Website:
ejournal.umm.ac.id/index.php/jrak

***Correspondence:**
roe@ub.ac.id

DOI: 10.22219/jrak.v10i3.13898

Citation:
Roekhudin. (2020). International Financial Reporting Standard Adoption: How Does It Happened?. *Jurnal Reviu Akuntansi dan Keuangan, 10(3), 486-496.*

Article Process
Submitted:
September 30, 2020

Reviewed:
October 16, 2020

Revised:
December 10, 2020

Accepted:
December 11, 2020

Published:
December 26, 2020

Office:
Department of Accounting
University of Muhammadiyah Malang
GKB 2 Floor 3.
Jalan Raya Tlogomas 246,
Malang, East Java,
Indonesia

P-ISSN: 2615-2223
E-ISSN: 2088-0685

Article Type: Research Paper

INTERNATIONAL FINANCIAL REPORTING STANDARD ADOPTION: HOW DOES IT HAPPENED?

Roekhudin[1*]

Afiliation:

[1]Accounting Department, Faculty of Economics and Business, Brawijaya University, Surabaya, East Java, Indonesia

ABSTRACT

This study aims to investigate the determinants of the state's voluntary adoption of international financial reporting standards (IFRS). The sample consisted of 120 countries that have adopted IFRS voluntarily based on the data released by IAS plus in 2019. The rate of IFRS adoption is measured using an interval scale based Deloyd's criteria. The independent variables included economic growth, level of openness, education level, legal system, political factor and cultural factor with the corruption control as the moderating variable. The multinominal logistic regression test shows that all independent variables can determine the level of the state's voluntary adoption of IFRS and the level of corruption control can moderate the relationship. The results of this study provide additional contributions to the literature evidence related to studies of IFRS voluntary adoption. In addition, this study is also able to accommodate a variety of complex factors with various economic, social, cultural and legal perspectives at the level of Jurisdictions.

KEYWORDS: Belief Corruption Control, Economic Growth; Education Level; IFRS; Legal System; Level Of Openness.

INTRODUCTION

The International Financial Reporting Standard (IFRS) is claimed by its constituents as a high-quality accounting standard that can increase the value of accounting information across international borders. Theoretically, the adoption of IFRS is expected to be able to improve the quality and comparability of corporate financial statements between countries and it is therefore expected to bring benefits to the state's economy. The positive impact is no additional information costs that the users of financial statements (investors) have to pay just to process various data due to differences in standards between countries. In addition, all companies have the opportunity to obtain capital at low cost from various capital market sources throughout the world in the hope of increase both direct and indirect investments between countries through the capital market. The downstream from these activities is the welfare of people in various parts of the world will increase with the increasing investment.

The objectives and claims of advantage of IFRS are not fully accepted. The Foundation of IFRS (2018) reports that until 2018, there were 175 jurisdictions committed to adopting IFRS. Of this number, 144 jurisdictions (87%) required the adoption of IFRS standards for all financial institutions and companies listed on the capital market. The other 22 did not require the adoption of IFRS. Nijam (2016) explained that not all countries in the world fully adopt IFRS, excluding countries that are members of the EU. This implies that some countries do not adopt IFRS (not permitted), but some others have voluntarily adopted IFRS in full (full adoption). At the company level, Siciliano (2016) found that mandatory adoption of IFRS could increase the uniformity of the application of international accounting practices in companies from different countries even though these changes were not uniform. His study showed that increasing harmony in international accounting is only significant in areas where local GAAPs are very much different. Conversely, in areas where (a) IFRS protects accounting methods adopted under local GAAP, or (b) uses local GAAP, but in IFRS conditions it does not explain certain disclosure methods, the companies will continue to choose the method used based on local GAAP, so that changes in international uniformity do not occur significantly. Significant differences in the significance of IFRS adoption occur in conditions of large and small companies when considering non-disclosure as a different accounting method.

This fact shows that IFRS adoption policies in each country will be different (IAS-Plus, 2018). The differences in the state decisions in adopting a financial standard have been an interesting matter to understand since a long time ago because knowing the reasons and conditions of a country in carrying out such adoption can also be used as a benchmark for the success of a standard and the definition of the success of a claim for drafting a rule.

