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# VOLUNTARY DISCLOSURE PRACTICES IN THE IRAQI COMPANIES: AN EXPLORATORY STUDY

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**ABSTRACT**. Stakeholders largely depend on financial data when making different choices and thus consider them the foundation for assessing businesses. Several international and national standards have been set to control and guide its creation. Interest in this field has increased in the wake of the collapse of many large companies. It led to significant financial issues for insurance companies and shareholders in the United States, which harmed the economy. This study aims to find out how much voluntary disclosure there was on the Iraqi Stock Exchange in 2015 by looking at the financial statements of a sample of companies listed there. The sample comprised (58) publicly traded companies, with a combined market value of (82 percent ). A scale of (110) optional items has been created to measure the level of optional information. According to the study's scale, just 31.6% of people voluntarily shared their data. As a result of its essential function in expanding the company's definition, achieving information symmetry, and attracting investments, the study recommended that voluntary disclosure interest be enhanced.

***JEL Classification****:* Q01, M42, M83

***Keywords***: financial reporting, voluntary disclosure, annual reports, Iraq Stock exchange

## Introduction

Financial reports are the basis for the evaluation of companies, as users rely heavily on them for the purpose of making different decisions, and for their importance issued many international and local standards for the purpose of organizing and directing the preparation of financial reports in terms of form and content, and this interest increased after the collapse of some major companies in the United States of America, causing major financial crises for insurance companies and shareholders, which also affected the economic situation in general. Accounting information is one of the most important financial reports, as it is often heavily relied upon in credit and investment decisions, loan grants and other important decisions. Financial reports include information that companies voluntarily disclose, such as disclosure of information regarding environmental and social activities, as well as attaching lists to a set of ratios and financial indicators related to the company's financial performance, and many of the study indicated the importance of Voluntary disclosure in the company's definition of users more clearly, and its association with the cost of capital and the performance of the company closely. The level and quality of Voluntary disclosure varies from environment to environment depending on the size of companies and the nature of the legislation and laws prevailing in the environment, as well as the extent to which companies are interested in this type of disclosure and the motives that lead to the disclosure of optional information. Many Arab and foreign studies have been interested in studying Voluntary disclosure in their local environments, while Iraqi studies have focused on generally disclosing their compliance with international standards, and making comparisons between accounting rule 6 for disclosure in financial reports and those standards. The lack of interest in this aspect was one of the most important reasons for researching Voluntary disclosure , the study of the characteristics of the local environment gives a broader understanding of it and limits its problems as much as possible.

## 1. Literature review

Voluntary disclosure concept

In its report published on January 29, 2000, the FaSB cleared the concept of Voluntary disclosure in a completely unspecified manner by stating that companies can voluntarily disclose more information available according to their importance to users of financial reports, such as disclosure of the company's financial success factors, past and future objectives and strategies. In 2001, the Board issued a report specifically outlining the definition of Voluntary disclosure , defining it as any information provided by the company's management beyond disclosure requirements in principles, instructions and rules such as financial accounting principles, securities commission rules and stock exchange instructions. Dahdouh and Hamada,2014 defined the Voluntary disclosure as providing financial and non-financial information about the unit beyond regulatory and legal requirements, as defined by (Afifi, 2008) that it represents free free options for the management of the company to provide financial and non-financial information in the annual financial reports, if the company determines the appropriateness of the information to the decision makers, for the purpose of disclosing it, Kumar, Wilder, & Stocks, 2008 also defined Voluntary disclosure as information that is disclosed more than the content required in financial statements, and this definition expands information that can be called optional as it limits compulsory information to financial values only.

Optional and mandatory disclosure

The most important thing that distinguishes compulsory disclosure of optional is that the first is carried out in accordance with the laws, regulations and instructions and that its violation is considered an infringement that may be faced with penalties, such as write-off from the market, as well as affecting the opinion of the auditor in a way that may make it negative, but Voluntary disclosure exceeds legal requirements, and is voluntarily, and at a certain motive by the company. Jullobo & Sartmool, 2015, stated in his study that Voluntary disclosure of additional information is to clarify what has been compulsorily disclosed. 2003) Investors and creditors make their decisions based on information published in the financial and non-financial report and even the various economic reports published by the company, indicating Voluntary disclosure . 2004), while users may need information that exceeds the minimum that must be provided, these gaps are filled by Voluntary disclosure (Grahamet al., 2005).

