مجلة الدراسات الدولية للاقتصاد والاعمال (المجلد ٥ - العدد ٥) - (2026)
Journal of International Studies in Economics and Business

ISSN E. , 3000 ISSN P. Vol. … issue… Month. year 2026

مجلة الدراسات الدولية للاقتصاد والاعمال
Journal of International Studies in Economics and Business

The efficiency of Iraqi airlines in adopting the financial reporting standard (ifrs 16 - leases) and its role in improving the quality of financial statements Reconnaissance study in Iraqi airlines.

Researcher Hayder Al-yasiri *a

haedirsalah@uomisan.edu.iq

Dorsaf ben aissia*b

dorsafbenaissiataboubi@gmail.com

[1] Department Business of Accounting, College of Administration and Economics, University of Misan, Iraq

[2] Department Business of Accounting, Higher Institute of Accounting and Business Administration, University of Manouba ,Tunisian.

Articlehistory: DD/MM/YY
Received: / / 20 --
Accepted : / / 20 --
Available online: / /20 --

Keywords

تاريخ الاستلام: / / 2026
تاريخ قبول النشر: / / 20 26
تاريخ النشر: / / 2026

CC BY NC ND

Abstract.

This study aims to show the efficiency of Iraqi airlines from the application of international accounting standards for the preparation of financial reports No. 16, lease contracts, which classifies rents into operational and financing, and to indicate the weaknesses of the unified accounting system and to know the most important difficulties and obstacles that stand in the way of the transformation of accounting operations for rents in Iraq from the unified accounting system to the application of International Financial Reporting Standards No. 16, A statement following IFRS 16 on improving the quality of corporate financial statements.

The problem of the study and the testing of hypotheses was addressed by asurvey study to measure the reactions of respondents from related parties interested in lease contracts and the accounting application of the international community in Iraq through a questionnaire distributed via the Internet (Google Forms), in addition to the use of the statistical software package SPSS, and reached many results: Iraqi airlines do not comply with the provisions of Financial Reporting Standard (16) on leases and current accounting treatments prepared in accordance with the Unified Accounting System for Leases leading to shading in the financial statements.

1.2Introduction :

Leasing is one of the familiar methods of financing nowadays and is used by some companies in various fields that enables companies to acquire machinery and equipment and use them without resorting to buying them and because of the rapid technical development of some assets because of the huge amounts spent by the company to buy them and this is something that is far from economic rationality and most companies may resort to renting their assets because of the difficulties they face in obtaining funds as sometimes the lease is The only solution to obtain the right to use physical assets that cannot be purchased is not available for purchase (XU et 2017).

With the great interest in leasing as one of the sources of access to equipment and property, accounting problems in leases have been generated and thus this has led to the interest of professional organizations in issuing accounting standards to provide appropriate and rational accounting methods between tenants and lessors and because of the differences in accounting policies followed by companies to process leases, and accordingly both the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) have started The Financial Accounting Standards Board (FASB) in 1976 issued the Financial Accounting Standards Board No. 13 and the International Accounting Standards Board (IASB) issued in 1980 the International Accounting Standard 17 IAS, which was amended in 1997.

Hence the financial reporting standard 16 IFRS issued in January 2016 which is applied on January 1, 2019 to solve the problems of leases (Mehdhar, 2005) and allowed companies to apply this standard before the specified period, but on condition that companies wishing to apply it must be applying the standard (15 revenue from customer contracts).

Financial Reporting Standard 16 dealt with many judges and the problems that emerged with the application of previous standards and one of the most important objectives of issuing this standard is to improve the quality of financial reporting for financial units and to lay the appropriate foundations that distinguish between operational lease and financial rent .

Because many sectors of the Iraqi economy, including the aviation sector, require financial leasing, and that Iraqi accounting standards lack the standards for regulating leases and apply the operational aspect, completely ignoring the aspects of finance and the importance of the subject, instead of dealing with them, covering all aspects of environmental research in Iraq, prompting researchers to address this important topic, The idea of the research is to simulate the conceptual framework of leases, the challenges and requirements of applying financial reporting standards (16) and its role on financial statements in the Iraqi environment, and to try to adopt financial reporting standards (16) and adopt a model compatible with the environment of Iraq and the accounting standards system applied in Iraq.

1.3Research Methodology

The research is based on a theoretical background related to the study and analysis of accounting rules contained in IFRS 16 and amended IAS 17, referring to the same standard and to some scientific references, research, scientific reviews and previous studies, then using the deductive approach to derive research hypotheses , and then using the inductive approach to test these hypotheses through a list of questionnaires to test the reactions of some practitioners to the effectiveness of the application of IFRS 16 in Iraqi airlines to develop accounting for leases and improve them for the quality of accounting information.

1.4 Previous studies:

The SUZUKI TOFANELOI & WILLRICH SALES 2021 study addressed the implications that will talk about the adoption of IFRS 16 on the financial situation of airlines operating in the Brazilian market, noting that the new method of acquiring aircraft through operational leases which is an essential tool for any company in this sector, is fully in line with the essence of the process, the researchers built the methodology by comparing the indicators of three companies in the Brazilian aircraft industry, as well as collecting Data through accounting information obtained in the explanatory notes on future rental payments, the results show that with IFRS 16, significant changes have occurred in corporate debt indicators, due to significant changes in asset accounting, which have affected the capital structure and profitability of companies.

