kingdom's supply chain.

SABIC disseminates its information to institutions, consumers, suppliers, and other parties, such as investment funds and rating agencies, to create an atmosphere of transparency and integrity. In 2020, it supported the B20 Integrity and Compliance Taskforce, which aimed to promote global anti-corruption regulations (Abdo: 2023, 225).

4- Financial Transparency in the Saudi Economy - Challenges and Lessons Learned

4-1. Digital Transformation and Its Importance for Accurate Financial Reporting

After the digital transformation in the Kingdom, accounting procedures are among its primary objectives, as they are an important tool for saving both time and effort. Technology will enable accounting work to be performed more accurately and in less time, while human work suffers from errors here and there, regardless of the accountant's accuracy when performing manual accounting. Technology also enables the preparation of more accurate and comprehensive financial reports. To achieve digital transformation, a set of policies must be adopted, including the following:

1. Replacing manual processes with digital processes. This is achieved through digital accounting tools and programs, such as Enterprise Resource Planning (ERP) systems, cloud accounting programs, and digital financial reporting tools.

It is worth noting here the need to create a sense of partnership between accountants and managers to develop programs that facilitate the use of technology and information technologies to implement accounting processes with greater accuracy and speed. 2- Switching from local devices to the cloud when storing data. Cloud storage provides easier and more secure access to stored data. It also facilitates efficient data sharing among teams. Cloud storage also provides services such as providing capabilities for analyzing information and financial performance.

3- Using artificial intelligence technologies in analysis, as artificial intelligence can detect trends and patterns, analyze financial figures, and identify causal relationships and variations in future results and events. All of these benefits lead to sound strategic decisions that improve the performance of companies and auditors.

4- Hedging against cyber threats. The competent authorities in the Kingdom of Saudi Arabia must take steps towards a digital transformation in the accounting sector that are secure and thoughtful in order to protect data. This should be one of their top priorities, especially with regard to sensitive financial data. Therefore, attention must be paid to encryption processes, access management systems, and software protection. The financial sector in the Kingdom is moving towards a technological transformation, and the necessary steps mentioned above must be taken to maximize its benefits in reducing costs and increasing security, privacy, compatibility, and transition. The digital economy has become increasingly prevalent in public policy discussions in most countries seeking to digitize their economies, particularly developed countries. This is because technology has become an integral part of the world of economics, finance, and business, spanning from buying and selling, marketing, and e-commerce to buying and selling transportation tickets. It has also penetrated the world of education, particularly during the COVID-19 pandemic. Today, there is a clear emergence of technology and artificial intelligence, particularly in radiology, laboratory, and laser analysis, and other fields.

The most important of these transformations is the emergence of digital assets, most notably digital currencies, which have reached high levels of circulation (Al-Shammari: 2022).

All of these matters have prompted some countries to consider national digital plans an important and pioneering step towards achieving development requirements, both in terms of the material aspect represented by economic growth, and the social aspect represented by achieving the goals of social and environmental sustainable development.

All of this requires a set of Among the most important measures are: (Judges: 2020)

1. Increasing the share of technological goods and services, information technology, and the expansion of telecommunications networks in the Kingdom's total value added, and increasing its share of global trade.
2. Increasing funding for digital transformation and its other requirements, diversifying its tools, and redirecting capital, particularly venture capital, to investment in it.
3. Promoting the use of technology across the government sector, the business sector, individuals, and even the lowest levels of economic activity.

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4. Developing technological services, products, and programs to stimulate economic activity.
5. Removing obstacles preventing women from entering the world of information technology and the technology sector.
6. Providing assistance to people with disabilities to enter the world of information technology and the technology sector.
7. Taking into account geographic distribution when providing internet and other communication services. Field studies have shown that cities have greater access to communication technologies than rural cities.

4-2. The Importance of Full Compliance with International Accounting Standards

As previously explained, international accounting standards aim to standardize accounting procedures worldwide. The Kingdom of Saudi Arabia has adopted a regulatory framework for the application of these standards in the preparation of financial reports for companies listed on the Saudi Stock Exchange. The Kingdom has also sought to create a suitable regulatory, economic, and financial framework for the implementation of these standards. These efforts began in 2016, and the Kingdom has made good progress in this regard. International standards have been applied to the following institutions: (Qandeel: 2018, 390)
1. Companies listed on the Saudi Stock Exchange in full, following the directives of the Capital Market Authority.
2. All banks and insurance companies, by the directives of the Saudi Central Bank.
3. Companies listed on the Saudi Stock Exchange, but with exceptions and amendments that meet the requirements for adapting to the local environment and the possibility of applying international standards.
The institutions to which the standards have not yet been fully applied, but have been partially applied, are: (International Financial Reporting Standards 2024)

