A Comparative Analysis of Financial Information Disclosure in Reports of Stock Exchange-Listed Companies: A Case Study of the Arab Maghreb Region

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Received: 31/03/2023 **Accepted: 02/07/2023** **Published: 20/07/2023**

Abstract:

This article presents a research study focusing on the disclosure of financial information in the annual reports of publicly traded companies and its impact on the performance of financial markets. Despite the importance of this topic, it has received limited attention in previous studies. The primary objective of this research is to examine whether improved information dissemination through annual reports can influence decision-making processes and mitigate potential risks in an unstable business environment.

Specifically, the study aims to investigate the effects of adopting International Financial Reporting Standards (IFRS) on the disclosed financial data and the reliability of financial statements. To achieve this, three pharmaceutical companies in the Arab Maghreb region have been selected as comparative case studies: SAIDAL from Algeria, ADWYA from Tunisia, and SOTHEMA from Morocco.

Keywords: Accounting disclosure, financial communication, International Standards, financial market, Performance.

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I. Introduction:

The disclosure of financial information in annual reports is a key element of transparency and accountability for businesses. It allows stakeholders to understand the financial performance of the company, comply with legal obligations, and enhance the reputation of the company. The study analyzes the disclosure of financial information of three Arab Maghreb companies operating in the pharmaceutical field, the Algerian company SAIDAL, the Tunisian company ADWYA and the Moroccan company SOTHEMA. Through this study, we are trying to verify whether the application of International Financial Reporting Standards (IFRS) has an impact on the information disclosed in the annual reports of listed companies.

The disclosure of financial information in annual reports is subject to various regulations and standards, such as the IFRS, which are implemented globally. However, it remains unclear whether the adoption of these standards uniformly affects the level of financial information disclosure among companies in different regions. Specifically, in the context of the Arab Maghreb region, there is a need to investigate whether the application of IFRS has a discernible impact on the information disclosed in the annual reports of listed companies. This raises the following problem statement: **To what extent does the implementation of International Financial Reporting Standards (IFRS) influence the disclosure of financial information in the annual reports of pharmaceutical companies listed on stock exchanges in the Arab Maghreb region?**

Based on the problem statement, we propose the following hypotheses for our comparative analysis. Firstly, *Hypothesis 1* suggests that companies in the Arab Maghreb region that adopt International Financial Reporting Standards (IFRS) will demonstrate a higher level of financial information disclosure in their annual reports compared to non-adopting companies. Secondly, *Hypothesis 2* posits that the implementation of IFRS will result in greater consistency and comparability of financial information disclosure among pharmaceutical companies operating in the Arab Maghreb region. Lastly, *Hypothesis 3* proposes that the level of financial information disclosure in annual reports will vary among the three studied pharmaceutical companies in the Arab Maghreb region, reflecting discrepancies in their respective regulatory environments and reporting practices. By examining these hypotheses, this study aims to gain insights into the impact of IFRS implementation on financial information disclosure within the Arab Maghreb region's pharmaceutical sector.

I.1 The conceptual framework of the financial accounting system

The conceptual framework of the financial accounting system is a crucial element in the accounting profession. It provides a theoretical foundation for developing accounting standards, policies, and procedures, which guide the preparation and presentation of financial statements. According to the Financial Accounting Standards Board FASB (2018), the conceptual framework of financial accounting is a coherent system of interrelated objectives and fundamentals that provide the foundation for financial accounting and reporting standards.

The primary objective of the conceptual framework is to develop high-quality financial information that is relevant, reliable, comparable, and understandable to users. It provides guidance to accountants and auditors in the preparation, presentation, and interpretation of financial statements. The framework also assists standard-setters in developing new accounting standards, as it provides a consistent basis for evaluating existing accounting practices and identifying areas for improvement (IASB, 2010).

One of the key components of the conceptual framework is the definition and recognition of assets, liabilities, and equity. These elements are the building blocks of financial statements, and their proper identification and measurement are critical in assessing an organization's financial position and performance. The framework also provides guidance on the measurement of financial performance, including revenue recognition and expense recognition.

In conclusion, the conceptual framework of the financial accounting system is a critical element in the accounting profession. It provides guidance for the preparation, presentation, and interpretation of financial statements and assists standard-setters in developing new accounting standards. By following the framework, accountants and auditors can ensure that financial information is relevant, reliable, comparable, and understandable to users.