The study (2020 Sofia & Susanti) determined the impact of the application of IFRS 16 on the financial statements and key financial ratios of an Indonesian airline that uses a lot of leasing to purchase its aircraft fleet, and focused on the statement of criticisms of the International Accounting Standard (IAS17).) and the issuance of IFRS 16, in particular with regard to the non-inclusion of many lease transactions on the lessee in the statement of financial position (off-budget), which makes it difficult for users to obtain an accurate view of the assets and liabilities of the leasing company, as well as the difficulty of estimating the amount other than the balance sheet after the adoption of this standard, and it is likely that companies with large operating leases will see an increase in their assets, an increase in their liabilities and a decrease in their liabilities. In equity, which can significantly affect their financial ratios, this research has a very appropriate momentum because 2020 marks the beginning of the implementation of IFRS 16 for all public companies in Indonesia.

The study (Sivanantham, 2016) also aimed to clarify the new International Financial Reporting Standard No. 16 by addressing the issues of International Standard 17, the scope of the standard and the accounting model of the tenant, and the conclusion of this study was to determine the type of lease contract and separate these contracts from service contracts and exceptions to lease contracts at the tenant and their treatments and determine their limits through the conditions of the standard and the inclusion of the rest of the rents in the budget, and clarify the most important implications on the financial statements of the leased economic units in the presentation Disclosure in accordance with the new standard.

As the study (Baroud, 2011) aimed to know the obstacles facing the application of the financial leasing system as a tool to finance economic projects, and was applied to non-bank financial institutions operating in Palestine, the study also aimed to know the type of

obstacles that prevent the use of this method in financing the economic projects of these financial institutions, and the study concluded a number of results, the most important of which is that financial institutions and companies are interested in knowing and knowing the leasing system as one of the modern financing methods, and this method does not contradict With its internal policies, they fear if they resort to this method of risks associated with the fluctuation of interest rates due to the length of the lease period especially under the current economic conditions, and that the absence of a law for financial leases and its implementation constitutes an obstacle to the application and negotiation of this system and in order to regulate relations between multiple parties, and that the laws currently applied do not do so and do not meet the specified target and the absence of tax and customs exemptions as an incentive in the case of using the leasing method and that To encourage this sector to flourish, the study recommended working to spread the culture of rent as one of the sources of financing among development finance institutions and the adoption of the leasing law and its application by the relevant authorities to ensure the rights and duties of the contracting parties and facilitate trade

On the other hand, the aim of the study (2016,. Sari et al) to show the impact of the application of IFRS No. (16) on the financial statements and ratios of Turkish joint stock companies listed on the Istanbul Stock Exchange and engaged in retail trade, using the financial statements for the period from 2010 to 2013, the researcher used the method of structural capitalization and concluded this study when applying the new standard will significantly affect certain financial ratios of companies, such as the ratio of debt to total assets, the ratio of debt to equity and the ratio of equity and the turnover rate of assets.

Assuch, a study (2016, Maren) aimed to analyze the requirements of the accounting standard for leases IFRS No. (16), and to determine the impact of these requirements on the financial statements and financial ratios, in addition to determining their impact on the value of the enterprise The study concluded that IFRS 16 will lead to an increase in financial assets and liabilities in the statement of the financial position of the tenant, and increase the tenant's earnings before interest, taxes, depreciation, and amortization, as a result of which you will face Companies with off-balance sheet leases Substantial changes in the metrics of key financial aspects such as leverage ratios and return on investment In addition, the study predicts that the new standard (IFRS 16) will have an impact on the results of the valuation of the enterprise and introduce new areas when evaluating the business, especially in mergers and acquisitions, and the study predicts that the impact of the new standard will vary depending on the industry to which the company belongs and the number of Operational leases owned by the company.

AS A STUDY (2011, BRANSWIJCKI & LONGUEVILLE) AIMED TO SHOW THE IMPACT OF THE PROPOSED AMENDMENT TO I.E. 17 ON THE FINANCIAL RATIOS OF DUTCH AND BELGIAN COMPANIES AND THEIR MECHANISM TO STOP EXTRABUDGETARY FUNDING, THE RESEARCH SAMPLE WAS A GROUP OF COMPANIES FROM BELGIUM AND THE NETHERLANDS WHERE THE SAMPLE INCLUDED 128 COMPANIES FROM THE BELGINIAN STOCK EXCHANGE AND 116 COMPANIES FROM THE AMSTERDAM STOCK EXCHANGE IN WHICH THE FINANCIAL REPORTING STANDARDS ARE

APPLIED AND THE STUDY PERIOD EXTENDS FROM 2005 TO 2010, THE STUDY CONCLUDED THAT THERE IS AN EFFECT ON RATIOS Finance, such as the ratio of debt and asset turnover resulting from the transition to the proposed standard due to the inaccurate classifictaion of operating leases under IAS 17, which varies from company to company and that the ratios most affected are on assets (ROA) and debt-to-equity ratio (D/E).

