

Accounting Legislation, Corporate Governance Codes and Disclosure in Jordan

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Abstract : The main aim of this paper is to provide an overview of the most influential economic changes and accounting legislation affecting financial reporting and disclosure practices in Jordan. It also provides an overview of disclosure studies conducted in Jordan covering the year(s) between 1986 and 2014. The economic changes in Jordan required conducting economic reform and revising/issuing new regulations and financial market reforms that led to an improvement in disclosure practices. The issuance of Temporary Securities Law and its Directives of Disclosure in 1997, which came into effect in 1998, is considered as the turning point in the improvement of disclosure practice in Jordan. Based on a review of prior disclosure studies, we conclude that disclosure practices have improved overtime. We also observe that that firm size as a factor has always affected the level of disclosure in Jordan and followed by external auditing while liquidity was found to have the least effect. The paper also addresses the disclosure items required in Corporate Governance Codes that exist for listed shareholding companies, banks, and insurance companies. Finally, the paper discusses the quality of accounting education in Jordan since prior studies noted its impact on accounting practice.

Keywords : accounting legislation, corporate governance, disclosure practice, Jordan

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