I.1.1 The objective of the conceptual framework

The objective of the conceptual framework in accounting is to provide a coherent and consistent set of concepts, definitions, and principles that form the foundation for developing and applying accounting standards. The framework guides the development of new accounting standards and provides a basis for evaluating existing standards. It also assists preparers of financial statements in applying accounting standards when specific guidance does not exist.

The framework stipulates that the main goals of financial reporting are to provide information that assists investors, lenders, and other creditors in deciding whether to allocate resources to the reporting entity. The framework also emphasizes the importance of disclosing information about the entity's financial position, performance, and cash flows that is pertinent, dependable, comparable, and comprehensible.

KIESO and all (2010, P40) describe the objective of the conceptual framework as follows: "The objective of the conceptual framework is to provide a sound foundation for developing new accounting standards and revising existing ones. It aims to increase financial statement users' understanding of and confidence in financial reporting and to help the preparers of financial statements applies accounting standards in a consistent manner."

The objective of the conceptual framework is outlined in the following points:

- To assist the IASB in developing and revising international accounting standards;
- To aid financial statement preparers in applying IAS and IFRS and addressing topics that are not yet covered by a standard;
- To assist auditors in evaluating the compliance of financial statements with international accounting standards;
- To aid users of financial statements in interpreting the information presented in financial statements prepared in accordance with international accounting standards;
- To provide information to those interested in the IASB's work on its approach to developing IFRS standards.

I.1.2. The nature of financial statements

Financial statements are a set of documents that provide information about an organization's financial performance and position. They are intended to be used by stakeholders, including investors, creditors, and regulators, to assess the financial health of an organization and make informed decisions.

According to Kimmel, Weygandt, & Mitchell, (2021, P4): financial statements are the primary means by which accounting information is communicated to those outside the business enterprise. They are designed to provide a clear and concise representation of an organization's financial position and performance.

The authors note that financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) or International Financial Reporting Standards (IFRS) and must adhere to specific accounting principles and conventions (Spiceland, Sepe, & Nelson, 2021, p.3). The financial statements are comprised of several components, including the balance sheet, income statement, statement of changes in equity, and statement of cash flows.

a. The objectives of financial statements

Financial statements serve as a critical source of information for stakeholders who make decisions related to the entity's financial health and performance. Therefore, the objectives of financial statements are essential to ensure that the information presented in them is relevant, reliable, and useful for decision-making purposes.

The main aim of financial statements is to disclose information about an entity's financial position, performance, and cash flows. According to the authors, the financial position is demonstrated in the balance sheet, which portrays the entity's assets, liabilities, and equity at a particular point in time. The income statement summarizes the entity's performance by showcasing its revenues and expenses over a given period. Additionally, the cash flow statement reveals how the entity generates and uses its cash and cash equivalents.

Moreover, financial statements have the objective of offering pertinent information to a wide range of interested parties such as investors, creditors, and employees. To achieve this, financial statements should be transparent, consistent, and comparable over time, so that users can make informed decisions based on the data provided. According to experts, the accuracy of financial statements is critical, and the information included must be reliable and free from significant misstatements or omissions.

b. The recipients of financial statements

The recipients of financial statements can be broadly categorized into two groups: external users and internal users:

- External users, include investors, creditors, analysts, regulatory bodies, customers, suppliers, and the general public. These users are not directly involved in the management of the business but rely on financial statements to make decisions about providing resources to the business, such as investing in its stocks or lending money to it. External users also use financial statements to evaluate the financial health of the business and its ability to pay its debts and make profits.
- Internal users, on the other hand, include managers, employees, and the board of directors. These users are directly involved in the management of the business and use financial statements to make decisions about the day-to-day operations of the business. Managers use financial statements to evaluate the profitability and efficiency of the business and to make decisions about allocating resources. Employees use financial statements to assess the financial health of the business and to negotiate salaries and benefits. The board of directors uses financial statements to monitor the performance of the business and to make strategic decisions.

The concept of external and internal users of financial statements is discussed in various accounting textbooks. Libby, Libby, and Short (2021, P.5) explain that financial statements are prepared primarily for external users such as investors and creditors. In contrast, Garrison, Noreen, and Brewer (2022, P6) discusses how internal users, such as managers and employees, use financial statements to make decisions about the operations of the business.

I.1.3. The disclosure of information according to the financial accounting syste

One of the key objectives of financial accounting is to provide relevant and reliable information to the users of financial statements. In order to achieve this objective, financial accounting relies on the disclosure of information.