The adoption of IFRS throughout the world is carried out by various countries, both developing and developed countries (Owolabi 2012; Ramanna 2013; Hail 2010). Most of developing countries adopt IFRS as a way to gain acceptance in the international business environment. IFRS also does not require high economic, political and cultural changes to produce high-quality financial statements (Saudagaran 2000). Periodic studies related to factors that influence the level of adoption of an accounting standard are still conducted. Various studies began in the 1960s by Mueller, followed by Choi and Meek in 2008 pioneering a model for developing accounting systems to explain differences observed in financial reporting around the world. Within the framework compiled by CM, there are eight factors in a state environment believed to have a significant influence on differences found in the level of adoption of an accounting system namely economic conditions, sources of state funding, law, taxation, economic political conditions, inflation, education, and culture.

Renders A (2005) using a sample of European companies, found that IFRS is more likely to be adopted in countries where the laws are strong at protecting investors and have good corporate governance. Furthermore, Zeghal (2006) explained the factors that influence the application of international accounting standards in developing countries. The study shows that developing countries which highest levels of education with capital markets and Anglo-American culture are the most likely to adopt that standards. This study was then reexamined by Zehri (2013) identifying factors that explain the reason developing countries adopted IAS/IFRS until 2008. Using 74 developing countries as sample, have result that high economic growth rates, common law legal systems, and high levels of education factors are the reasons for the adoption of IFRS.

That study by Zehri aimed to identify certain explanations of theoretical factors that variables used included cultural factors, the level of environmental economic growth, the availability of capital markets, education level, openness, the legal system, and political factors. In addition, the researcher classified the sample into two groups, 37 countries adopting IFRS with or without modification and 37 countries not adopting the standard until 2008. The results show that developing countries adopted these standards due to consideration of high economic growth rates, the legal system, and high levels of education; other factors had no effect on adoption decisions.

The study was perfected by Masoud (2014) which examined the variables that influenced the adoption of IFRS by 48 developing countries, 43 countries adopting and 5 not adopting IFRS, during the 2006-2014 period. The variables that explained included culture, political system, law, environment, economic growth, privatization, FDI, company size, liquidity, capital costs, audit quality, and transparency. This study showed that economic and institutional factors had a different effect on IFRS adoption, while both FDI inflows and Gross Domestic Product Growth (GDP) had no significant effect. The predictive factors of the countries adopting IFRS include the company size that does not have a significant impact on the decision to adopt IFRS during audit and the transparency that greatly influences the decision to adopt IFRS because there is no relationship between the literal system and IFRS decision adoption. In addition, the implementation of IFRS in developing countries faces many challenges, including lack of technical skills, training and knowledge development as well as difficulties in developing high quality accounting information systems. Cultural factors become one that is also considered capable of reducing the comparability of IFRS adoption (Chung 2018).

Accounting information based on IFRS standards is indeed compiled based on considerations and calculations in developed countries. However, the final decision on the adoption of IFRS accounting standards does not depend on how other countries adopt IFRS (Cerne 2009) . Finally, the level of IFRS adoption will be very different even in countries that have the same conditions. This study is also expected to be able to improve the two previous studies (Zeghal 2006; Zehri 2013) by expanding the scope of the countries under study to include all countries that have adopted IFRS voluntarily. Therefore, this study seeks to accommodate various economic, social, cultural and legal perspectives and to provide novelty in the form of governance (corruption control) to non-EU countries to explain the factors that form the basis of IFRS adoption. That accommodate the fact that various previous studies have not accommodated in-depth explanations regarding how corporate governance projected by a State's control over corruption considers that control over the level of crime in a country is expected to be able to realize the condition of a country economically and governance has weak legal certainty also.