1- The government sector, where the Kingdom applies standards derived from International Accounting Standards, known as Government Accounting Standards, but these have not yet been fully implemented.
2- Central Bank reserves and credit provisions, where the Kingdom applies standards modified from International Standards to align with the requirements of the Central Bank.
Hence, we find that the Kingdom of Saudi Arabia is fully compliant with International Accounting Standards. Following full compliance with these standards, a significant challenge for the Kingdom is to ensure that financial reports issued in the Kingdom are fully consistent with the official publications of the International Accounting Standards Board. To achieve this conformity, a set of serious measures must be taken, namely:
1. Eliminating national specificity, which imposes amendments on international standards, particularly concerning financial instruments and insurance contracts. It is worth noting here that this issue raises a structural debate, as Saudi society is considered an Islamic society and desires its financial transactions to be consistent with Islamic Sharia, which necessitated these amendments.
2. Not exempting any companies or institutions from applying international standards, including medium-sized and small enterprises, which apply simpler standards derived from international standards.
3. Applying international standards to the government sector to ensure full compliance with international requirements.
4. Addressing the lag in implementing new updates, as the Kingdom often delays implementing recent versions of standards.
5. Unifying the entity issuing the standards list, ensuring there are no discrepancies between the regulations of the Capital Market Authority and the Central Bank, which often creates confusion among financial institutions.

4-3. Lessons Learned from the Saudi Experience and the Possibility of Applying them in Iraq

Several inspiring lessons can be discerned from Saudi Arabia's implementation of international accounting standards, which can be summarized as follows:
1- Strategic Planning and Gradual Implementation: The Kingdom of Saudi Arabia has worked to develop a strategic vision characterized by a time frame and a hierarchy of steps based on importance. In 2016, companies listed on the stock market were required to adopt these standards, and in 2018, non-listed companies committed to implementing them with some exceptions. In subsequent stages, public sector companies and institutions will be converted to use government accounting standards, and the Kingdom continues to strive for full implementation of these standards.
2- Overcoming the difficulties facing companies and accountants in implementing international standards: These difficulties can be overcome through continuing education and practical training by competent authorities. The Kingdom has worked to do this through private institutions: The Saudi Organization for Certified Public Accountants, the Capital Market Authority, and the Saudi Central Bank. 3- Partnership in developing and implementing the plan through state

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agencies: The Capital Market Authority, the Central Bank, and the Ministry of Commerce in the Kingdom participated to ensure consistency and avoid fragmentation when applying international standards.
4- Providing an appropriate technological infrastructure: Good disclosure requires such an infrastructure, which companies operating in the Saudi market have been forced to implement.
5- Raising awareness about the importance of applying international accounting standards: Adopting these standards when preparing financial reports will create a sense of financial literacy when preparing financial statements, which will simplify and clarify the comparison process between national and international companies. This, in turn, will create an investment environment attractive to foreign direct investment, a reality that has already occurred in the Kingdom, as explained in the previous sections.
The Saudi experience can be considered a model to follow for implementing international accounting standards in Iraq, and the following steps can be taken to achieve this:
1- Preparing a medium-term plan with clear objectives and timelines, to be implemented gradually and in accordance with Iraq's specific circumstances.
2- Creating an appropriate legislative environment by enacting laws and issuing instructions that align with the implementation of standards and making them mandatory, most notably:

A. The Iraqi Companies Law.
B. The Central Bank of Iraq's instructions.
C. Developing the systems followed in the Iraq Stock Exchange to ensure financial transparency.
3- Developing an appropriate training plan, including courses launched by the Iraqi Auditing Board in cooperation with the Ministry of Higher Education and Scientific Research, and even developing undergraduate and graduate curricula in this direction.
4- Automating accounting in Iraq by digitizing accounting in accordance with international standards, facilitating this process for small and medium-sized enterprises.
5- Unifying the entity overseeing the issuance of regulations and instructions, such as launching a body overseeing the transition to international standards whose instructions are binding on other entities.
6- Promoting tax or financial incentives for companies that accelerate implementation.

5- CONCLUSIONS

1. It has been very successful for the Kingdom of Saudi Arabia to adopt international accounting standards.
This has reflected in financial and, subsequently, economic stability in the Kingdom.
2. There is still a delay in implementing international accounting standards in the Kingdom's public sector.
3. Iraq is still lagging in implementing standards that promote financial transparency to achieve financial and, subsequently, economic stability.
4. The Kingdom of Saudi Arabia's experience can be leveraged in its efforts to promote and implement financial transparency in Iraq.

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