1.5 Building hypotheses

By extrapolating and analysing the new International Financial Reporting Standard No. 16 and previous accounting studies and processes used in other countries, it has become clear that there are certain contradictions and weaknesses in the previous standards for the treatment of leases, in particular and therefore the hypotheses of the study can be formulated as follows:

- First hypothesis: The accounting procedures followed by Iraqi airlines related to leases in accordance with the unified accounting system do not comply with the requirements for the application of the Financial Reporting Standard (IFRS 16).
- The second hypothesis: There is a significant relationship between the requirements for the application of the Financial Reporting Standard (IFRS 16) and the development of accounting treatments in Iraqi airlines.
- Third hypothesis: There is a significant relationship to the qualitative characteristics of accounting information when applying financial reporting standard (IFRS 16) leases in Iraqi airlines.
- Hypothesis IV: There is a significant relationship to the improvement of financial statements, indicators and financial ratios to measure the performance of companies when applying the Financial Reporting Standard (IFRS 16).

1.6 Accounting Treatments in Iraqiya and Obstacles to the Application of International Standards for Lease Contracts

Over the past few decades, the world has witnessed radical economic and financial changes, mainly represented by global economic openness, the globalization of capital markets, and the growth of multinational corporations. After 2003 Iraq sought to integrate into world trade and entered the World Trade Organization and witnessed a significant expansion in the use of information technology, and because accounting is a product of the environment , it has become necessary for Iraqi accounting institutions to integrate into the international accounting environment, especially with Iraq's orientation towards the adoption and adoption of standards standards in the preparation of financial statements, and the need to adopt international standards for application in the Iraqi environment, including International Financial Reporting Standard No. 16.

1.7 Accounting Treatments for Leases in Iraq

The accounting of lease contracts in Iraq is in accordance with the accounting systems in force, where it is characterized by two accounting systems :

1.7.1Government Accounting System

Which is applied in (ministries, institutions not affiliated with the ministry and other departments) funded by the public treasury of the state, and includes the salaries of employees, investment projects and the development of regions (Unified Financial and Accounting Manual in Iraq, 2013).

1.7.2 Unified Accounting System

This system applies to economic units (public sector) whose work is on a profit-oriented economic basis, covering the cost of one or more productions, with the exception of ministries and services whose budget is part of the general budget of the state, banks and insurance companies (Unified Accounting System, 2011: 8-9).

The Accounting and Supervisory Standards Board shall be the body responsible for issuing the instructions and rules relating to accounting in Iraq contained in the Council's instructions of 1995 (Federal Financial Supervisory Board website www.d-raqaba-m.iq).

One of the tasks of the Council (studying, establishing, developing and approving accounting and control standards, coordination and cooperation with scientific and professional institutions and organizations inside and outside Iraq), until 2001, the Council issued (14) accounting rules, and none of the Iraqi accounting rules dealt with lease contracts .

1.8 Reasons for not applying the standards of leases in Iraqiya

Rents previously were related only to real estate, but recently expanded to include the rental of large equipment and means of transportation, many airlines in Iraq were newly founded, many of their aircraft are chartered planes as well as many of the large drilling mechanisms and ships in ports are sometimes rented, that accounting treatments for leases in Iraq dealt with rent as an expense In the records of the tenant and as income in the records of the lessor (profit income).

This is the case in many countries such as Algeria, the Gulf countries ,Syria, Egypt and Palestine, where laws have been enacted regulating financial leasing and their accounting standards have been adapted in line with the international standards needed by Iraq and not literal standards meaning the adoption of standards of such countries and the most important obstacles can be diagnosed as follows: (Al-Assadi, 2018: p. 84)

1.8.1 Legal Obstacle

The Iraqi law specifies the lease contract in the text of Article 722, of the amended Iraqi Civil Code No. 40 of 1951, that "**the lease owns** a known benefit of a **known mosquito for a known period and by which the lessor is obliged to enable the tenant to benefit from the major**" (Iraqi Chronicle, 2005), and a set of laws specialized in leasing real estate No. 67 of 1973, and its amendments were issued. Law No. 55 of 1975, Law No. 181 of 1978, as well as the Real Estate Rents Law No. 87 of 1979, as amended by decrees issued by the dissolved Revolutionary Command Council and amended laws, including the Land Rents Law No. 25 of 1996 (Al-Moussawi, 2007).

1.8.2Professional and economic barriers

The accounting of leasing transactions in Iraqi economic units is based on the treatments specified in the unified accounting system, and the economic obstacles facing the application of international accounting standards for leases can be all of the following (Al-Asadi : 2018)

- The lack of an effective market through which the tenant's options can be evaluated (extension of the lease, purchase of contracted property, non-exercise of the option of termination of the lease), which requires valuation at the market price, which also affects the subsequent measurement of lease obligations in the event of changes in the expected amounts of value in general.
- It is difficult to determine the implied interest rate of the lessor because he is a foreigner in most cases especially the rental of means of transport such as the aircraft and large equipment in oil companies, and because of the weakness in the financial and banking sectors, the process of determining the borrowing difference for the lessee and linked to the financing guarantees necessary to obtain an asset of the same value as the right to use the asset in a similar economic environment.
- The incompatibility of the financial and banking sectors with their counterparts in other countries which plays a key role in financial leasing as part of or through interest rates.