Voluntary disclosure measurement

T dealt withmany studies how to measure the level of Voluntary disclosure ,and most of these studies agreed to adopt models containing a number of optional information, as a model(Barac et al., 2012) which contains 38 information that can be disclosed optionally in Croatian companies, and distributed in six main axes that give an overview of the company, and information describing management and stakeholders, In addition to financial information, the model (Nanda et al., 2007) also included aspects of the financial Voluntary disclosure , such as financial performance indicators and the company's expectations for future performance, as well as information about the employees of the company, and future information, as the form contains 24 information, divided into four main axes, and each company receives a number of points in exchange for disclosing the information contained in the form, Lan et al., 2012( on a scale (0.1) was adopted to measure the level of Voluntary disclosure by giving (1) against the information disclosed, and (0) for information that is not disclosed, as he added (Hmammi & Hossian,2009) a measure greater than zero and less than one as an indicator of items that are likely to be disclosed in part or in total.

These models varied in terms of the nature of the information adopted to measure the level of Voluntary disclosure , with some focusing on information describing the unit in general, such as employee information, and information on the history of the unit and board members, while others focused on optional financial information such as financial ratios, historical and future financial statements. Or direct it to all sectors except banks, if this difference arises because of the difficulty of comparing the financial reports of banks with the financial reports of the rest of the sectors, so some models were formulated in a way that is appropriate to the financial reports of banks only as a model (Dabbagh and Ibrahim, 2014). The difference between these models is due to the nature of the financial markets in the local environment of each study, in terms of the level of dealing with each market with foreign markets, the level of activity, and the nature of the regulations and laws governing the disclosure process, if it is optional in one country may be compulsory in another country. For the purpose of preparing a model for the purpose of measuring the level of Voluntary disclosure , the above studies will be relied upon in addition to binh, 2012(Alfarh & Alanezi, 2011),taking into account the exclusion ofinformation that may be compulsory for the Iraqi environment.

## 2. Research Methodology

### *Study problem*

The problem of the study can be formulated in the form of the following questions:

1) What is the level of Voluntary disclosure in the published financial reports of Iraqi joint stock companies?
2) Which business sector is more interested in disclosing optional information?
3) What is the nature of the optional information disclosed by companies?
4) How interested are public sector companies in Voluntary disclosure compared to mixed sector companies?

### *The goal of the study*

This study aims to:

1) Measuring the level of Voluntary disclosure in the published financial reports of Iraqi joint stock companies listed on the Iraqi Stock Exchange.
2) Identify the sectors that disclose the most optional information.
3) Learn about the nature of the most disclosed optional information.
4) Learn about the most disclosed ownership sector for optional information

### *Study hypothesis*

The first main hypothesisis that there is disclosure of optional information in the financial reports of Iraqi joint stock companies.

The second mainhypothesis: There are statistically significant differences between sample companies depending on the industrial sector in which they operate.

The third mainhypothesis: There are statistically significant differences between the average Voluntary disclosure according to the nature of the disclosure.

The fourth mainhypothesis: There are statistically significant differences between the average Voluntary disclosure in the private and mixed sectors.

### *The importance of study*

The research derives its importance from the importance of disclosure in general and Voluntary disclosure in particular, where many researchers stressed the impact of Voluntary disclosure on the cost of capital and on investment decisions and its contribution to the definition of the company more clearly as well as achieving the similarity of information between internal and external users. What gives importance to the research is to study the Iraqi environment from this side and to identify its characteristics more clearly, especially in light of the lack of local studies as far as the researcher is aware.

## 3. The results

### *Disclosure Index*

After reviewing the Voluntary disclosure measurement models in various studies, a measure of Voluntary disclosure was formulated by taking advantage of some of the information contained in those forms, as well as any optional information or observations that could be included in the scale. It should be noted that not all information contained in these forms can be used, due to different regulations and laws that may make any optional information in one country compulsory in another country, so any information contained in the measure was presented to local laws, regulations and instructions for the purpose of ensuring that it is optional, and these laws were represented by the Iraqi accounting rule no. 6 for disclosing information in the financial reports of companies, Accounting rule No. 10 for disclosure of information in banks' financial reports.

The measure contained initially 137 information spread over five main axes, and after reviewing the initial model was excluded 27 information being compulsory according to accounting rule no. 6, and accounting rule no. (10), and therefore the number of information contained in the form became only (110), and for the purpose of avoiding excluding the banking and insurance sector from research, the design of the model was taken into account in such a way that the Voluntary disclosure of all sectors including the banking sector and Insurance, if some studies exclude these two sectors because of the difficulty of comparing their financial reports with financial reports for the rest of the sectors. The scale included five axes:

***The general information.***

If the public information hub contains (20) optional information, it constitutes 18.2 percent of the total information contained in the scale. This focus deals with general matters about the company, such as its history, objectives and general strategies, as well as information concerning the Board of Directors and employees and the organizational structure of the unit. The following table shows the information contained in the axis:

