

Implementation of IAS12 (Income Taxes) and Its Impact on the Presentation and Disclosure of the Income Statement and Financial Position: A Case Study of Al Khaleej Commercial Bank Listed on the Iraq Stock Exchange

By

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Abstract

The advancement of the reality of accounting practices applied in commercial banks in Iraq requires keeping pace with the rapid developments in global business and trade. To keep pace with these developments, the research idea came to focus on the application of internationalism. Accounting Standard No. (12) Income taxes impact presentation and disclosure in the income statement and financial position. This research problem began with formulating the first two questions (namely, whether the Iraqi private commercial banks listed in Iraq apply the standard arithmetic IAS 12 income taxes) or the second (is Implementation of International Accounting Standard No. (12) Income taxes affect presentation and disclosure in the income statement and financial position. The most important objectives of the research focus on (a statement that follows the application of IAS 12 Income Taxes upon presentation or disclosure in both the income statement and position) in line with the objectives of the research, and the first two hypotheses were formulated (Iraqi commercial banks listed on the Iraqi Stock Exchange) the stock exchange is committed to applying International Accounting Standard No. (12) Income taxes (either the second hypothesis) or the application of IAS No. (12) income taxes significantly affects the supply and disclosure of the income statement and financial position) and several conclusions have been reached, the most important of which is the application of income taxes by Iraqi commercial banks with the International Accounting Standard (12 billion accountants), which will spread to improve the process of reporting D and disclosure in the financial statements, in addition to unifying the accounting transactions for income tax and providing sufficient information to stakeholders) based on the research results, the researcher recommends a set of recommendations data, the most important of which is (working to apply International Accounting Standard No. (12) Income Taxes, because it is considered an application of the contemporary approach, focuses on the deferred tax treatment mechanism according to the budget method, which divides temporary differences into deductible temporary debts, differences that led to deferred tax assets, and temporary taxable differences. This results in deferred tax liability and improved presentation and disclosure in both the income statement and financial position.

Keywords: International Accounting Standard No. (12) Income Taxes, Presentation and Disclosure, Financial Statements.

Introduction

The last decade of the last century witnessed great efforts to issue international accounting standards and then work on developing them to be more appropriate to scientific reality, and these efforts resulted in issuing a set of standards that were applied by many countries, and it is now considered one of the important topics that many researchers and scientists focus and professional and international organizations, in order to succeed in their application or adaptation by issuing standards that are compatible with them so as not to conflict with them. With local legislation and laws Accounting standards were issued, and a set of accounting rules, most of which do not comply with the requirements of international accounting and financial reporting standards, especially standards related to presentation, disclosure, and tax assessment. The rules are unable to keep pace with the rapid developments in the business environment that are largely reflected in the accounting profession, and to keep pace with these developments, the advanced data came to the idea of this research in order to achieve its objectives, and it was divided into three sections that dealt with the study of the first systematic research, while the second section focused on The theoretical research aspect, and the third aspect of applied research, and finally the most important conclusions and recommendations reached by the researcher.

Research Methodology

Browse this section the research methodology that follows the field research and the method of scientific organization to determine the research problem and how to address it in a way that ensures the goal of selection to achieve the goals and assumptions that have been formulated as follows:

First: the research problem

1. Do Iraqi private commercial banks listed on the Iraq Stock Exchange apply IAS 12 Income Taxes?
2. Does the application of International Accounting Standard No. (12) Income Taxes affect the presentation and disclosure in the income statement and financial position?

Second: the importance of research

The research gains its importance by focusing on the extent to which the Iraqi commercial banks listed in the Iraqi stock market respond to the requirements of international accounting standards related to income tax and the impact of International Accounting Standard No. (12) On presentation and disclosure in the income statement and financial position.

Third: Research Objectives

1. Definition of International Accounting Standard No. (12) Income Taxes and the corresponding local standards represented in the Iraqi Accounting Base No. (13) Income Tax and the extent of the commitment of Iraqi banks to apply this standard.
2. A statement of the difference between the applications of the Iraqi Accounting Rule No. (13) Income Taxes and the application of International Accounting Standard No. (12) Income Taxes.
3. Statement of the impact of applying International Accounting Standard No. (12) Income Taxes on presentation and disclosure in both the income statement and the financial position.

Fourth: Assuming the search

1. Iraqi commercial banks listed on the Iraq Stock Exchange are committed to applying International Accounting Standard No. (12) Income taxes.
2. The application of International Accounting Standard No. (12) Income taxes significantly affect the presentation and disclosure of the income statement and financial position.