1.8.3 Weakness of working cadres

The difficulty of accepting any change in accounting processes towards international accounting standards, including those related to leases.

This obstacle appears when the Central Bank applied international standards to the banking sector on its financial statements in 2007, and demanded that they be applied to the entire banking sector but since that date it has only succeeded in imposing it on the banking sector in 2016, and one of the most important obstacles is the lack of adaptation of the human work environment to international standards.

This framework needs to be qualified to deal with international accounting standards (Kazim, 2011: 335), so it is necessary to conduct continuing education courses that are based on the qualifications of workers in the profession and develop their skills in relation to IFRS.

1.9 Lease operations in Iraq comply with the requirements of Financial Reporting Standard No. 16

For leasing operations in Iraq to comply with the requirements of IFRS 16, the leasing decision of the economic unit must be prioritized over other financing decisions, the primary way to evaluate lease transactions is to evaluate the contract based on cash flows, and the main difference is who will evaluate the lessor or tenant, as each party has its own way of calculating the costs and potential benefits of the investment, so the lessor tries to determine the amount due for rents that will cover both The present value of the leases plus the present value of the residual value of the asset at the end of the contract period .

They are equal to or greater than the cost of the asset and the lessor chooses the sufficient discount rate to recover the cost of the asset while obtaining the required return on the

invested capital and any other pre-tax cost, while the lessee focuses on how the asset finances the assets he wants to obtain and which alternative is best to borrow to buy or lease the asset by comparing the cost of the alternative to the present value of the lease or the interest rate of the pre-tax contract for the purposes of purchasing elkaoui, 1998)) .

1.10Study and analysis of hypotheses

This axis includes a presentation of data analysis, testing the research hypotheses and reviewing the most prominent results reached, by preparing a questionnaire prepared on (Google Forms) and published on the website and a sample of (98) singles was obtained that excluded illogical or unrelated answers and after liquidation the number of valid and approved answers reached (85) single and by (87%), and the sample was selected from the study community, which consisted of the number of Experienced in accounting and auditing, using SPSS software

(Statistical Package for Social Sciences)

To analyze the data and reach the results, the distributed statistical questionnaire consisted of two parts, namely:

1- The first part: It consists of several questions related to (5) descriptive variables, namely (age, job title, academic qualification, academic specialization, number of years of service).

2- Part II: Hypothesis testing is dealt with through (27) questions distributed over four hypotheses.

1.11 Means of collecting information and data

The study follows the descriptive analytical approach, on a questionnaire list distributed to those with scientific and practical experience in the field of accounting and auditing, academics, chartered accountants and auditors in Iraq as a tool to collect the necessary data for a sample and to test research hypotheses, in addition to the use of statistical software package

(Statistical Package for Social Sciences)

In order to analyze the collected data, the most important statistical methods that have been used are: descriptive statistics (arithmetic mean, relative importance, standard deviation, and coefficient of variance), tests of honesty and stability test hypotheses for one sample T .

1.12 Scientific conditions for the questionnaire:

Authenticity of the questionnaire

It is intended that the questionnaire measures what has been developed to measure it, in the sense that it includes all the elements that must enter into the analysis on the one hand, and the clarity of its paragraphs and vocabulary on the other hand so that it is understandable to everyone who uses it, and the accuracy of the questionnaire has been confirmed in two ways:

Authenticity of the study tool

The questionnaire was presented to a group of experts and specialists in the following specialties :(accounting sciences, financial and banking sciences, management science, statistics, ...) The researchers promised that paragraphs that received expert approval (90%) of their opinions were correct and acceptable and in line with the recommendation of Bloom et al. (1983), in this regard, he says, "If there is a percentage of agreement between arbitrators (75%) or more, satisfaction can be felt from the sincerity of the scale."

After taking into account the views of the experts in order to delete some invalid paragraphs and to add, amend and merge others because of similarity in meaning and content, those views were dealt with.

III. Truthfulness of the Scale

Internal consistency means the consistency of each of the resolution paragraphs with the field to which this paragraph belongs, and this is done by calculating the correlation coefficients between each of the resolution paragraphs and the total degree of the resolution itself, and Table (7) shows the correlation coefficient between each of the paragraphs of the field and the total degree of the domain, which shows that the correlation coefficients shown are a function at a significant level (0.05**α**) and thus the field is true to what has been set to be measured:

1.13 Stability of Estaba'a

The stability of the resolution is meant to give the questionnaire the same results if it is reapplied several times in a row, and the stability of the research resolution has been verified by the Vacronbach coefficient, where the Vacronbach coefficient (0.901) which indicates the stability of the resolution, while the result of self-truthfulness (0.949) which is the square root of the Vacronbach coefficient and the table (12) at the lowest shows this.

Table (12)
Cronbach alpha coefficient for measuring resolution stability

Domain	Number of paragraphs	Cronbach alpha coefficient	Self-honesty
Questionnaire Questions	**27**	**0.901**	**0.949**

Self-truthfulness = square root of the Vacronbach coefficient

1.14 Hypothesis analysis

1. **First hypothesis:** The accounting procedures followed by Iraqi airlines related to leases in accordance with the unified accounting system do not comply with the requirements for the application of the Financial Reporting Standard (IFRS 16).