Table (10) General Information Hub / Voluntary disclosure Scale

| to | General information | Points |
|---|---|---|
| 1 | Brief history | 1 |
| 2 | Vision and message | 1 |
| 3 | Strategies and objectives | 1 |
| 4 | Goals and strategies | 1 |
| 5 | Number of meetings of the | 1 |
| 6 | The date of each meeting of theBoard of Directors | 1 |
| 7 | Information about audit committee/ audit | 1 |
| 8 | Employee names | 1 |
| 9 | Information on staff training courses | 1 |
| 10 | Employment policy | 1 |
| 11 | socialcarefor employees | 1 |
| 12 | Description of the economic and political business environment | 1 |
| 13 | General information on the economy | 1 |
| 14 | Publish annual reports electronically | 1 |
| 15 | Publishing quarterly electronic reports | 1 |
| 16 | Photos of board members | 1 |
| 17 | Product Description / Company's Main Services | 1 |
| 18 | Information on quality control methods | 1 |

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|---|---|---|
| 19 | Address and email | 1 |
| 20 | Organizational structure of the unit | 1 |
| Total | | 20 |

***The historical financial information.***

The historical financial information hub contains (24) information, accounting for (21.8%) of the total information contained in the scale. This axis deals with additional financial information that further summarizes the company's financial situation in the report year and compares it with the previous year, through information that shows the amount of change in the most important financial items, such as the change in debt and creditors, the change in revenues and expenses of the main activity of the unit, and the comment on financial statements. The following table shows the information contained in the axis:

Table (11) Axis of Future Financial Information / Voluntary disclosure Measure

| to | Historical financial information | Points |
|---|---|---|
| 21 | Change in creditors | 1 |
| 22 | Change in debtors | 1 |
| 23 | Change in assets | 1 |
| 24 | Change in liabilities | 1 |
| 25 | Change in property rights | 1 |
| 26 | Change in capital | 1 |
| 27 | Change in outputs of the main activity | 1 |
| 28 | Change in key activity revenues | 1 |
| 29 | Change in key operations expenses | 1 |
| 30 | Change in salaries and wages | 1 |
| 31 | Change in taxes and fees | 1 |
| 32 | Change in transformative banks | 1 |
| 33 | Change in other expenses | 1 |
| 34 | Comment on financial statements | 1 |
| 35 | Change in investments | 1 |
| 36 | Change in investment revenue | 1 |
| 37 | Achievements in the report year | 1 |
| 38 | Change in profits | 1 |
| 39 | Cost of investment | 1 |
| 40 | Operating expenses statement | 1 |
| 41 | Value added disclosure | 1 |
| 42 | Unit plans | 1 |

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|---|---|---|
| 43 | Information on the extent to which plans have been completed | 1 |
| 44 | Unit-owned real estate | 1 |
| Total | | 24 |

***The performance analysis.***

The focus of the financial performance analysis contained (25) information, accounting for 22.7% of the total information contained in the measure. This focus deals with information that analyzes the performance of the financial unit during the report year, such as extracting financial ratios from the statements contained in the report, identifying deviations in the most important financial items such as income deviations and expenses and explaining the reasons for their occurrence. The following table shows the information contained in the axis:

Table (11) Performance Analysis Axis / Voluntary disclosure Scale

| to | Financial performance analysis | Points |
|---|---|---|
| 45 | Return on assets | 1 |
| 46 | Return per share | 1 |
| 47 | Return on equity | 1 |
| 48 | Turnover of assets | 1 |
| 49 | Deviation of main activity revenues | 1 |
| 50 | Deviation of main activity expenses | 1 |
| 51 | Deviation of outputs (sales/ services) | 1 |
| 52 | Salary and wage deviations | 1 |
| 53 | Deviations in the allowance for commodity supplies | 1 |
| 54 | Deviations of service supplies allowance | 1 |
| 55 | Disappearance deviations | 1 |
| 56 | Ratio of liquid assets, traded / total assets | 1 |
| 57 | Ratio of current assets, liquid/total deposits | 1 |
| 58 | Vertical ratios | 1 |
| 59 | Horizontal ratios | 1 |
| 60 | Operating ratios | 1 |
| 61 | Activity cost ratios | 1 |
| 62 | Profitability ratios | 1 |
| 63 | Debt-to-equity ratio | 1 |
| 64 | Debt ratio | 1 |
| 65 | Money employment statement | 1 |
| 66 | Description of investment performance | 1 |
| 67 | Evaluation of the unit from external parties | 1 |

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|---|---|---|
| 68 | View graphics as performance indicators | 1 |
| 69 | Financial Position Analysis | 1 |
| Total | | 25 |

***The Future information.***

The futuristic information hub contains (19) optional information, accounting for 17.3% of the total information in the metric. This focuses on information regarding the company's future plans and expectations, such as profit expectations and key outputs, expense expectations, market share, traded shares, and new products and services that the company is seeking to develop. The following table shows the information contained in the axis:

Table (11) Performance Analysis Axis / Voluntary disclosure Scale

| to | Future information | Points |
|---|---|---|
| 70 | Expected market share | 1 |
| 71 | Cash flow forecast | 1 |
| 72 | Capital expenditures | 1 |
| 73 | Profit forecast | 1 |
| 74 | Sales Volume Forecast / Services | 1 |
| 75 | Expectations of other outputs | 1 |
| 76 | Sales Expansion Plan / Services | 1 |
| 77 | Projected research and development expenses | 1 |
| 78 | Expected advertising and advertising expenses | 1 |
| 79 | Expected earnings per share | 1 |
| 80 | Future unit plans | 1 |
| 81 | Revenue forecast | 1 |
| 82 | The direction of stock prices | 1 |
| 83 | Direction of the amount of shares traded | 1 |
| 84 | New products/ services | 1 |
| 85 | Key operations allowance forecast | 1 |

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|---|---|---|
| 86 | Expectations of salary and wage allowance | 1 |
| 87 | Expectations of tax and fee allowances | 1 |
| 88 | Expectations of service supplies allowance | 1 |
| Total | | 19 |

***Other Information***

The other information hub contains (22) optional information, which constitutes (20%) of the total information in the scale. This axis deals with non-financial information, such as information on the unit's contributions to the community, the environment and government-sponsored campaigns, a description of the senior shareholders in the unit and their classification by the number of shares and the sector, and a description of the risks of the labor sector surrounding the company and the environment of control and internal control. The following table shows the information contained in the axis:

Table (11) Performance Analysis Axis / Voluntary disclosure Scale

| to | Other information | Points |
|---|---|---|
| 89 | Unity's contribution to supporting the national economy | 1 |
| 90 | Unity's contribution to society | 1 |
| 91 | Contributing to environmental protection | 1 |
| 92 | Description of local and outdoor shopping network | 1 |
| 93 | Shareholder rating by sector | 1 |
| 94 | Shareholder rating by number of shares | 1 |
| 95 | Donations to charities | 1 |
| 96 | Support government-sponsored campaigns | 1 |
| 97 | The obstacles faced by the unit | 1 |
| 98 | Ways to solve obstacles | 1 |
| 99 | Known for free shares | 1 |
| 100 | Branches expected to open | 1 |
| 101 | Services provided to customers | 1 |
| 102 | Information on corporate governance | 1 |
| 103 | Rules and instructions of governance | 1 |
| 104 | Unit assets with banks | 1 |

| | | |
|---|---|---|
| 105 | Description ofthe use of technology | 1 |
| 106 | Impact of foreign currency fluctuations on the unit | 1 |
| 107 | Information about the Risk Management Committee | 1 |
| 108 | Risk policy | 1 |
| 109 | Descriptionofthe environment of theducks andthe control ofthecookfor me | 1 |
| 110 | General risk qualities surrounding the business environment | 1 |
| Total | | 22 |

Similar to previous studies, a measure (0.1) has been adopted to determine the level of disclosure of each company for the optional information contained in the search scale, and therefore any information disclosed by the company receives (1), but the opposite is obtained (0), and on this basis each report of each company will receive a number of points representing the level of disclosure of optional information. The most prominent feature of the search measure for other studies is its coverage of all business sectors, containing various information that can be disclosed by any unit, and contains an appropriate number of information covering most of the activities, transactions and responsibilities of the unit.

### *Measuring the level of Voluntary disclosure*

The research community represents the financial reports of companies listed on the Iraqi Stock Exchange and the regular market only, for the purpose of measuring the level of Voluntary disclosure through the analysis of financial reports for 2015 companies research sample, and the research community included all sectors in the regular market (telecommunications, financial investment, insurance, tourism services, hotels, banks, agriculture, industry). The researcher aimed to analyze the financial reports of all companies in the research community, but the financial reports of all companies were not available in the regular market, and the number of companies sampled research (58) companies, out of 70 companies listed in the regular market, and formed the sample (82%) of the total community. With regard to the telecommunications, financial investment, insurance and agriculture sector, financial reports were available to all listed companies, while financial reports for 2015 were not available to the following companies:

1- Iraqi Company for the Transport of Petroleum Products (Services Sector).

2- Mosul Dam Tourism Company (Tourism and Hotels Sector).
3- Palestine Hotel (Tourism and Hotels Sector).
4- Dar es Salaam Bank (banking sector).
5- Economy Investment Bank (banking sector).
6- Bank of the North (banking sector).
7- Al-Khazer Construction materials and real estate investments company (industry).
8- Electronic Industries Company (Industry Sector).
9- Fallujah Company (Industry).
10- National Company for Metal Industries and Bicycles (Industry).
11- Modern Dyes Company (Industry).
12- Light Industry Company (Industry).