The theoretical side of the research

The topic of applying international accounting standards occupies the minds of many researchers, professional organizations specializing in accounting, and users of internal and external financial statements, especially after the spread of globalization and multinational companies, the development of trade exchange between countries, and for the importance of these standards, this topic will focus on International Accounting Standard No. (12) Income taxes, presentation, and disclosure that this standard focuses on in each of the income statement, financial position, and the Iraqi accounting rule that complies with this standard.

First: Objectives and Scope of International Accounting Standard No. (12) Income Taxes

This standard mainly aims to clarify and clarify how the accounting treatment of income taxes, how to calculate the amount of tax that the company should pay during the current financial year, the amount of deferred income tax, as well as how to treat the difference between the accounting net profit that was calculated in accordance with international accounting and financial reporting standards. And the taxable profit, and an explanation of how to deal with permanent and temporary differences (Al-Jaarat, 2014: 47). As for the scope of the standard, it is applied in accounting for income taxes, which include all local and foreign taxes imposed on taxable profits, withholding taxes that must be paid by subsidiaries and associates, and joint ventures when they make dividends for the company (Al-Shujairi, 2020: 335).

Second: The concept of deferred taxes and their components

It is defined as the part of the income tax payable deferred to be paid for subsequent financial periods and is called the deferred tax liability, as well as the part of the tax paid deferred due to subsequent financial periods and is called the deferred tax asset. And between the taxable incomes specified in the tax law (Al-Sharqawi, 2009: 42). As for the components of deferred taxes, they are divided into the following (Khalifa, 2008: 49):

1. Deferred tax assets: It is the tax value that is due to be recovered by the company in future financial periods, or it is the company's future rights resulting from events and operations in the past from which the company is expected to obtain tax benefits in the future.
2. Deferred tax obligations: future tax burdens that occur due to the existence of temporary differences that will be subject to tax in the future or that it is the value of income taxes that are due to be paid in future financial periods and that are related to temporary tax differences (Al-Anbaki, 2018: 120)

Third: The Deferred Tax Processing Mechanism

IAS 12 focused on income taxes on the budgetary (tax liability) method of deferred tax treatment that breaks down temporary differences into temporary deductible differences that result in tax assets and deferred temporary differences in the taxable result of deferred tax liabilities, and this method may prevent the standard using delay Because it reduces the quality

of endodontic accounting information (Abu NassarHemeidat 0.2016: 213).

Fourth: Presentation and disclosure focus on International Accounting Standard No. (12) Income Taxes

In general, there are two stages of disclosure, the first relates to the presentation of the paragraphs contained in the financial statements and their appendices, and this stage is called presentation, and the second stage relates to the information that must be disclosed. It appears in the financial statements or not within the paragraphs of the financial statements, which stakeholders rely on to make their own decisions (instead of God, 79: 2001). As for the presentation that focuses on IAS 12 Garrett Income Tax, it can be a special piano by the following (Fri 2015: 35):

The tax assets and liabilities should be shown in the balance sheet separately with a statement of the assets and liabilities of the company.

In the event that there is a current balance of a deferred tax asset or liability, the company has the right to set off between them and to show its net in the company's balance sheet, provided that this is the legal right to set off. Available. Often this right is available to the company to set off between a current tax asset and a current tax liability when it has income taxes levied by the same tax department, and that department agrees to pay or receive a net, and the company has the right to set-off when it has the intention to settle the amount related to those assets and liabilities On a net basis, and finally, deferred tax assets and liabilities must be related to income taxes levied by the same tax department and on the same company's taxable income, and regarding the disclosure of the focus of IAS 12 Income Taxes, it focuses on the first and second types of disclosures related to The disclosure data in the income statement, which represents the YMCA statement through the following points (Ramadan 2014: 141):

1. The expense for current taxes or income and any adjustments recognized for current tax for prior periods.
2. Deferred tax expense as a result of the emergence of reversal of temporary differences and because of changing tax rates or imposing new taxes.
3. Deferred tax expense due to the reduction or cancellation of a previous reduction of a deferred tax asset.
4. The amount of tax resulting from changes in accounting policies and errors that affect the net profit or loss for the period.
5. The amount of the benefit from unrecognized tax losses, deductions, or temporary differences for a prior period is used to reduce the current or temporary tax.