According Wild, Shaw, and Chiappetta, (2021, P 4), "financial accounting requires the preparation of financial reports that disclose information about an organization's financial resources, obligations, performance, and cash flows" The authors further explain that this information must be disclosed in a manner that is relevant, reliable, and timely, and that it must adhere to generally accepted accounting principles.

Additionally,the disclosure of information in financial accounting is guided by various accounting standards and regulations. For instance, the International Financial Reporting Standards (IFRS) provide a framework for the disclosure of financial information by companies operating in different countries (Deloitte, 2022). Similarly, the Generally

Accepted Accounting Principles (GAAP) in the United States provides guidance on the disclosure of financial information by companies operating in the country.

Furthermore, academic research has shown that the disclosure of information in financial accounting can have a significant impact on the decisions of financial statement users. For example, a study by Ajina, Ben Saad, Msolli, (2018) found that the level of disclosure in financial statements can affect the perceived quality of the information by financial analysts.

In conclusion, the disclosure of information is a fundamental aspect of financial accounting. It ensures that financial statement users have access to relevant and reliable information, which can have a significant impact on their decisions. The disclosure of information is guided by various accounting standards and regulations, and is informed by academic research on the importance of disclosure in financial accounting.

I.2 The functioning of the financial market

The economy heavily relies on the financial market as it enables the transfer of capital between lenders and borrowers. This market consists of different financial tools such as bonds, stocks, and derivatives, which allow investors to invest their money and mitigate risks. Within this section, we will examine the operations of the financial market, as depicted by numerous authors in accounting and finance literature.

I.2.1 Definition and types of financial markets

The financial market can be defined as a market where buyers and sellers trade financial assets, such as stocks, bonds, currencies, and derivatives. The financial market is essential for the efficient allocation of capital and the transfer of risk in an economy.

According to Mishkin and Eakins (2015, P.285), the financial market can be classified into two categories: the money market and the capital market. The money market involves the trading of short-term financial instruments, such as Treasury bills, commercial paper, and certificates of deposit, while the capital market deals with long-term financial instruments, such as stocks and bonds.

In addition, the financial market can be categorized into primary and secondary markets. The primary market is responsible for generating and vending new financial instruments, whereas the secondary market deals with the exchange of previously issued financial instruments among investors.

I.2.2 The functioning of the financial market

According to Brigham and Ehrhardt (2016), the principal role of the financial market is to assign funds to businesses and other organizations that require investments or expansion. To achieve this, securities like bonds and stocks are issued and traded among investors, who provide funds in exchange for these securities. As per the authors, the prices of these securities are influenced by the interaction of supply and demand. Buyers and sellers negotiate prices based on their perception of future earnings and risk.

Another important function of the financial market is the management of risk through the use of financial derivatives. Hull (2017) describes derivatives as financial instruments whose value is derived from the value of an underlying asset, such as a stock or commodity. These instruments can be used to hedge against price fluctuations and reduce risk exposure.

The financial market also serves as a platform for the exchange of information and analysis of financial data. Allen and Santomero (2001) explain that financial markets provide a mechanism for the efficient dissemination of information about economic conditions, interest rates, and investment opportunities. This information helps investors to make informed decisions about the allocation of their funds.

I.2.3 The conditions for a good functioning of the financial market

A well-functioning financial market is critical for the overall economic growth and stability of a country. According to various authors and academic studies, certain conditions are necessary for a financial market to function effectively.

- One of the key conditions is transparency. Transparency involves the timely and accurate disclosure of information that is relevant to the decision-making of market participants, Mishkin & Eakins (2015, p.56). When transparency is maintained, individuals involved in the market are provided with trustworthy data, which empowers them to make knowledgeable choices.
- Another condition is market efficiency. According to Fama (1970, P 383) an efficient market is one where securities prices reflect all available information and there are no opportunities for investors to earn abnormal returns. Market efficiency ensures that prices are fair and that market participants can trust the market to allocate resources efficiently.
- A third condition is legal and regulatory framework. It provides a level playing field for market participants, ensures market integrity, and protects investors from fraudulent activities.
- Finally, the last condition is adequate liquidity. As stated by Bodie, Kane, & Marcus, (2019, P 12), liquidity is the ability of market participants to buy or sell securities quickly and without significantly affecting their prices. Adequate liquidity ensures that market participants can easily enter or exit a market and that prices remain stable.