Table (19) at the lowest includes the arithmetic average of the answers to the resolution paragraphs, the standard deviation of the values from their average and the result, the value of the test (t), the probability value at a significant level (0.05) and the degree of importance of the paragraph between the rest of the paragraphs:

Table(19)

Arithmetic averages, standard deviations and level of approval of the first hypothesis

Axis Questions		Average	Standard deviation	Result	T- test	الاحتمالية القيمة (sig)
1	**Leases outside the statement of financial position affect reduced comparability between companies.**	3.88	**0.778**	**I agree to some extent**	**46.016**	**0.00**
2	**The application of IFRS 16** is expected to facilitate **capital allocation processes by enabling the lessee and lessor to make investment decisions properly.**	4.08	**0.694**	**I agree**	**54.255**	**0.00**
3	**Changing companies' methods of accounting treatments for leases will have an impact on the economic standing of companies**	3.89	**0.900**	**I agree to some extent**	**39.889**	**0.00**
4	**The application of Financial Reporting Standard (16) provides appropriate information by enhancing lease disclosure requirements**	4.08	**0.775**	**I agree**	**48.578**	**0.00**
5	**Current processing of leases and the consequent financing outside the statement of financial position hides important information that can affect the value of the company**	3.62	**0.976**	**I agree to some extent**	**34.242**	**0.00**
6	**Decrease in the percentage of cash as a result of the increase in the liabilities traded in the rolling part of the tenant obligation**	3.80	**0.842**	**I agree to some extent**	**41.592**	**0.00**
		3.84	**0.87**	**I agree to some extent**		

Table prepared by the researcher based on the outputs of the program (spss)

From table (19) at the top, it is shown that all the paragraphs of the field are positive, as the value of (t) for each of the resolution paragraphs is greater than the value of (t) tabular at the degree of freedom (84) and the level of significance (0.05) which is equal to (2.639), as well as the level of significance for each paragraph less than (0.05), and we find that the first axis in table (19) at the top has achieved a general arithmetic mean of (3.84) and a standard deviation (87). 0), at the paragraph level, the mean values ranged from (4.08) to the second and fourth paragraphs, which said (the application of IFRS (16) **is expected to facilitate capital allocation by enabling the lessee and lessor to make investment decisions correctly) and (the application of IFRS (16) provides appropriate information by enhancing the requirements for the disclosure of leases) and** With a standard deviation (0.694) and (0.77) respectively, which indicates the importance provided by the application of Financial Reporting Standard (16) from information given to further disclosure of contracts concluded in air carriers, and the lowest value of the first axis of the fifth paragraph with an average of (3.62) saying (the **current processing of leases and the consequent financing outside the statement of financial position hides important information that can affect** the **value of the company**) and a standard deviation (0.97) and the answer is directed On average about (I agree to some extent) in the sense that current processors hide important information about the company that the reader of the financial statements can benefit from.

Given the general result of the first axis, the view of the sample members of the questionnaire is oriented to (I agree to some extent), and this result supports the calculated value of (t) for all paragraphs of the questionnaire, and this leads to the acceptance of the first hypothesis that "the accounting **procedures followed by Iraqi airlines related to leases in accordance with the unified accounting system do not comply with the requirements for the application of the Financial Reporting Standard (IFRS 16**)."

2. **The second hypothesis:** There is a significant relationship between the requirements for the application of the Financial Reporting Standard (IFRS 16) and the development of accounting treatments in Iraqi airlines.

Table (20) at the lowest includes the arithmetic average of the answers to the resolution paragraphs, the standard deviation of the values from their average and the result, the value of the test (t), the probability value at a significant level (0.05) and the degree of importance of the paragraph between the rest of the paragraphs:

Table(20)
Arithmetic averages, standard deviations and level of approval of the second hypothesis

Axis Questions		Intermediate	Standard deviation	Result	T- test	القيمة الاحتمالية (sig)
7	Current processing of leases can lead to a misunderstanding of financial statement information.	3.55	0.90	I agree to some extent	26.476	0.00
8	Use of the concept of (right to use) and the appearance of all leases in the statement of the financial position of the tenant as an asset and as an obligation (undertaking to pay rental payments)	3.79	0.85	I agree to some extent	30.913	0.00
9	Cancellation of the conditions for the capitalization of tenants' leases and their recognition as financing contracts	3.46	0.93	I agree to some extent	24.794	0.00
10	Consider the lease to be financial if it is irrevocable and substantially transfers all risks and benefits related to the ownership of the asset subject to the contract	3.85	0.82	I agree to some extent	32.421	0.00
11	Consider the costs of performing leases as part of the obligations of the lease contract if the contract is total and bank in the period in which they occur if the contract is net	3.67	0.931	I agree to some extent	26.947	0.00
12	Recognition in the tenant's income list of rental expense consisting of the expense of depreciation of the asset and interest expense at a fixed rate, which makes the cost of the bank rise in the first years, which leads to a	3.86	0.88	I agree to some extent	30.185	0.00

	reduction in the tax base in those years					
13	**Recognition in the lessor's income statement of sales income, costs of goods sold, interest income and profits or losses of sales leases related to it**	3.91	**0.81**	**I agree to some extent**	**33.603**	**0.00**
		3.72	**0.83**	**I agree to some extent**		