While Alan A. Secondly, on the disclosure in the balance sheet as follows (Abu NassarHmeidat 20 13: 217)

1. The total current or deferred tax relating to items added to the equity account and the amount of tax attributable to unusual items.
2. Explanation of the relationship between tax expense and accounting profits through numerical matches and changes in the applicable tax rates compared to previous accounting periods.
3. Deductible temporary differences, unused tax losses, and credits for which the relevant deferred tax asset is not recognized in the balance sheet.

4. Total temporary differences related to investments in subsidiaries, associates, branches, and interests in jointly controlled companies for which deferred tax liabilities have not been recognized.
5. The value of the deferred tax assets and liabilities recognized in the balance sheet for the periods presented and the amount of deferred tax recognized in the income statement if it is not clear from changes in the amounts recognized in the balance sheet.
6. Disclosure of tax expense for discontinued operations attributable to profit or loss upon discontinuation and profits or losses from normal activities of discontinued operations for the current period.

The applied aspect of research

This topic reviews the applied aspect of the research, where the Gulf Commercial Bank will be selected, which is listed on the Iraq Stock Exchange (for the purpose of the table of aspects of applied research based on the lists of financial banks for the year 2018, where CNN was selected. The first statement of the bank's commitment to the requirements of IAS 12) Income taxes, then work on applying this standard to the bank account statement, and finally, the impact of applying IAS 12 on presentation and disclosure in each income statement and financial position.

First: The extent to which the research sample adheres to the requirements of International Accounting Standard No. (12) Income taxes

Determining the extent of the sample's commitment to the research by applying the requirements of International Accounting Standard No. (12) Income Taxes require reviewing the disclosure shown in table No. (1), which revealed a bank statement to transfer the accounting profit to taxable. Income, then calculate the tax owed to the bank. The research sample.

Table No. (1) Shows the calculation of the income tax due on the research sample

net profit before tax	906965963
Expenses that are not acceptable for income tax purposes	add
Employee income taxes ,administrative and general expenses/taxes and fees	352481751
Subsidies for affiliate's administrative and general other expenses	1150000
Compensations and fines, administrative and general other expenses	911710709
net capital loss	10474662
Total expenses are not acceptable for income tax purposes	1275817122
Revenue not subject to income tax	subtract
income Real estate rental other operating income	36550000
Profits of joint-stock companies profits from the sale of financial assets	56661 450
Total revenue not subject to income tax	81606661
taxable income	2101176424

Amount of tax due (taxable income x 15%)	315176463
net profit after tax	591789500

Source: Table prepared by the bank based on the bank's annual researcher report for the year 2018

By accessing the disclosure shown in table No. (1), your estimate of taxable income is 2,101,176,424 dinars, then the tax is calculated on the basis of income on the sample in an amount of 315,176,463 dinars, noting that the bank's research sample does not comply with the requirements of International Accounting Standard No. (12) Income taxes, but it applies a local rule, which is the Iraqi accounting rule no. (13) Related to income taxes when estimating taxable income, and then the tax due on the bank.

Second: Applying International Accounting Standard No. (12) Income Taxes to the Research Sample

The application of International Accounting Standard No. (12) Income Taxes require a focus on two types of differences that were not adopted by the Iraqi Accounting Rule No. (13) Applied by the research sample bank. These differences occur because of the difference between financial accounting standards that are the basis for measuring income and the laws of tax legislation, which is the basis for measuring tax income, and these differences can be clarified through the following:

Permanent differences: These differences can be calculated by looking at the list of income tax due on the bank, the research sample shown in table No. (1), where we note that this statement is divided into two parts. The first is added to the net profit before tax and includes non-expenses. Accepted for tax purposes, either the second descends from the net profit before tax represents the income subject to income tax, and this statement can be expenses and income through the following table:

Table (2) Expenses that are not acceptable for tax purposes income exempt from tax

Expenses that are not acceptable for income tax purposes	
Employee income taxes ,administrative and general expenses/taxes and fees	352481751
Subsidies for affiliated administrative and general/other expenses	1150000
Compensations and fine administrative and general/other expenses	911710709
capital losses	10474662
Total expenses are not acceptable for income tax purposes	1275817122
Revenue not subject to income tax	
income Real estate rental other operating income	36550000
Profits of joint-stock companies profits from the sale of financial assets	56661 450
Total revenue not subject to income tax	81606661

Source: The table prepared by the researcher based on table No. (1)