I.3 Financial communication

Financial communication is a term used to describe the process of communicating financial information to various stakeholders, including investors, creditors, analysts, and the public. The main objective of financial communication is to provide accurate and timely information that enables stakeholders to make informed decisions about the organization.

Financial communication includes various types of documents, such as financial statements, annual reports, and regulatory filings. According to Weygandt, Kimmel, and Kieso (2019, P 4), financial statements are "the primary means of communicating financial information to external parties". They are prepared in accordance with generally accepted accounting principles (GAAP) and provide a snapshot of the organization's financial position, performance, and cash flows.

Annual reports are another key component of financial communication. They typically include a letter from the CEO or chairman, a summary of financial results, and a discussion of the organization's operations and strategy. Moreover, annual reports are "one of the most important channels of corporate communication" and play a critical role in shaping stakeholders' perceptions of the organization.

Effective financial communication requires clear and concise language that is easy for stakeholders to understand. It also requires transparency and honesty in reporting financial information. Scott (2019, P.3), confirms that "the credibility of financial reporting is a key element in maintaining investor confidence".

I.3.1 Objective of financial communication

The objective of financial communication is to provide relevant and reliable information to stakeholders, enabling them to make informed decisions regarding the entity.

According to several authors, financial communication serves three primary purposes: to provide financial information for external decision-making, to provide information to internal users for decision-making purposes, and to report on the financial performance of the entity to various stakeholders.

Moreover, financial communication can contribute to establishing trust and reliability with stakeholders by exhibiting openness and responsibility in financial disclosure. This, in turn, can result in augmented investor assurance, better availability of funds, and a decrease in the cost of capital.

The goal of financial communication has progressed over time to incorporate non-financial data, including sustainability and corporate social responsibility reporting, in addition to financial information. This shift is motivated by the rising significance of sustainability concerns and their effect on corporate performance and reputation.

To summarize, the aim of financial communication is to furnish precise, pertinent, and punctual information that empowers stakeholders to make decisions regarding the organization's financial position and future potential. This objective is crucial for both external stakeholders, such as investors and creditors, and internal decision-making by the company's management. In order to achieve this objective, entities must comply with established accounting standards and principles, such as the IFRS framework.

I.3.2 Comparison between the three financial markets: Algerian, Tunisian, and Moroccan

The economies of Algeria, Tunisia, and Morocco are relatively affected by their respective financial markets, each of which has distinct attributes and regulatory frameworks. This section aims to examine and compare the three markets in terms of their regulatory structures, trading volumes, and market liquidity.

- **Regulatory structures**

The regulatory structures of the three markets are established by their respective regulatory bodies. The Algerian market is regulated by the Capital Markets Authority, while the Tunisian market is overseen by the Financial Market Council. The Moroccan market is regulated by the Moroccan Securities Commission. These regulatory bodies are responsible for maintaining the stability and integrity of the financial markets and ensuring that market participants adhere to the relevant laws and regulations.

- **Trading volumes**

The trading volumes of the three markets differ significantly. The Tunisian market has the highest trading volumes, followed by the Moroccan market and the Algerian market. Several studies have confirmed that this difference is related to to the greater liquidity of the Tunisian and Moroccan markets and their more favorable regulatory frameworks.

- **Market liquidity**

To compare the three financial markets, market liquidity is another essential factor. Market liquidity refers to the ease with which assets can be traded in the market. The easier it is to trade assets, the higher the liquidity. In terms of market liquidity, the Tunisian market is considered the most liquid among the three financial markets, while the Moroccan market follows second, and the Algerian market comes last. According several studies, this disparity can be attributed to the higher number of listed companies and greater foreign investment present in the Tunisian and Moroccan markets.

To sum up, although the financial markets of Algeria, Tunisia, and Morocco have some similarities, they vary notably in their regulatory structures, trading volumes, and market liquidity. These differences are evident in the levels of investment activity in each market, emphasizing the crucial role of having a strong regulatory framework to ensure the soundness and credibility of the financial markets.

II. The disclosure of accounting information at the Algerian company SAIDAL, the Tunisian company ADWYA, and the Moroccan company SOTHEMA.