The literature of international accounting generally believes that accounting is influenced by various environment countries. The choice of a country to adopt is the result of an interactive process from several environmental factors. Alhashim (1992) stated that the most important environmental powers are economic, social, legal system, culture, and political system. Internal and external environment such as factors of economic growth, inflation rates, education levels, legal systems, his-tory and geography of the country, financial systems, size and complexity of corporate business, accounting profession popularity, financial market development, sources of investment and financing, and dominant culture and language as a drive factors (Cooke 1990)

The other factors are country's cultural system, the multinational companies, foreign investment and financing, the level of openness to foreign markets, the signing of international agreements, and international accounting firms. Any significant changes in these factors can affect the accounting policies and regulations. For example, the decision to develop the stock market and get international investment could trigger a restructuring of the ac-counting system and cause the adoption of international accounting standards. So, the hypotheses of this study are formulated as follows:

H_1: *Economic, social, political, cultural, and legal factors influence the level of IFRS adoption in non-EU countries.*

H_2: *The level of corruption control moderate the relationship between economic, social, political, cultural, and legal factors with the level of IFRS adoption in non-EU countries.*

METHOD

The sample of this study included countries that adopt voluntary IFRS. The sampling procedures are as follows:

1. Determining the sample countries that adopt IFRS voluntarily, excluding EU countries.
2. Limiting the sample as in point 1 to countries that have capital markets and apply IFRS for local companies listed on the capital market (domestic listed companies), excluding domes-tic unlisted companies.

The dependent variable is the IFRS adoption level (IFRS) set by Deloyd at http://www.iasplus.com/en. Based on these criteria, the level of IFRS adoption was then measured using an interval scale.

The independent variables used in this study are as follows:

1. Economic Growth Factors (EG), measured by gross domestic product (GDP)
2. Openness Level (OP), measured by Foreign Direct Investment (FDI) divided by GDP
3. Education Level (EDU), measured by a country's literacy level
4. Legal System (LAW), measured by a dummy variable in which countries that use common law score 1 and code law 0
5. Political Factors (POL), measured by democratic index

6. Culture Factor (CULT), where countries using anglo saxon score 1 and others 0

Table 1.
IFRS Adoption Measurement Scale

No	Indicator	Score
1	IFRS Not Permitted	1
2	IFRS Permitted	2
3	IFRS Required for Some	3
4	IFRS Required for All	4

Furthermore, the moderating variable in this study is proxied by the corruption control (CC) means that the extent to public power is exercised for personal gain, including small and large forms of corruption, by elites and private interests.

The hypotheses were tested using the moderating regression analysis with the following formula:

$$\mathbf{IFRS = \alpha + \beta\_1EG + \beta\_2OP + \beta\_3EDU + \beta\_4LAW + \beta\_5POL + \beta\_6CULT + \beta\_7CC + \beta\_(8\text{-}13)CC\ (EG + OP + EDU + LAW + POL + CULT) + \varepsilon}$$

Where:

IFRS : Level of IFRS Adoption

EG : Economic Growth

OP : Level of Openness to Outside World

EDU : Education Level

LAW : Legal Factor

POL : Political System

CULT : Cultural Factor

CC : Corruption Control

RESULTS AND DISCUSSION

The adoption of IFRS as a single standard that is expected to apply in all countries is responded by the EU by requiring its member countries to adopt it fully shortly after it was first enacted in 2002. However, this step was not followed by countries outside the EU by adopting IFRS fully. As a result, the adoption of IFRS in many countries varies in degree. This shows that switching to IFRS from local standards is not an easy matter. Various arguments were put forward to justify the situation. Various studies on the adoption of IFRS have been carried out by previous researchers within the scope of the company, instead of the state level (Fatmawati 2018a, 2018b; Siciliano 2016). Meanwhile, the adoption of IFRS at the company level will only occur if the country where the company is located (jurisdiction) adopts and enforces it as a standard.

Economic Growth and IFRS Adoption Level

Test results show that countries with higher economic growth rates have a tendency to adopt higher level of IFRS because economic growth is defined as an increase wealth of a country as con-sequences increased production of goods and services. Economic growth can be measured by country's GDP (Gross Domestic Product) or national income per capita. Natural, human, capital re-sources, technological development and institutional structure and stability can affect a country's economic growth. It is assumed that a better country's economy results in the higher likelihood that a country can adopt IFRS. Why? Based on the observations, countries with higher economic growth, accounting is an effective instrument for measuring and communicating financial information. So, when business and economic activities increase significantly, the need of financial information be-comes larger, more complex and requires high-quality sophisticated accounting systems and standards. The results of this study confirm several previous studies including of Lahmar (2017), Zeghal (2006), Zehri (2013).