***Results of each company's Voluntary disclosure measurement***

After analyzing the financial reports of the companies sampled the research, the results indicated a weakness in the level of Voluntary disclosure , with the average number of optional information disclosed (34.81), And on average. The ratio (31.6%), and a standard deviation (0.44), and Ashur Bank achieved the highest level of disclosure and by (70) points out of 110), and by (63.6%), while karbala hotels from the tourism and hotel sector, and Harmony company from the financial investment sector the lowest level of disclosure and by (11) points, which represents 10 percent of the total information contained in the form. And explains Table following the results of the Voluntary disclosure by company descending:

Table (11) Results of optional disclosure

| to | Company name | Sector | Points | Ratio 110/110 |
|---|---|---|---|---|
| 1 | Consumption of Ashur | Banks | 70 | 63.6% |
| 2 | United Investment Bank | Banks | 68 | 61.8% |
| 3 | Baghdad Bank | Banks | 68 | 61.8% |
| 4 | Islamic Iraqi Bank | Banks | 65 | 59.1% |
| 5 | Middle East Bank | Banks | 62 | 56.4% |
| 6 | Iraqi National Bank | Banks | 61 | 55.5% |
| 7 | Mansour Bank | Banks | 57 | 51.8% |
| 8 | Al , Hilal Industrial Company | industry | 54 | 49.1% |
| 9 | Gulf Commercial Bank | Banks | 53 | 48.2% |

| | | | | |
|---|---|---|---|---|
| 10 | Islamic Elaf Bank | Banks | 52 | 47.3% |
| 11 | Islamic National Bank | Banks | 46 | 41.8% |
| 12 | Iraqi Investment Bank | Banks | 45 | 40.9% |
| 13 | Consumption of Babylon | Banks | 44 | 40.0% |
| 14 | Kurdistan International Bank | Banks | 44 | 40.0% |
| 15 | Badia Public Transport Company | Services | 43 | 39.1% |
| 16 | Baghdad Public Transport Company | Services | 43 | 39.1% |
| 17 | Iraqi Credit Bank | Banks | 42 | 38.2% |
| 18 | IraqiSeed Production Company | agriculture | 41 | 37.3% |
| 19 | National InvestmentCompany | Tourism and hotels | 40 | 36.4% |
| 20 | National Chemical and Plastic Industries Company | industry | 40 | 36.4% |
| 21 | Union Bank | Banks | 39 | 35.5% |
| 22 | Iraqi Company for Cartoon Industry and Trade | industry | 39 | 35.5% |
| 23 | Al , Mansour Hotel Company | Tourism and hotels | 38 | 34.5% |
| 24 | Iraqi Company for Dates Industry and Marketing | industry | 36 | 32.7% |
| 25 | Babylon Hotel Company | Tourism and hotels | 35 | 31.8% |
| 26 | Ishtar Tourist Hotel Company | Tourism and hotels | 35 | 31.8% |
| 27 | Mosul Bank | Banks | 35 | 31.8% |
| 28 | Iraqi CompanyforMeat Production and Marketing | agriculture | 35 | 31.8% |
| 29 | Iraqi CompanyforThe Production and Marketing of Agricultural Products | agriculture | 35 | 31.8% |
| 30 | Baghdad Hotel Company | Tourism and hotels | 34 | 30.9% |
| 31 | Iraqi EngineeringWorkers Company | industry | 32 | 29.1% |
| 32 | Al-KindiVaccine Production Company | industry | 32 | 29.1% |
| 33 | Baghdad Soft Drinks Company | industry | 32 | 29.1% |
| 34 | Asiacell | Connections | 31 | 28.2% |
| 35 | Sumer consumption | Banks | 31 | 28.2% |
| 36 | Tigris and Euphrates Bank | Banks | 30 | 27.3% |
| 37 | Gulf Insurance Company | Insurance | 28 | 25.5% |
| 38 | Commercial Bank of Iraq | Banks | 28 | 25.5% |
| 39 | Iraqi Road Transport Company | Services | 28 | 25.5% |
| 40 | National Insurance Company | Insurance | 27 | 24.5% |
| 41 | Iraqi Carpet Company | industry | 27 | 24.5% |

| | | | | |
|---|---|---|---|---|
| 42 | Ready , made Clothing Production Company | industry | 27 | 24.5% |
| 43 | Al , Sadir Hotels Company | Tourism and hotels | 26 | 23.6% |
| 44 | Al Mansour Pharmaceutical Industries Co. | industry | 21 | 19.1% |
| 45 | Al , Amin Insurance Company | Insurance | 20 | 18.2% |
| 46 | Al-Mamura Real Estate Investments Co. | Services | 19 | 17.3% |
| 47 | Dar es Salaam Insurance Company | Insurance | 18 | 16.4% |
| 48 | Middle EastFishProduction and Marketing Company | agriculture | 18 | 16.4% |
| 49 | The modern companyofanimal production | agriculture | 17 | 15.5% |
| 50 | Baghdad Packaging Materials Industry Company | industry | 17 | 15.5% |
| 51 | Al , Ingsa Company | Connections | 16 | 14.5% |
| 52 | Al , Zawraa Company | Financial investment | 16 | 14.5% |
| 53 | National AgriculturalProduction Company | agriculture | 16 | 14.5% |
| 54 | Karkh City Company | Services | 15 | 13.6% |
| 55 | Modern Sewing Company | industry | 14 | 12.7% |
| 56 | Elite General Contracting Company | Services | 12 | 10.9% |
| 57 | Harmony Company | Financial investment | 11 | 10.0% |
| 58 | Karbala Hotels Company | Tourism and hotels | 11 | 10.0% |
| Average number of points / average disclosure ratio | | | 34.81 | 31.6% |