Table (2) shows the unacceptable tax expenses amounting to 1,275,817,122 dinars, as well as exempting income from income tax in the amount of 81,606,661 dinars, which is considered permanent. It occurred during fiscal year 20 fiscal year 18 for accounting for income

and income tax subject to tax And that its impact is limited to the fiscal year 2018, and its impact is reflected in the subsequent fiscal year and beyond, which has no future tax implications and does not fade except in the case of amending the Income Tax Law and that its appearance is the result of nibbling the terms of expenditure and income are taken into account when measuring specific income accounting or Income tax is not taken into account when measuring the other type of income, and this means that the emergence of liabilities and assets is deferred, and its division is permanent positive tax differences, which represent the rights of the bank because it leads to a decrease in income. Limiting and thus reducing the amount of tax due on the bank, and permanent negative tax differences, which are the opposite of positive, lead to an increase in taxable income and thus an increase in the tax due on the bank, and these permanent differences are considered fulfilled when applying IAS 12 Income Taxes, While we note that the Iraqi accounting rule No. (13) Applied by the bank does not recognize it, and this means that there is a difference between the taxable income estimated according to the Iraqi accounting rule No. (13). Income taxes and taxable income estimated in accordance with International Accounting Standard No. (12) Income Tax and Schedule No. (3) Explains this difference as follows:

Table No. (3) The difference between the amounts of taxable income according to International Accounting Standard No. (12) And the Iraqi Accounting Rule No. (13) For the research sample bank

Income subject to tax according to the Iraqi accounting rule No. (13)	Taxable income according to International Accounting Standard No. (12)
Not recognizing expenses that are not acceptable for tax purposes and income tax exempted from income tax / Schedule No.15	Recognition of expenses that are not acceptable for tax purposes and income that are exempt from income tax
Income subject to tax according to the Iraqi accounting rule No. (13) Income taxes 2101176424 =dinars ,which represents the taxable income shown in the income tax statement according to the Income Tax Law.	Income subject to tax according to International Accounting Standard No. (12) Income taxes 906965963 = dinars ,which represent the profit before tax shown in the income statement according to financial accounting.
The difference between taxable income according to the International Accounting Standard and the Iraqi accounting rule = (11942,0461) dinars	
The amount of tax according to the rule = $2101176424 \times 15\% = 315176463$ dinars ,which represents the amount of income tax payable to the tax administration in accordance with the Income Tax Law.	The amount of tax according to the standard = $906965963 \times 15\% = 136044894$ dinars ,which represents the income tax expense that must be recognized and charged for the current financial period and appears in the income statement prepared in accordance with financial accounting.

Source: Table prepared by the researcher

By looking at the table No. (3), it is possible to clarify the impact of the application of the International Accounting Standard on taxable income, as we note that the taxable income

according to the International Accounting Standard is 906965963 dinars, while the taxable income according to the Iraqi accounting rule is 2101176424 dinars with a difference between two dinars (1194210461) and this difference, Of course, it has an impact on the amount of tax reported according to the International Accounting Standard 136044894 dinars. The Iraqi accounting basis is equal to 315,176,463 dinars, according to the queue, from the amount of our tax 179131569. This effect was achieved with a savings tax in favor of the banking sample, where the amount of tax due on the bank was reduced by 179131569 dinars.

Temporary differences: These differences relate to many different items in the financial statements, and these items are considered among the main reasons for the existence of these differences in order to clarify how to calculate these differences as a result of the presence of these differences. These differences apply to IAS 12. The focus will be on temporary tax differences arising from accounts receivable and advances. It is recognized in financial accounting that most business firms, such as banks, apply the merit basis when dealing with income and expenses relating to the financial year, and because of this basis, any advantages and prerequisites relating to the presentation of income and expenses as items of assets or liabilities in the statement of financial position. On the other hand, we note that tax laws and regulations apply or follow a monetary basis, including the tax administration in Iraq, where we note that this type of difference, that is, temporary differences arising from receivables and advances that did not appear within the disclosure. Income tax is calculated on the bank sample shown in Table 1, i.e., not related to any amounts related to Ba for differences in the temporary tax result of the application of IAS. (12) The father of vinegar taxes, although there are amounts that reflect these differences, the disclosure, and clarification of the bank's research sample, which can be a statement in table No. (4) is as follows:

Table No. (4) Amounts of accounts receivable and advances that reflect temporary tax differences in Khaleeji Commercial Bank