Variable	Base Outcome: Accepted Rate=1								
	Acceptance Rated= 2			Acceptance Rated= 3			Acceptance Rated= 4		
	Coefficient	Standard Error		Coefficient	Standard Error		Coefficient	Standard Error	
Corruption Control	1.3036	0.4325	**	1.97202	0.7421	***	2.2044	0.3619	***
Legal System	1.0586	0.1687	**	1.4136	1.3448	***	1.5836	0.9253	***
Culture	1.6990	1.1065	**	2.2368	1.5037	***	3.2128	0.8488	***
Education Level	43.3864	52.4460		49.0709	31.6687	**	56.7545	5.7558	***
Political Factor	31.4508	23.4362	**	61.7604	15.5641	***	66.9394	42.9122	***
Economic Growth	65.5183	85.0824		96.6431	67.0149	**	121.6700	44.0603	***
Economic Openness	43.8908	47.9740		118.5464	65.1371	*	124.4398	36.3970	***
Corruption Control x Legal System	5.1204	2.9740	***	7.1204	5.7941	***	8.1203	4.7941	***
Corruption Control x Culture	6.6859	5.7941	***	9.3848	4.2242	***	9.7949	7.7942	***
Corruption Control x Education Level	103.2695	124.8709		109.7202	70.5652	**	135.9688	97.0356	***
Corruption Control x Political Factor	74.8886	27.2149	***	94.8038	10.0008	***	109.2033	52.1601	***
Corruption Control x Economic Growth	156.6490	131.1714		231.0553	59.6633	**	289.2033	104.9146	***
Corruption Control x Economic Openness	104.9575	114.2437		282.4529	55.1022	*	330.0614	86.6618	***
Constant	1.2363	0.1921	**	3.6579	2.1936	***	4.2704	1.9703	***
N	120								
Prob. > chi-squared	0.0000								
Pseudo R-Squared	0.5631								

Table 2. Hypothesis Testing Output

*** Sign 1%, ** Sign 5%, *Sign 10

Level of Openness and IFRS Adoption Level

This result shows that the more open the economy of a country, the higher the possibility of adoption will be. This is due to external pressures that have the potential to adoption of IAS. Foreign investors, multinational companies, international accounting firms, and world financial institutions are the main powers that affect pressures. stated that one of external environmental factors to understand the accounting system is economic openness. In addition, openness is also considered as a social factor that can influence the practice of social norms including IFRS adoption. Mimic isomorphic pressure and mimetic pressure are the most capable explanations of how countries influence each other in the bond of social behavior because of the label of openness.

So, the more open the country's, the more countries will be exposed and more diverse international pressures will emerge. Such pressures can cause some countries to have the level of economic openness to be more likely to adopt IFRS. The results of this study are consistent with several previous studies such as Zehri (2013) and Ramanna (2013).

Legal System and IFRS Adoption Level

Most developing countries adopted a legal system from colonial heritage, those are code law and common law. Code law stated that the government formulates all relevant regulations about financial and accounting matters, while common law accommodates the accounting aspect by explaining that the government formulates all related regulations relating to financial and accounting matters. Common law describes a situation where an independent professional body formulates and regulates accounting practices in a country. It means that countries have an independent accounting body that also has a certain level of legal support to make decisions that are not intervened by the government. Code law is also considered to have a high level of compliance and legal certainty so as to increase compliance with the adoption of IFRS. So as to increase the willingness of the State in adopting IFRS. In a certain sense, these accounting bodies are legally autonomous and adopt the standards which give the benefit to the country and the accounting.