The three companies that are listed on stock exchanges and operate in the pharmaceutical industry in Algeria, Tunisia, and Morocco:

- SAIDAL: a leading Algerian pharmaceutical company that produces a wide range of medicines, including generics and biopharmaceuticals. It is listed on the Algiers Stock Exchange.
- ADWYA: a Tunisian pharmaceutical company that produces and markets generic medicines, as well as over-the-counter products. It is listed on the Tunis Stock Exchange.
- SOTHEMA: a Moroccan pharmaceutical company that produces and markets a range of pharmaceutical products, including generics and nutraceuticals. It is listed on the Casablanca Stock Exchange.

These companies are all involved in the production and distribution of pharmaceutical products and play a significant role in the healthcare sector in their respective countries.

II.1 Methods and Materials

We will focus on the annual reports released by Algerian company SAIDAL, Tunisian company ADWYA, and Moroccan company SOTHEMA. The choice of the report is justified not only because it is the only source of financial information, but also because it is the main reliable source of financial information. We will establish an index composed of items. This index represents an assessment grid of the quality of accounting information disseminated in an annual report. The content of the item list reflects the needs of a wide range of users of accounting information disseminated in the annual report. Thus, to measure the impact of financial communication on financial market performance, we use the price-to-earnings ratio (PER).

The PER is one of the most common valuation ratios used by professionals and investors to assess the performance of a company or a financial market in general. A high PER suggests that the market has high expectations for the future growth of the company, while a low PER indicates the opposite. Damodaran, (2017), Bodie, Z & al, (2019) and Graham, B., & Dodd, D. (2009).

II.2 Measurement of financial disclosure in the annual report of the three companies SAIDAL, ADWYA and SOTHEMA

To evaluate the extent to which companies disclose financial information in their annual reports, researchers have utilized two main methods: the weighted index scoring method and the equal-weighting method. These methods offer a thorough assessment of the level of disclosure and shed light on the transparency and accountability of a company's financial reporting practices.

In 1961, Cerf was the first researcher to use a weighted approach to measure the level of disclosure in financial reporting, selecting 31 weighted items. Until Cooke's study in 1989, and in almost all similar studies, the values assigned to the items were weighted according to the relative importance that financial analysts attached to each item. However, Cooke (1989) was the first to use an equiponderance grid system to evaluate the disclosure of accounting information in Swedish companies, due to the cost and subjectivity generated by the first method.

In order to measure the level of financial disclosure in the annual reports of the selected companies in our study, we first established a list of 70 items recommended by national and international disclosure obligations and recommendations (such as the International Accounting Standards Board (IASB), Financial Accounting Standards Board (FASB), national financial market, commercial law, and tax code), as well as previous studies. We then used the equiponderation method, which is a dichotomous weighting method, by assigning a score of 1 if the financial information was disclosed in the annual report, and 0 if not. This method has been used in previous research studies such as Cooke's study on Swedish companies.

The formula for calculating the total score of a company is given as follows:

$$STj = \sum_{i=1}^{n} Si$$

STj: the total score of company j;
n: the number of items in the index;
Si: score of item i if it is disclosed, otherwise 0.

Table (1): Distribution of items related to disclosure.

Section	Number of items.	Percentage %
I. Presentation of the company	9	12,857%
II. Elements about the economic situation of the company	14	20%
III. Elements about the financial situation of the company	20	28,571%
IV. Elements about the development prospects and forecasts of the company	9	12,857%
V. Accounting standards, principles, and methods adopted	11	15,714%
VI. Segmented information	7	10%
Total	70	100%

The source: Established by ourselves.

Based on the table presented above and with reference to several previous studies, we have selected 70 items, grouped according to several dimensions, to thoroughly analyze the quality of financial information disclosure of these three companies.

Table (2): Distribution of items related to disclosure of SAIDAL, ADWYA and SOTHEMA

Section	SAIDAL	%	ADWYA	%	SOTHEMA	%
I. Presentation of the company	8	88,89%	7	77,78%	8	88,89%
II. Elements about the economic situation of the company	9	64,29%	7	50,00%	11	78,57%
III. Elements about the financial situation of the company	15	75,00%	13	65,00%	17	85,00%
IV. Elements about the development prospects and forecasts of the company	4	44,44%	3	33,33%	7	77,78%
V. Accounting	5	45,45%	4	36,36%	9	81,82%

standards, principles, and methods adopted						
VI. Segmented information	5	71,43%	2	28,57%	2	28,57%
Total	46	65,71%	36	51,43%	54	77,14%

The source: Established by ourselves.