Amount / Iraqi dinar	Statement
-	Revenue received in advance
295137531	deserved payments
893432059	Prepaid expenses
4704480021	accrued revenue

Source: Table prepared by the researcher based on the annual report of the bank

Looking at Table No. (4), it appears that the research sample bank did not take into account the items that reflect the temporary tax differences that are divided into two types. The first is deferred tax assets, which are the tax amounts paid in advance to the tax department and expected to be recovered in the future, which are deductible or deductible differences. In addition, the accounting profit resulting from the difference in the timing of recognition of cash-based income and expenses, such as income received in advance and accrued expenses, the taxable profit becomes greater than the accounting profit in the

Deferred Income Taxes = Revenue Due x Tax Rate	
4704480021x 15% 705672003 = dinars deferred income tax ,which is considered a deferred tax liability.	
Current tax = taxable income x tax rate	
2101176424x 15% = 315176463 dinars	
The amount of tax to be recognized and shown in the income statement = current tax + deferred tax liability	accrued revenue 4
1020848466 = 705672003 + 315176463dinars	
Or the amount of tax to be recognized and shown in the income statement = (taxable income + accrued revenue (
x tax rate	
(4704480021 + 2101176424) =x 15%	
1020848466 =dinars	

Source: The table prepared by the researcher is based on the data of table no. (4) and (1).

See-through table (5) that Webby n how the deferred tax calculation in sequence (1) on income received in advance notes the temporary absence of six from any assets and deferred tax for the absence of this item in the notes to the financial statements, i.e., the bank is not amicable. Revenue received in advance while sequencing No. (2) Relates to accrued expenses. We note the existence of temporary tax differences and the lack of recognition by the tax administration when calculating the tax profit because of its reliance on the cash basis. This will lead to the emergence of deferred tax assets in the amount of 442 70,630 dinars, which will reduce the income tax expense in the income statement to become 270.905833 dinars, but with regard to sequence No. (3), which includes definitions of absorption of the tide. In advance, resulting tax differences result in deferred tax obligations of 1 34014809 dinars, and these obligations increase from the tax expense in the income statement to become 449,191,272 dinars, while we note in sequence no. (4) that the revenue results in temporary tax differences amounting to 705672003 dinars, which is a Deferred tax income, which is considered a deferred obligation, exceeds the annual expense tax on income, amounting to 10,208,48466 dinars.

Third: The impact of the application of International Accounting Standard No. (12) On presentation and disclosure

The statement of the impact of the application of IAS 12 income taxes on presentation and disclosure in both the income statement and financial position of a sample bank requires a statement that:

The effect of permanent tax differences on presentation and disclosure in both the income statement and the financial position: This effect can be demonstrated by looking at the table No. (6), which shows a comparison between the income statements prepared in accordance with international rules. Accounting. Standard No. (12) And another prepared according to the Iraqi Accounting Rule No. (13) As follows:

Table No. (6) M, a comparison between the income statements prepared in accordance with International Accounting Standard No. (12) And another prepared according to the Iraqi accounting rule no. (13) For the research sample bank.

Statement	Income statement for the fiscal year 2018 according to rule No. (13) Income Taxes	the change	Income statement for the fiscal year 2018 in accordance with standard No. (12) Income Taxes
interest income	12135763849	-	12135763849
interest expense	(4639421265)	-	(4639421265)

net interest income	7496342224	-	7496342224
net commission income	4203194836	-	4203194836
net interest and commission income	11699537060	-	11699537060
Net foreign exchange gain	1394656224	-	1394656224
Net profit from the sale of financial assets at fair value through the income statement	0	45056661	45056661
Other operating income	1868341106	-	1904891106
Other income	1573269546	-	1573269546
net operating and other income	16535803936	81606661	16617410597
Employee salaries and the like	(4929928826)	-	(4929928826)
General and administrative expenses	(7944540033)	(1265342460)	(9209882493)
consumptions	(1560158653)	-	(1560158653)
capital losses	0	(10474662)	(10474662)
Total expenses	(14434627512)	(1275817122)	(15710444634)
Net income for the year before calculating the tax	2101176424	1194210461	906965963
income tax expense	(315176463)	(179131569)	(136044894)
net income after tax	591789500	179131569	770921069

Source: Table prepared by the researcher based on table No. (3).