According to the above results, 51 companies achieved a lower than average ratio, i.e. from (10%) to (49%), and this number of companies constitutes 87.9% of the study sample and (72.8%) of the community, a large percentage that indicates poor interest in Voluntary disclosure , and only the provision of compulsory disclosure requirements in financial reports. Only 7 companies achieved a higher or equal to average disclosure rate, i.e. 50 percent or more. The following table shows the distribution of companies according to disclosure ratios:

Table (12) Distribution of companies by disclosure ratios

| Disclosure ratios | Number of companies | Percentage of sample |
|---|---|---|
| From 10% to 20% | 15 | 25.9% |
| From 20% to 30% | 13 | 22.4% |
| From 30% to 40% | 16 | 27.6% |

| | | |
|---|---|---|
| From 40% to 50% | 7 | 12.1% |
| From 50% to 60% | 4 | 6.9% |
| From 60% to 70% | 3 | 5.2% |
| From 70% to 80% | 0 | 0.0% |
| From 80% to 90% | 0 | 0.0% |
| From 90% to 100% | 0 | 0.0% |

***Results of Voluntary disclosure measurement by business sector***

The banking sector achieved the highest disclosure rates among the rest of the sectors, with the average Voluntary disclosure rate (45%), and a standard deviation (0.269), indicating a relative convergence between the number of points achieved by banks, and the bank achieved the highest percentage in the banking sector, achieving (70) points out of (110) points, i.e. a ratio (63.6%), while the Commercial Bank of Iraq achieved the lowest level of disclosure in the banking sector, while the Commercial Bank of Iraq achieved the lowest level of disclosure in the banking sector, He scored 28 points and 25.5 percent. The banking sector is one of the sectors most interested in financial reports, adherence to disclosure requirements in general, and there is a trend towards the application of international standards, and banks have large capital attributed to the rest of the sectors, and the impact of banks on society is more especially in terms of attracting manpower, as these factors contribute to increasing Voluntary disclosure in financial reports of banks.

The financial investment sector came in the last ranking, with an average disclosure rate (12.3%), a standard deviation (0.185), and the financial investment sector includes only two companies, Al Zawraa and Harmony, where Al Zawraa (16) scored points, and 14.5% of the total points, while harmony partners achieved (11) points, and by (10%). The capital invested in the financial investment sector is the lowest among the rest of the sectors, so the size of the capital is one of the factors affecting the level of Voluntary disclosure . The tourism and hotel sector achieved an average disclosure rate (28.4%) and ranked second among the rest of the sectors, with a standard deviation (0.295). Al Mansour Hotel (38) achieved points, and by (34.5%), which leads the tourism and hotel sector as the highest disclosure rate, and that the lowest level of disclosure in the sector was for Karbala Hotels Company, by 10%.

The industry came in third place, with an average disclosure rate (28.1%), and a standard deviation (0.339). Al Hilal Industrial Company achieved the highest disclosure rate of 49.1%, while the modern sewing company achieved the lowest level of disclosure in the industry, and by (12.7%). The fourth place was for the agriculture sector, if the sector achieved an average disclosure rate of 24.5 percent, and a standard deviation of (0.378). The Iraqi Seed Production Company led the agriculture sector, achieving (41) points, with 37.3 percent, while the lowest Voluntary disclosure level in the agriculture sector was for the National Agricultural Production Company, with 14.5 percent. The services sector achieved an average language disclosure rate (24.4%), To be in fifth place, with a standard deviation (0.471), al-Badia and Baghdad Public Transport achieved the highest disclosure rate in the services sector by (43) points, and by (39.1%), while the lowest level of disclosure in the services sector achieved by al-Elite General Contracting Company, with achieved (10.9%), and it is worth mentioning that badia and Baghdad from the mixed sector and are subject to the scrutiny of the Federal Financial Supervisory Bureau. This is what we will analyze in more detail in the coming paragraphs. The sixth place was for the telecommunications sector, with an average Voluntary disclosure rate (21.4%), and a standard deviation (0.391). The telecommunications sector includes only two companies, Al-Asa'ad and Asiacell, with Asasel achieving a disclosure rate (28.2%), while closing partners achieved 14.5%. The insurance sector ranked seventh among the rest of the sectors, with an average disclosure rate of 21.1 percent. And with a standard deviation (0.186). The highest disclosure rate was achieved by Gulf Company at 25.5 percent, while Dar es Salaam (16.4 percent) was the lowest among companies in the sector.