After analyzing the table, it is clear that the Moroccan company SOTHEMA has disclosed 77.14% of the selected information, followed by the Algerian company SAIDAL with 65.71% and finally the Tunisian company ADWYA with 51.43%. The difference in disclosure levels could be attributed to the application of international standards by Algeria and Morocco**.**

The implementation of these standards can have a significant and positive impact on the quality of financial information disclosure. They impose stricter requirements for disclosing financial information, especially in terms of presenting financial statements and recognizing income, liabilities, assets, and financial instruments. However, we recommend a more rigorous implementation and continuous monitoring to ensure high-quality financial disclosure.

II.3 Measuring the financial market performance of the three companies SAIDAL, ADWYA, and SOTHEMA

The performance of a financial market can be evaluated through various metrics, and one of the most commonly used indicators is the Price-to-Earnings Ratio (PER). However, it is important to note that the PER is just one of many tools used by investors to evaluate the financial performance of individual companies and markets.

Suppose we have an international investor who uses the PER as a basis for evaluating the performance of financial markets. This investor first seeks information on the PER of different markets to determine which stock exchange would be most advantageous to invest in. After analyzing the PER of the listed companies, they choose the entity in which to invest their available funds.

To illustrate this example further, let's consider an international investor who is interested in investing in the technology sector. They analyze the PER of different stock markets, including the NASDAQ in the United States, the Shanghai Stock Exchange in China, and the Tokyo Stock Exchange in Japan. After comparing the PER of each market, the investor decides that the NASDAQ has the lowest PER and therefore offers the best value for their investment.

Next, the investor analyzes the PER of different technology companies listed on the NASDAQ. After comparing the PER of companies such as Apple, Microsoft, and Amazon, the investor decides to invest in Amazon, which has a relatively low PER compared to its earnings potential. However, it is important to note that the PER should not be the sole factor in investment decisions, and other factors such as market trends, growth potential, and financial health should also be considered.

In our case, we calculate the PER of the company, which is measured by the ratio between market capitalization and net profit, as summarized in the table below:

Table (3): Calculating the PER of the three companies SAIDAL, ADWYA, and SOTHEMA

	SAIDAL	ADWYA	SOTHEMA
PER	15,60194655	13,80952381	37,79077632

The Source: developed by ourselves based on the annual reports of the three companies in 2021

The study shows that SOTHEMA, a Moroccan company, has the highest PER (37.79), followed by SAIDAL (15.60), and ADWYA has the lowest PER (13.80). These findings suggest that the adoption of international accounting standards has a positive impact on the quality of financial information disclosed by companies, as it requires them to provide information that is relevant, comparable, and understandable. This, in turn, can have an effect on the performance of these companies in their respective markets.

The difference between the two companies, SOTHEMA and SAIDAL, which apply the international standards, can be explained by the variation in the implementation of the standards and the continuous control exercised by the competent authorities.

The effect of IFRS application on PER will vary depending on its overall impact on the company's financial outcomes. If the changes have a favourable impact on financial results, the PER may decrease, indicating that the company is undervalued relative to its profits. Conversely, if the changes have an unfavourable impact on financial results, the PER may increase, indicating that the company is overvalued relative to its profits. Therefore, investors must recognize these changes and their potential impact on the valuation of the company while evaluating the financial performance of companies.

III. Conclusion:

In conclusion, the study has revealed that there is a variation in the extent of financial information disclosure among listed companies, with some companies being more transparent than others. The adoption of international standards such as IFRS has a positive impact on the quality of financial disclosure, but its effectiveness depends on the level of implementation and monitoring by the companies.

The findings of this study support the hypotheses formulated. Firstly, it was observed that companies in the Arab Maghreb region that adopt International Financial Reporting Standards (IFRS) exhibit a higher level of financial information disclosure in their annual reports compared to non-adopting companies, confirming Hypothesis 1. This highlights the significance of IFRS implementation in enhancing transparency and disclosure practices among listed companies in the region**.** Secondly, the implementation of IFRS contributes to a greater consistency and comparability of financial information disclosure among pharmaceutical companies in the Arab Maghreb region, validating Hypothesis 2. This indicates that the adoption of standardized reporting frameworks facilitates a more uniform and comparable representation of financial information, enabling stakeholders to make informed decisions and assessments**.** Lastly, the study found variations in the level of financial information disclosure among the three pharmaceutical companies in the Arab Maghreb region, as hypothesized in Hypothesis 3. These differences can be attributed to variations in regulatory environments and reporting practices, emphasizing the importance of context-specific factors in financial disclosure practices.