Table prepared by the researcher based on the outputs of the program (spss)

From Table (20) at the top, it is shown that all the paragraphs of the field are positive, as the value of (t) for each of the resolution paragraphs is greater than the value of (t) tabular at the degree of freedom (84) and the level of significance (0.05) which is equal to (2.639), as well as the level of significance for each paragraph less than (0.05), and we find that the second axis shown in table (20) at the top has achieved a general arithmetic mean of (3.72) and with a standard deviation (83). 0), at the paragraph level, the mean values ranged from (3.91) to paragraph XIII (recognition in the lessor's income statement of sales income, costs of goods sold, interest income and related sales lease or losses) and a standard deviation (0.81), which indicates that recognition leads to the development of accounting treatments in accordance with the Financial Reporting Standards (**IFRS 16**, and the lowest value of the second axis of paragraph IX with an average of (3.46) saying (**Cancellation of the conditions of capitalization of tenant leases and their recognition** as financing contracts) and with a standard deviation (0.846) The answer on average tends towards (I agree to some extent) in the sense that the opinions of the research sample believe that the cancellation of the conditions of capitalization of leases and therefore answers that they are recognized as financing contracts.

Given the general result of the second axis, the view of the sample members of the questionnaire is oriented to (I agree to some extent), and this result supports the calculated value of (t) for all paragraphs of the resolution, and this leads to the acceptance of the second hypothesis that "**there is a significant relationship between the requirements for the application of the Financial Reporting Standard (IFRS 16) and the development of accounting treatments in Iraqi airlines."**

3. **Third hypothesis:** There is a significant relationship to the qualitative characteristics of accounting information when applying financial reporting standard (IFRS 16) leases in Iraqi airlines.

Table (21) at the lowest includes the arithmetic average of the answers to the resolution paragraphs, the standard deviation of the values from their mean and the result, the value of the test (t), the probability value at a significant level (0.05) and the degree of importance of the paragraph between the rest of the paragraphs:

Table(21)
Arithmetic averages, standard deviations and level of approval of the third hypothesis

Axis Questions		Average	Standard deviation	Result	T- test	القيمة الاحتمالية (sig)
14	**Accounting information is credible as a result of all tenancy contracts being treated in one transaction and provides complete information that faithfully expresses all financial statement information.**	4.07	**0.923**	**I agree**	**31.167**	**0.00**
15	**Financial Reporting Standard (16) improves information available to economic decision makers while providing information that improves disclosure, transparency and reduced uniformity of information**	4.11	**0.887**	**I agree**	**32.813**	**0.00**
16	**The application of IFRS 16** improves **the usefulness of accounting information helping to make economic decisions**.	3.91	**0.959**	**I agree to some extent**	**28.418**	**0.00**
17	**Financial Reporting Standard (16) provides more information compared to the previous standard (17) providing more transparency about corporate operations**	3.91	**0.826**	**I agree to some extent**	**33.011**	**0.00**
18	**Accounting information is characterized by comparison as a result of the recognition of assets and liabilities arising from leases in the statement of the financial position of the lessee, the improvement of the requirements of the presentation and the**	3.88	**0.837**	**I agree to some extent**	**32.306**	**0.00**

	disclosure of the financial statements					
19	**Accounting information achieves the property of relative importance as a result of the unchanged nature of the obligation for the rest of the price of financial and operational leases and the provision of more useful information to users of financial statements**	3.85	**0.838**	**I agree to some extent**	**31.867**	**0.00**
20	**The need to improve disclosure of obligations arising from leases**	4.09	**0.868**	**I agree**	**33.406**	**0.00**
		3.91	**0.85**	**I agree to some extent**		

Table prepared by the researcher based on the outputs of the program (spss)

It is noted in the table (21) above that all the paragraphs of the field are positive, as the value of (t) for each of the resolution paragraphs is greater than the value of (t) tabular at the degree of freedom (84) and the level of significance (0.05) which is equal to (2.639), as well as the level of significance for each paragraph less than (0.05), and we find that the third axis shown in table (21) at the top has achieved a general arithmetic mean of (3.91) and is close to (4) by a lot, meaning that it is close to (agreement) and with a standard deviation (83). 0), at the paragraph level, the mean values ranged from (4.11) to the paragraph (IFRS 16) which says (IFRS 16) improves the information **available to economic decision makers while providing information that improves disclosure, transparency and reducing the similarity of information**) and is supported by the standard deviation of (0.81) for this paragraph and this indicates the application of the Financial Reporting Standard **(IFRS 16**). It leads to asymmetry of accounting information and helps in making important economic decisions for the entities that use that information.