***Results of Voluntary disclosure***

The results showed that companies disclosed the information contained in the historical financial information axis more than the rest of the axes and by (45%), while the axes of future information, performance analysis and other information and public information were disclosure ratios (1.8%, 17.6%, 26.3%, 34.4%), respectively. The historical financial information hub achieved the highest level of disclosure among the rest of the axes in the Voluntary disclosure measure for the search, with the average disclosure rate of historical information (45%) of the total number of information contained in the axis of (24) information, and a standard deviation (0.3), indicating the tendency of companies to disclose additional explanations explaining the information contained in the financial report for the year. The average disclosure of public information (34.4%) of the total number of information contained in the axis of (22) information, and a standard deviation (0.21).

The average disclosure of the other information hub (26.3%) of the total information contained in the axis of (22) information, and a standard deviation (0.518). This axis contains information describing risks, internal control environment and corporate governance, which are more of an interest to banks than other sectors. The average disclosure of information in the performance analysis hub was 17.6% of the total number of information contained in the axis of 25, and a standard deviation (0.646). The banking and agriculture sector issues the highest level of Voluntary disclosure among the rest of the sectors. The focus of future information came recently, and in a language (1.8%) of the total information contained in the axis and (19) information, and a standard deviation (0.89), indicating poor interest in information that explains the company's plans, objectives and expectations about outputs and inputs, and that explains the poor interest in this aspect is that future and planned information is a commitment to the unit, It is responsible for any deviations in actual performance. The services and financial investment sectors did not disclose any future information, while the rest disclosed some information, but at a very small rate ranged from 1.2 percent to 5 percent. Analysis of the results of the Voluntary disclosure measurement according to the type of ownership. The number of mixed sector companies (19) companies, accounting for 32.8% of the sample. These companies are subject to scrutiny by the Federal Financial Supervisory Office, and the diwan's touch is clear by increasing the pressure on companies towards increasing disclosure in general and Voluntary disclosure in particular in financial reports that are subject to scrutiny, as mixed sector companies topped all sectors of the business in which they were present in terms of Voluntary disclosure ratio, and it is worth noting that the number of pages of the total report of socialist sector companies is 100% higher than the public sector companies, The financial reports of these companies contain detailed optional information on the changes and deviations that occur in important items, such as various expense and revenue items, and a more detailed analysis of the company's financial situation. The average disclosure rate among mixed sector companies (33.2%), and a standard deviation (0.174), which indicates a convergence in disclosure ratios among companies belonging to the mixed sector and the table that shows the Voluntary disclosure ratios of mixed companies.

Table (13) Voluntary disclosure level for mixed sector companies

| to | Company name | Sector | Ratio | Points |
|---|---|---|---|---|
| 1 | Badia Public Transport Company | Services | 39.1% | 43 |
| 2 | Iraqi Road Transport Company | Services | 25.5% | 28 |
| 3 | Baghdad Public Transport Company | Services | 39.1% | 43 |
| 4 | National InvestmentCompany | Tourism and hotels | 36.4% | 40 |
| 5 | Al , Sadir Hotels Company | Tourism and hotels | 23.6% | 26 |
| 6 | Al , Mansour Hotel Company | Tourism and hotels | 34.5% | 38 |

| | | | | |
|---|---|---|---|---|
| 7 | Babylon Hotel Company | Tourism and hotels | 31.8% | 35 |
| 8 | Baghdad Hotel Company | Tourism and hotels | 30.9% | 34 |
| 9 | Ishtar Tourist Hotel Company | Tourism and hotels | 31.8% | 35 |
| 10 | IraqiSeed Production Company | agriculture | 37.3% | 41 |
| 11 | Iraqi CompanyforMeat Production and Marketing | agriculture | 31.8% | 35 |
| 12 | Iraqi CompanyforThe Production and Marketing of Agricultural Products | agriculture | 31.8% | 35 |
| 13 | Iraqi Company for Cartoon Industry and Trade | industry | 35.5% | 39 |
| 14 | Iraqi EngineeringWorkers Company | industry | 29.1% | 32 |
| 15 | National Chemical and Plastic Industries Company | industry | 36.4% | 40 |
| 16 | Al-KindiVaccine Production Company | industry | 29.1% | 32 |
| 17 | Al , Hilal Industrial Company | industry | 49.1% | 54 |
| 18 | Ready , made Clothing Production Company | industry | 24.5% | 27 |
| 19 | Iraqi Company for Dates Industry and Marketing | industry | 32.7% | 36 |