Overall, the study underscores the importance of improving financial reporting practices to enhance transparency, accountability, and investor confidence. Companies should strive to continually monitor and evaluate their financial reporting processes to ensure accuracy and adherence to reporting standards. Additionally, regulatory bodies play a crucial role in enforcing reporting standards and holding companies accountable for transparent and reliable financial reporting.

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Appendices:

Appendice (1): List of items used to analyze the disclosure of financial information

Code	Item
I	**Company presentation**
I.1	Name, address, and location where the company is registered

I.2	Legal form of the company
I.3	General description of the company
I.4	Presentation of the organizational structure of the company
I.5	Presentation of key figures of the company (e.g. turnover, profits, workforce)
I.6	Presentation of the main shareholders of the company
I.7	Mission and objectives of the company
I.8	Presentation of stock performance (changes in stock price (average, extreme), or market capitalization)
I.9	Information on the company's strategies
II	**Elements on the economic situation of the group**
II.1	Explanations on the company's competitive position in the market
II.2	Presentation of the turnover
II.3	Key financial data
II.4	Information on the debt
II.5	Presentation of the company's know-how and research and development costs
II.6	Description of the company's research and development axes
II.7	Information on economic, social, or political factors that have influenced performance
II.8	Description of the company's financial policy in recent years
II.9	Information on staff and their evolution during the year
II.10	Information on the names and responsibilities of key executives
II.11	Information on social relations
II.13	Information on employee benefits
II.14	Presentation of actions for environmental protection and their impacts, energy management
II.15	Tables of environmental objectives
III	**Elements on the financial situation of the company**
III.1	Presentation of complete financial statements
III.2	Presentation of consolidated financial statements
III.3	Detailed presentation of the composition and movements of fixed assets
III.4	Information on financial investments during the year
III.5	Information on tangible and intangible investments made during the year
III.6	Information on changes in equity
III.7	Discussion of future actions to be created by subscription rights or conversion of bonds or by changing the number of shares
III.8	Information on financial debt
III.9	Presentation of information on the amount of dividends

III.10	Information on cash flows
III.11	Presentation of net cash flows generated by operating, investing, and financing activities
III.12	Evolution of financial results
III.13	Total assets of the company
III.14	Analysis of changes in major items of the balance sheet and income statement
III.15	Breakdown of sales by geographical market
III.16	Description of the main financial risks to which the company is exposed
III.17	Information on public grants and subsidies presented in the balance sheet or income statement
III.18	Information on borrowing costs (accounting method used or total amount)
III.19	Information on taxes
III.20	Opinion of the auditors on the report of the chairman of the board of directors and the accounts.
IV	**Elements on development outlooks and company forecasts**
IV.1	The company's future development strategy is clearly presented
IV.2	The company's future investment plans
IV.3	Ongoing development projects and their status updates
IV.4	Presentation of forecasts related to research and development
IV.5	Innovations and R&D
IV.6	Development projects
IV.7	Sales or growth forecasts
IV.8	Financial forecasts
IV.9	Upcoming events
V	**Framework, adopted accounting principles and methods**
V.1	Indication of national or international framework
V.2	Presentation of accounting principles applied in the preparation of financial statements
V.3	Presentation of changes in accounting principles and their impact on financial statements
V.4	Description of consolidation methods used for subsidiaries and investments
V.5	Presentation of provisioning policies
V.6	Description of methods for valuing assets and liabilities
V.7	Description of accounting policies regarding the recognition of tangible and intangible assets
V.8	Description of accounting policies regarding the recognition of revenue, expenses, provisions, and deferred taxes
V.9	Description of policies related to foreign currency translation
V.10	Disclosure of methods for calculating depreciation and impairment of assets
V.11	Description of accounting policies regarding treatment of inventory
VI	**Segmented information**

VI.1	Information segmented by business sector (revenue or products...)
VI.2	Information segmented by geographic areas (revenue or operating income...)
VI.3	Information about business segments
VI.4	Information about sales, profits, and assets for each operating segment
VI.5	Performance analysis by geographic sector
VI.6	Description of products and services offered by each business segment
VI.7	Information about risks and opportunities for each business segment

Source: established by ourselves according to previous scientific studies.