The lowest value in the third axis of the ninth paragraph with an average of (3.88) saying (accounting information achieves the property of relative importance **as a result of the unchanged nature of the obligation for the rest of the price of financial and operational leases and the provision of more useful information to users of financial statements**) and with a standard deviation (0.846) which the average answers to the question are close to (I agree) which indicates the importance of accounting information, especially with regard to relative importance, and the answer is oriented On average, it is about (I agree to some extent) and is close to approval in the sense that the opinions of the research sample see a significant relationship to the qualitative characteristics of accounting information when applying financial reporting standards (16) in Iraqi airlines as seven questions have been prepared for the purpose of testing the hypothesis.

Given the general result of the third axis, the view of the sample members of the questionnaire is oriented to (I agree to some extent), and this result supports the calculated value of (t) for all paragraphs of the questionnaire as they are all greater than their tabular value, and this leads to the acceptance of the third hypothesis that "**there is a relationship of significant significance to the qualitative characteristics of accounting information when applying financial reporting standard (IFRS 16) leases in Iraqi airlines.**

4. **Hypothesis IV:** There is a significant correlation on the improvement of financial statements, indicators and financial ratios to measure the performance of companies when applying the Financial Reporting Standard (IFRS 16).

Table (22) at the lowest includes the arithmetic average of the answers to the resolution paragraphs, the standard deviation of the values from their average and the result, the value of the test (t), the probability value at a significant level (0.05) and the degree of importance of the paragraph between the rest of the paragraphs:

Table(22)

Arithmetic averages, standard deviations and level of approval of the fourth hypothesis

Axis Questions		Average	Standard deviation	Result	T- test	الاحتمالية القيمة (sig)
21	**The decrease in profitability in the first years of the contract and its rise in recent years due to the high cost of depreciation expense in the first years of the contract by a fixed percentage**	3.76	**0.921**	**I agree to some extent**	**28.168**	**0.00**
22	**Current treatments of leases can lead to differences between the lessee and the lessor resulting in misleading financial statements**	3.75	**0.897**	**I agree to some extent**	**26.185**	**0.00**
23	**The application of Financial Reporting Standard (16) entails a fair presentation of the assets and liabilities of the company that leads to increased transparency about the company's leverage, capital used and financial performance, which improves the decision-making process.**	4.06	**0.850**	**I agree**	**33.716**	**0.00**
24	**Decrease in the trading ratio as a result of the appearance of leased assets at the value of the traded part of the lease obligation within the obligations**	4.78	**0.956**	**Agree**	**27.261**	**0.00**

	traded in the statement of financial position					
25	**Increase in the ratio of debt to total assets as a result of the increase in assets in the value of leased assets**	3.69	**1.024**	**I agree to some extent**	**24.711**	**0.00**
26	**Increase in the ratio of debt to total equity as a result of an increase in the value of current and long-term obligations**	3.82	**0.875**	**I agree to some extent**	**30.268**	**0.00**
27	**Decrease in the amount of the lessee on borrowing and financing agreements as a result of the increase in indebtedness and obligations of leases in the financial statements**	3.72	**0.983**	**I agree to some extent**	**25.949**	**0.00**
		3.90	**0.93**	**I agree to some extent**		

Table prepared by the researcher based on the outputs of the program (spss)

From Table (22) above, it is shown that all the paragraphs of the field are positive, as the value of (t) for each of the resolution paragraphs is greater than the value of (t) tabular at the degree of freedom (84) and the level of significance (0.05) which is equal to (2.639), as well as the level of significance for each paragraph less than (0.05), and we find that the second axis in table (22) at the top has achieved a general arithmetic mean of (3.79) with a standard deviation (83). 0), at the level of paragraphs, the values of the arithmetic mean ranged between (4.78) for paragraph twenty-four (decrease in the percentage of trading as a result of the appearance of leased assets in the value of the traded part of the obligation of the **lease contract within the obligations traded in the statement of financial position**) and with a standard deviation (0.956), which indicates that the appearance of differences in the percentage of trading in the balance sheet of the tenant by the value of the part of the trader, while the lowest value of the fourth axis of the twenty-fifth paragraph was an average of (3.69) saying (**Increase** the ratio of debt to total assets as a result of the increase in assets in the value of leased assets) and with a standard deviation (1.024) and the answer on average tends towards (I agree to some extent) in the sense that the increase in the ratio of the Diwan compared to assets was the result of assets leased from third parties and the standard deviation of the paragraph indicates the fluctuation of the answer by the deviation of (1.024).

Given the overall result of the fourth axis, the view of the sample members of the questionnaire is oriented to (I agree to some extent), and this result supports the calculated value of (t) for all paragraphs of the questionnaire, and this leads to the acceptance of the fourth hypothesis that "**there is a significant relationship to the improvement of financial statements, indicators and financial ratios to measure the performance of companies when applying the financial reporting standard (IFRS 16).**