Table No. (7) Presents the comprehensive income statement before and after the application of International Accounting Standard No. (12) Income Taxes and Recognition of the Impact of Temporary Tax Differences on the Bank and the Research Sample

the details	Statement of comprehensive income before the application of standard No. (12)	the change	Statement of comprehensive income after applying standard No. (12)
Current activity revenue:	Iraqi Dinar		Iraqi Dinar
interest income	12135763849	-	12135763849
Commission income	4203194836	-	4203194836
Foreign exchange earnings	1394656224	-	1394656224
Profit from the sale of financial assets at fair value through the income statement	45056661	-	45056661
Other operating profit	1904891106	-	1904891106
Total revenue (total income)	19683562676	-	19683562676
Subtract the current activity expenses:		-	
interest expense	(4639421265)	-	(4639421265)
Employee salaries and the like	(4929928826)	-	(4929928826)
General and administrative expenses	(9209882493)	-	(9209882493)
consumptions	(1560158653)	-	(1560158653)
Total expenses	(20339391597)	-	(20339391597)
Add: other gains and revenues	1573269546	-	1573269546
Subtract: losses and other expenses	(10474662)	-	(10474662)
Net income for the year before income tax	906965963	-	906965963
income tax expense	(315176463)	(795416182)	(1110592645)
net income for the year (loss)	591789500	(388162818)	(203626682)
Other comprehensive income:			
Change in the fair value of the financial assets	(995297319)	-	(995297319)
net loss on financial assets	(995297319)	-	(995297319)

Total comprehensive income for the year	(403507819)	(795416182)	(1198924001)
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Source: Table prepared by the researcher based on table No. (5)

Table No. (6) Shows how the presentation and disclosure of some items changed when applying International Accounting Standard No. (12), especially with regard to net profits resulting from selling financial assets at fair value, as well as general and administrative expenses, capital losses, and net income before calculating income tax According to the income statement. Prepared according to the international standard 906965963 dinars, as well as the tax expense of 136044894 dinars, that is, the application of the international accounting standard for income taxes affects the income statement of the research sample bank and also affects the comprehensive income statement. This effect is through the net profit after tax because the net profit is the profit after tax when applying the international accounting standard 770921069 dinars, which differs from the net profit after tax when applying the Iraqi accounting rule, which is 591789500 dinars due to the difference in the amount of tax due on the bank when applying the standard of the tax due when applying the Iraqi accounting rule. The impact of the application of IAS 12 Income Taxes on the presentation and disclosure in the statement of financial position of the particular bank from the research, it can be said that permanent tax differences limit their impact only to the income statement and their tax effect does not extend to the future, that is, in the statement of financial position of the research sample bank as well as the data other financial. The effect of temporary tax differences on presentation and disclosure in both the income statement and financial position: The effect of temporary tax differences that resulted in a deferred tax on the presentation of income and financial position and disclosure by M. Stakeholders can explain in table No. (7), which includes the income statement Comprehensive before and after the application of the standard and table No. (8) Which organizes the statement of financial position before and after the application of the standard? The research sample bank is as follows:

Table No. (8) Presentation of the statement of financial position before and after the application of International Accounting Standard No. (12) Income Taxes and Recognition of the Impact of Temporary Tax Differences on the Bank's Research Sample

the details	Statement of financial position prior to the application of standard No. 12	the change	Statement of financial position after applying standard No. 12
assets	-	-	-
Cash and balances with the Central Bank	194248904015	-	194248904015
Balances with banks and other financial institutions	53800388536	(315176463)	53485212073
net direct credit facilities	171492437055	-	171492437055
Investment in subsidiaries	11.2 billion	-	11.2 billion
Investing in affiliate companies	39000000000	-	39000000000
Financial assets at fair value through the statement of other comprehensive income	16426622471	-	16426622471
net property and equipment	42310995221	5244097036	47555092257
Projects under construction	5244097036	(5244097036)	-
other assets	44631074597	-	44631074597
deferred tax assets	-	442 70630	44270630
total assets	578336518931	(270905833)	578065613098
The opponents:	-	-	-
Customer deposit	232934933496	-	232934933496
cash insurance	4896375358	-	4896375358

long term loans	20752666666	-	20752666666
Income tax provision	1126036870	(315176463)	810860407
Other requirements	22830980635	-	22830980635
deferred tax obligations	-	839686812	839686812
The sum of the opponents	263863593025	524510349	264388103374
Owner's rights :	-	-	-
capital	300000000000	-	300000000000
mandatory reserve	9413152988	(29589475)	9383563513
Other reserves	.4497572893	-	.4497572893
Fair value change reserve	(8408377477)	-	(8408377477)
Revolving earnings	8970577502	(765826707)	8204750795
Total Ownership Equity	314472925906	(795416182)	313677509724
The total liabilities of the rights of pain for cauterizing	578336518931	(270905833)	578065613098

Source: Table prepared by the researcher based on table No. (5).