The results of the study statistically prove that these countries have a higher probability of adopting IFRS compared to countries that use the code law system. This is because the legal system is often directly related to disclosure practices (Doupnik 1995; Jaggi 2000) and variations in reporting incentives and earnings properties (Ball R 2000). IFRS adoption is beneficial to the market only in conditions where there is a greater incentive for better disclosure (Daske 2008). The results of this study also support who Masoud (2014) conducted research related to variables that affect IFRS adoption in 48 developing countries, 43 countries adopted IFRS and 5 did not adopt IFRS during the 2006- 2014 period.

The countries with common law system, information asymmetry is likely to be resolved with timely and greater public disclosure to shareholders (shareholder models), while code law countries is more likely to be carried out more privately communication among major political groups (stakeholder model). Therefore, the model of a country with a common law, which has more general flexibility and interests, increases the tendency for IFRS adoption.

Cultural Factor and IFRS Adoption Level

The test results show that Anglo-Saxon culture can increase the tendency for the level of IFRS adoption. This is in line with the Anglo-Saxon culture which is considered to be a more advanced and sophisticated accounting system by some researchers (Evans 2004;

Zeghal 2006). Countries with anglo saxon are more receptive to IFRS due to two factors of familiarity and language that seem to be beneficial. Therefore, Anglo-American groups, mainly due to the dominant influence of Anglo-Americans in the development of IFRS as well as English as the language of communication in the IASB, feel "easier" compared to the others. Despite the IASB's translation efforts for the countries involved, countries outside of the bureaucratic culture feel that they are still less familiar with IFRS and should try more in dealing with this situation. The results of this study are in line with the previous studies such as those of Abdelsalam (2013), Chamisa (2000), Hove (1986) and McGee (1999).

Political Factor and IFRS Adoption Level

The results of the statistical test show that countries with a higher level of democratic political system will have a tendency to adopt a higher IFRS as well due to conditions where accounting standards are a product of political actions and reflection scientific conditions of logic and practice in a country (Barbue 2004). In addition, Belkaoui (1983) argues that the level of economic and civil liberties is a key factor in the development of accounting practices. In other words, a country with low level of political freedom, the citizens will not be able to elect the members from the government because of a lack of democracy. The condition of losing all forms of freedom, could act based on accounting policies.

On the contrary, a democratic-based fair policy makes the development of accounting standards that are likely to win should be better. Although it sounds contradictory to the common law system, the condition of an accounting legal entity that is independent of the government still requires support from the government on an ongoing basis to create a developing investment and economy condition and climate (Hassab 2003; Larson 1995)

Education Level and IFRS Adoption Level

The high level of education of a country makes the country's tendency to adopt IFRS high as well. This can be explained also because IFRS generally comes from the advice and opinions of professional and practical experience of various members of IASB. The education level also has the output of open-mindedness on the need for globally accepted standards that make it easier to define the language of business. Openness of thought due to the level of education also makes it easier to understand new rules that enter such as IFRS and avoids the conventional nature of rejection of new rules. In fact, some parties argue that these standards are quite complex and their understanding requires in-depth and detailed knowledge not only of accounting but also of other disciplines (actuarial, financial calculations, etc.). Thus, level of standard acceptance requires advanced level of expertise. Zehri (2013) ,Zeghal (2006), Street (2002) and Doupnik (1995) stated that adopting IFRS conditions is social strategic decision. So, understanding, interpreting, and applying it requires human resources with a certain level of education and training.

Corruption Control Moderator

The results of the statistical test show that a country's control of corruption can improve the relationship between economic growth, economic openness, the legal system, political factors, cultural factors, and the education level on the level of IFRS adoption. It means the ability of a country to control corruption determines its level of IFRS adoption. The findings of this study indicate that when the country can control corruption well, there is a tendency for the relationship of these factors with the adoption of IFRS in full. This is associated with the existence of good governance and strong protection of the public interests, making various countries decide to adopt IFRS. In addition, it is assumed that IFRS is a rule to promote transparency as an effort to reduce the level of fraud or corruption. A country with a good level of corruption control will produce policies that encourage this effort. One of the policies in the accounting standard is the full adoption of IFRS. The results of the test also show that when a country implements an economic openness moderated with high corruption control, it results in a high tendency to adopt IFRS in full compared to other conditions. Finally, a country's corruption control will be able to strengthen the existing factors in adopting IFRS because of the assumption of public interests that must be protected in a clean set of rules and able to reduce the fraud that occurs.