For public sector companies, 39 companies accounted for 67.2 percent of the sample. These companies are audited by private audit firms. The average Voluntary disclosure of information (30.9%), 2.2% lower than the average Voluntary disclosure of mixed companies, and the results indicated a standard deviation of (0.537), indicating a higher dispersion of Voluntary disclosure rates than mixed sector companies. The following table shows the Voluntary disclosure ratios of private sector companies:

Table (14) Voluntary disclosure level for public sector companies

| to | Company name | Sector | Ratio | Points |
|---|---|---|---|---|
| 1 | Asiacell | Connections | 28.2% | 31 |
| 2 | Al , Ingsa Company | Connections | 14.5% | 16 |
| 3 | Al , Zawraa Company | Financial investment | 14.5% | 16 |
| 4 | Harmony Company | Financial investment | 10.0% | 11 |
| 5 | National Insurance Company | Insurance | 24.5% | 27 |
| 6 | Al , Amin Insurance Company | Insurance | 18.2% | 20 |
| 7 | Gulf Insurance Company | Insurance | 25.5% | 28 |
| 8 | Dar es Salaam Insurance Company | Insurance | 16.4% | 18 |
| 9 | Al-Mamura Real Estate Investments Co. | Services | 17.3% | 19 |
| 10 | Elite General Contracting Company | Services | 10.9% | 12 |
| 11 | Karkh City Company | Services | 13.6% | 15 |

| | | | | |
|---|---|---|---|---|
| 12 | Karbala Hotels Company | Tourism and hotels | 10.0% | 11 |
| 13 | Iraqi National Bank | Banks | 55.5% | 61 |
| 14 | Commercial Bank of Iraq | Banks | 25.5% | 28 |
| 15 | Islamic Iraqi Bank | Banks | 59.1% | 65 |
| 16 | United Investment Bank | Banks | 61.8% | 68 |
| 17 | Islamic National Bank | Banks | 41.8% | 46 |
| 18 | Consumption of Ashur | Banks | 63.6% | 70 |
| 19 | Union Bank | Banks | 35.5% | 39 |
| 20 | Iraqi Investment Bank | Banks | 40.9% | 45 |
| 21 | Iraqi Credit Bank | Banks | 38.2% | 42 |
| 22 | Gulf Commercial Bank | Banks | 48.2% | 53 |
| 23 | Middle East Bank | Banks | 56.4% | 62 |
| 24 | Mansour Bank | Banks | 51.8% | 57 |
| 25 | Mosul Bank | Banks | 31.8% | 35 |
| 26 | Islamic Elaf Bank | Banks | 47.3% | 52 |
| 27 | Consumption of Babylon | Banks | 40.0% | 44 |
| 28 | Baghdad Bank | Banks | 61.8% | 68 |
| 29 | Tigris and Euphrates Bank | Banks | 27.3% | 30 |
| 30 | Sumer consumption | Banks | 28.2% | 31 |
| 31 | Kurdistan International Bank | Banks | 40.0% | 44 |
| 32 | National AgriculturalProduction Company | Agriculture | 14.5% | 16 |
| 33 | The modern companyofanimal production | Agriculture | 15.5% | 17 |
| 34 | Middle EastFishProduction and Marketing Company | Agriculture | 16.4% | 18 |
| 35 | Iraqi Carpet Company | Industry | 24.5% | 27 |
| 36 | Modern Sewing Company | Industry | 12.7% | 14 |
| 37 | Al Mansour Pharmaceutical Industries Co. | Industry | 19.1% | 21 |
| 38 | Baghdad Packaging Materials Industry Company | Industry | 15.5% | 17 |
| 39 | Baghdad Soft Drinks Company | Industry | 29.1% | 32 |

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**Conclusions and Discussion**

Companies listed on the Iraqi Stock Exchange show little interest in voluntary disclosure, as evidenced by the low average disclosure rate of optional items (31.6 percent), which is considered low. Involuntary disclosure levels have a standard deviation of 0.44 percent, owing to differences in the size of the companies and the nature of the instructions prevailing in each sector, as well as the size of the company's activity. In addition to the financial services industry, the banking sector is one of the sectors most interested in providing optional information. The financial investment industry is the sector that is least interested in disclosing optional information. Mixed ownership companies are more interested in disclosing optional information than private equity firms, which is a good thing for the public at large. Companies are more interested in disclosing information of a financial nature in the past than they are in disclosing other types of information. There is a lack of enthusiasm for disclosing future information. Because the size of the capital has an impact on the level of Voluntary disclosure, the level of Voluntary disclosure is directly proportional to the size of the capital. The necessity for firms listed on the Iraqi Stock Exchange to pay attention to the idea of Voluntary disclosure , and to disclose its terms in financial reports, because it is crucial in influencing the decisions of users, and attracting investment.

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