1.15 Results

1. In the presence of the unified accounting system currently applied in Iraqi airlines, it is not possible to apply the Financial Reporting Standard (16) for lease contracts.
2. The results of the study showed that Iraqi airlines do not meet the provisions of the Financial Reporting Standard (16) for leases in terms of the scope of classification of leases into (financing, operational).
3. The results of the study showed the inaccuracy of the financial statements prepared in accordance with the unified accounting system in Iraqi airlines compared to the financial statements of similar airlines applied to international accounting standards.
4. The results of the study showed that the application of the financial reporting standard (16) in Iraqi airlines results in a classification of criteria for what is previously registered requires companies to disclose it when preparing financial statements.
5. Current accounting treatments prepared in accordance with the Unified Accounting System for Leases lead to shading in the financial statements.
6. The results of the study showed that the abolition of the terms of capitalization of leases requires the company to recognize them as financing leases.
7. The applied aspect showed that the application of the Financial Reporting Standard (16) improves the decisions taken in addition to providing information that improves disclosure and transparency and reduces the similarity of information.
8. The results of the study showed that there is a need to improve the disclosure of obligations arising from leases.
9. The application of standard (16) in domestic airlines works to a fair presentation of the assets and liabilities of the company in a way that increases transparency about the use of leverage, capital and financial performance, which works to rationalize decision-making.
10. The results of the study showed a decrease in the percentage of trading as a result of the appearance of leased assets worth the traded part of the lease contract obligation within the obligations traded in the statement of financial position.

First: Official Standards, Legislation and Laws

1- Federal Financial Audit Bureau (1995) " **Council Instructions of 1995"** Issue (1) Point for Second, Official Website of the Diwan, retrieved 14/3/2017 www.d-raqaba-m.iq.

2- Federal Financial Audit Bureau (2013) "**Unified Financial and Accounting Manual in Iraq"**

3- Federal Financial Audit Bureau (2013) **"Unified Financial and Accounting Manual in Iraq"** Official website of the Diwan, retrieved on 14/3/2017 www.d-raqaba-m.iq.

4- Official website of the Diwan, retrieved 14/3/2017 from: www.d-raqaba-m.iq

5- Iraqi Chronicle, 1984 "**Trade Law"** No. 30 of 1984, No. 2987, Page No. 230-263, Collection of Laws and Regulations.

6- Iraqi Chronicle (1974) "**Civil Aviation Law"** No. 2415, Page No.: 1-28, Set of Laws and Regulations.

7- Iraqi Chronicle, 2005 "**Constitution of the Republic of Iraq**" No.: 4012, Page No.: 1-30, Collection of Laws and Regulations.

Second: Research and Periodicals

1- Baroud, Ahmed Tawfik "**Obstacles to the Application of the Financial Leasing System as a Tool for Financing Economic Projects – An Applied Study on Non-Banking Financial Institutions Operating in Palestine**" Master Thesis of the Islamic University – Gaza Faculty of Commerce 2011
2- Al-Assadi, Ahmed Saad Jarry, "Facing the Challenges of **IFRS 16 Rental Application and its Impact on the Quality of Financial Reporting of Iraqi Economic Units**" Journal of Economic and Administrative Sciences, Volume (24), Issue (108), 2018
3- Al-Musawi, Salem Rodhan, " **Balance in the Lease Contract is a comparative study** " {electronic version}. Civilized Dialogue, Issue 1804, retrieved 16/3/2017 from: https://www.ahewar.org/debat/show.art.asp?aid=86610
4- Kazim, Hatem Karim (2011) "Development of the **banking accounting system in accordance with the requirements of the International Accounting Standards An analytical study in Rafidain Bank"** Journal of the Center for Kufa Studies Electronic Version. Issue 22, pp. 307 - 338, retrieved 18/3/2017 from: www.uokufa.edu.iq/journals/index.php/ksc/article/view/1856.

5- Susanti,Merry & Sufiyati, I Cenik Ardana& Sofia, Prima Dewi "**The Impact of IFRS 16 (PSAK 73) Implementation on Key Financial Ratios: An Evidence from Indonesia**"Advances in Economics, Business and Management Research, volume 174 Proceedings of the Ninth International Conference on Entrepreneurship and Business Management (ICEBM 2020).
6- Suzuki Tofanelo ,Renan Eidy,& Nunes ,Rodolfo Vieira & Willrich, George André Sales " IFRS 16 - Impact on the Assets of the Major Airlines Operating in Brazil" International Journal of Economics and Finance; Vol. 13, No, 9, 2021.
7- Sivanantham , Siva(2016)"Lease accounting will never be the same again – IFRS 16 is finally out , Perspective , Chartered accountants(Australia & New Zaland)" Retrieved3/11/2016, from: https://www.charteredaccountantsanz.com
8- Xu, W.; R. A. Davidson and C. S. cheong. 2017. Converting Fin-ancial statements: Operating to Capitalized leases. **Pacific Acc-ounting Review**, 29(1): 34- 54
9- Sari, E., S., Altintas, T., and Tas, N. 2016. The effects of the IFRS 16: Constructive capitalization of operating leases in the Turkish retelling Sector. **Journal of Business, Economics and Finance**, 5(1): 138- 147
10- Maren, M. van. 2016. New IFRS 16 Leases Standard. The impact business valuation. available online at https://www.accountancyage.com/2019/10/28/ifrs-16-leases-the-impact-on-business-valuations/
11- Branswijck, D.; S. Longueville and P. Everaert. 2011. The Financial Impact of the proposed Amendments to IAS 17: Evidence from Belgium and the Netherlands. **Accounting and Management Information systems**. 10 (2): 275 – 294