CONCLUSION

This research designed to investigate some factors that influence the level of a country's IFRS voluntary adoption. This is motivated by the reality that not all members of the EU adopt IFRS on a mandatory basis. Using the data from 120 countries adopting IFRS voluntarily, this study proves that countries with high economic growth rates, high economic openness, common law legal systems, democratic political systems, and high levels of education have a tendency for high acceptance of IFRS adoption. Furthermore, the level of corruption control has also been proven to strengthen the relationship between the two. The results of this study are expected to be able to contribute to the standard setters related to the evaluation of IFRS acceptance. In addition, the results of the study also confirm the theory of public interest and institutional theory. The implication of the results of this research is that apart from being able to prove theoretically, it also provides an overview of how a regulation can be generally accepted on a national scale. This proves that the characteristics of the State and the conditions of the State give a very strong influence on how generally acceptable.

The results of this study are still limited to factors that are broad in terms of economic capacity, have not been collected on more specific aspects, for example Foreign Direct Investment as direct variable. The next researcher, is needed more specific factors related to interference through FDI.

REFERENCES

Abdelsalam, O & Weetman, P 2013. "Introducing International Accounting Standards to an emerging capital market: Relative familiarity and language effect in Egypt." *Journal of International Accounting, Auditing and Taxation* 12: . https://doi.org/10.1016/S1061-9518(03)00002-8.

Alhashim, DD & Arpan, JS 1992. *International Dimensions of Accounting*. 3 ed.: PWS-Kent Publishing Co.

Ball R, Robin, A & Wu, JS. 2000. "Accounting standards, the institutional environment and issuer incentives: Effect on timely loss recognition in China." *Asia-Pacific Journal of Accounting and Economics* 17 (2).

Barbue, E 2004. "L'harmonisation comptable inter-nationale: d'un vagabondage comptable à l'autre." *Comptabilité Contrôle Audit* 10 (1): 37-61.

Belkaoui, A. . 1983. "Economic, Political and Civil Indicators and Reporting and Disclosure Adequacy: Empirical Investigation." *Journal of Accounting and Public Policy* 2: 356-412.

Cerne, K. 2009. "Influential factors of country's accounting system development." *Ekonomska Istraživanja Economic Research* 22: 86-97.

Chamisa, E 2000. "The Relevance and Observance of the IASC Standards in Developing Countries and the Particular Case of Zimbabwe." *The International Journal of Accounting* 35: 267-280. https://doi.org/10.1016/S0020-7063(00)00049-2.

Chung, BH 2018. *Do International Differences in Certain Cultural Dimensions Lower Cross-Country Accounting Comparability Under IFRS? An Examination of Risk Aversion and Materialism.*

Cooke, RS, TE, Wallace & Olusegun, . 1990. "Financial disclosure regulation and its environment: A review and further analysis." *Journal of Accounting and Public Policy* 9 (2): 79-110. https://EconPapers.repec.org/RePEc:eee:jappol:v:9:y:1990:i:2:p:79-110.

Daske, H., Hail, L., Leuz, C., & Verdi, RS. 2008 "Mandatory IFRS Reporting Around the World: Early Evidence on the Economic Consequences." *Journal of Accounting Research* 46 (5): 1085-1142. https://doi.org/http://dx.doi.org/10.1111/j.1475-679X.2008.00306.x.

Doupnik, T. Salter, S 1995. "External Environment, Culture, and Accounting Practice: A Preliminary Test of A General Model of In-ternational Accounting Development." *The international journal of accounting* 30 (3).

Evans, G 2004. *Cultural industry quarters: from pre-industrial to post-industrial production.* City of quarters: Urban villages in the contemporary city.

Fatmawati, D., Subroto B & Rahman A 2018a. "Geographic Segment Disclosure in Indonesia." *International Journal of Multicultural and Multireligious Understanding* 5: 265. https://doi.org/DOI:10.18415/ijmmu.v5i5.450.