Table (7) shows the income statement for the mass of the banking research sample before and after the application of International Accounting Standard No. (12) Income taxes reflect the impact of temporary tax differences related to advances and receivables, as we note that the tax differences resulting from deferred taxes, and these taxes are divided into deferred tax assets, a balance of 44270630 Iraqi dinars linked to sequence No. (2) In the table (5), these tax assets lead to a decrease in the amount of cash income. From the logical tax G 315,176,463 dinars to become after the reduction 2, 70905833 dinars, but with regard to the sequence no. (3) And (4) of the table (5) note that the deferred tax (j) resulted in a deferred tax liability of 839686812 dinars, which Increases the tax expense balance after the reduction. The tax becomes payable to become a tax expense balance, which must appear in the exposed income as a mass of (1110592645) dinars, and the result will be. L - From the bank's activity after-tax, a loss of (203626682) dinars, and through these changes, the total comprehensive income for the fiscal year becomes (11 98924001). These changes in presentation and disclosure as a result of applying the standard naturally affect the financial position of the research sample bank, which can be clarified in table No. (8) As follows:

View through the statement of financial position of the sample of the bank before and after the application of the standard contained in table No. (8), which clearly shows the impact of the application of International Accounting Standard No. (12) Related to income tax. In presentation and disclosure. In this list, we note that the process of presentation and disclosure in the statement of financial position of a sample of the bank before the application of the standard is complete and limited information to stakeholders who do not display or disclose any information to stakeholders about the deferred. Purchase of the TEN sections of deferred tax assets in the amount of 4,4270630 dinars and deferred tax liabilities in the amount of 8,396,86812 dinars.

Fourth: Testing the research hypotheses

Finally, and based on the practical aspect, which is explained in detail in this topic, the acceptance or rejection of the research hypotheses can be determined as follows:

1. Rejection of the first hypothesis: which states that the Iraqi commercial banks listed in the Iraqi stock market are committed to applying International Accounting Standard No. (12) Income taxes.
2. Acceptance of the second hypothesis: The application of International Accounting Standard No. (12) Income Taxes greatly affect the presentation and disclosure in the income statement and financial position.

Conclusions and Recommendations

First: the conclusions

1. Continuing to apply the Iraqi accounting rule no. (13) for temporary income taxes, and this application is considered one of the traditional accounting methods for deferred taxes, an approach that ignores the recognition of the tax effects of the differences that result in deferred taxes (deferred tax assets or deferred tax liabilities). Criticism because it contradicts international accounting standards related to income tax accounting.
2. The continuation of Iraqi commercial banks in applying local accounting rules and their failure to apply international accounting standards leads to them losing the advantage of comparison with their counterparts that apply international accounting standards, and this means a loss of confidence in their financial statements. And credibility by stakeholders.
3. Presentation and disclosure of the financial statements currently available to Iraqi commercial banks, which are the main source of information provision and stakeholders cannot keep pace with developments and mixing in the developed world, the banking sector, as it provides useful information at the local level. Level. Just.
4. Application with the International Accounting Year No. (12) Income Taxes by Iraqi commercial banks will improve the presentation and disclosure of financial statements, as well as standardize the accounting treatments for the father's tax income.

Second: Recommendations

1. Work on the application of the International Accounting Standard No. (12) Income Taxes, because it is considered an application of the contemporary approach that focuses on the mechanism of deferred tax treatment according to the budget method, which divides temporary differences into temporary deductible differences that result in deferred tax assets and temporary differences subject to tax resulting in deferred tax liability.
2. The necessity of working for Iraq to join the International Accounting Standards Board to obtain the necessary expertise in issuing accounting standards and to contribute to finding solutions to the accounting problems rose at the local and international levels.
3. Focusing on the application of the International Accounting Standard No. (12) on income taxes because of its role in the integration of the presentation of the financial statements, the disclosure of accounting information to stakeholders ,and the comparison of their activities with commercial banks that apply the same standards around the world, and this supports confidence and credibility in the financial statements.

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