---. 2018b. "Pengungkapan Jumlah Segmen Pasca Konvergensi IFRS." *Jurnal Reviu Akuntansi dan Keuangan*. https://doi.org/https://doi.org/10.22219/jrak.v8i2.35.

Hail, L, Leuz, C & Wysocki PD. 2010. "Global Accounting Convergence and the Potential Adoption of IFRS by the U.S (Part II) Political Factors and Future Scenarios for U.S. Accounting Standards." *Accounting Horizons* 24 (4): 567-588. https://ssrn.com/abstract=1726669.

Hassab, EH R, Epps, RW & Said AA 2003. "The impact of environmental factors on accounting development: An egyptian longitudinal study." *Critical Perspectives on Accounting* 14: 273-292.

Hove, M 1986. "The Anglo-American influence on international accounting standards: The case of the Disclosure standards of the international accounting standards committee." *Research in Third World Accounting* 1: 55-66.

Jaggi, B & Low P. 2000. "Impact of Culture, Market Forces, and Legal System on Financial Disclosures." *The International Journal of Accounting* 35: 495-519. https://doi.org/DOI: 10.1016/S0020-7063(00)00076-5.

Lahmar, AT;Ali, A 2017. "Factors influence Adoption of International Financial Reporting Standards (IFRS) Adoption in Libya." *Global Journal of Accounting and Finance* 1: 18-32.

Larson, RK. & Kenny SY 1995. "An empirical analysis of international accounting standards, equity markets, and economic growth in developing countries." *Journal of International Financial Management and Accounting* 6 (2): 130-157.

Masoud, N 2014. "Libya's IAS/IFRS adoption and accounting quality: What lessons from the European Union experience." *International Journal of Accounting and Financial Reporting* 4: 118-141. https://doi.org/http://dx.doi.org/10.5296/ijafr.v1i1.

McGee, RW 1999. "Why People Evade Taxes in Armenia: A Look at an Ethical Issue Based on a Summary of Interviews." *Journal of Accounting, Ethics & Public Policy* 2 (2): 408-416. https://doi.org/http://dx.doi.org/10.2139/ssrn.242568.

Nijam, H.M. & Jahfer, A. . 2016. "IFRS Adoption and Financial Reporting Quality: A Review of Evidences in Different Jurisdictions." *International Letters of Social and Humanistic Sciences* 69.

Owolabi, A, & Iyoha, F. 2012. "Adopting International Financial Reporting Standards (IFRS) in Africa: benefits, prospects and challenges." *African J. of Accounting* 1: 77-86. https://doi.org/https://doi.org/10.1504/AJAAF.2012.046127.

Ramanna, K & Sletten, E 2013.

Renders A, & Gaeremynck A 2005. "The Impact of Legal and Voluntary Investor Protection on the Early Adoption of IFRS." https://doi.org/http://dx.doi.org/10.2139/ssrn.744531.

Saudagaran, S & Diga, J. 2000. "The Institutional Environment of Financial Reporting Regulation in ASEAN." *The International Journal of Accounting* 35: 1-26. https://doi.org/http://dx.doi.org/10.1016/S0020-7063(99)00046-1.

Siciliano, G 2016. "Has IFRS Enhanced Accounting Uniformity." *Accounting in Europe*, 2016.

Street, D 2002. "GAAP 2001 benchmarking national accounting standards against IAS: Sum-mary of results." *Journal of International Accounting, Auditing & Taxation* 11: 77-90.

Zeghal, D & Mhedhbi, K 2006. "An Analysis of the Factors Affecting the Adoption of Interna-tional Accounting Standards by Developing Countries." *The International Journal of Accounting* 41: 373-386. https://doi.org/http://dx.doi.org/10.1016/j.intacc.2006.09.009.

Zehri, F & Chouaibi, J. 2013. "Adoption determinants of the International Accounting Standards IAS/IFRS by the developing countries." *Journal of Economics Finance and Administrative Science* 18: 56–62. https://doi.org/http://dx.doi.org/10.1016/S2077-1886(13)70030-1.