



Joint Call for Papers:

Special Issues on Corporate Disclosures

Accounting in Europe and The British Accounting Review

About the Special Issues

In conjunction with the International Accounting Standards Board (IASB), we invite submissions of papers on diverse aspects of disclosure, and drawing on diverse research methods and approaches. Successful submissions will have potential to demonstrate research impact by contributing to public policy development and in particular the regulation of financial reporting. Submissions are invited under three broad themes. Studies combining two or all themes are especially welcome:

- A. Compliance with Mandatory Disclosure Requirements;
- B. Specific Areas of Interest to the IASB;
- C. Alternative Research Approaches.

We outline each of these in more detail below.

A. Compliance with Mandatory Disclosure Requirements

Lower levels of compliance with disclosures mandated by accounting standards generally result in less, or less meaningful, information. One strand of the literature has focused on compliance with mandatory disclosure requirements.

Theory suggests that the main reason for varying levels of compliance with disclosure requirements is preparers' trade-off between the costs of compliance and non-compliance. There is a lack of empirical evidence to support this. Little is known, also, about how such trade-offs are operationalised and whether this differs across countries with different socio-economic environments. For instance, mandatory disclosure may be lower in environments which encourage managers' reporting incentives to prevail (e.g, where enforcement is low or non-institutional norms encourage such behaviour), or where IFRS Standards' adoption/convergence is perceived as detrimental.

The operation of national and pan-national oversight and enforcement agencies, including their processes, the sanctions at their disposal, and even the relative significance they attribute to compliance, remains unexplored. We also lack evidence on how and to what extent users of financial statements actually process disclosures and whether, and to what extent, they are concerned about (non)compliance. Also, with few exceptions, the evidence we do have is limited to research using quantitative methods.

Finally, the large majority of studies (published in English) on corporate mandatory disclosures relates to disclosures mandated by the IASB. There is therefore a lack of evidence relating to disclosures mandated by other standard setters and policy makers – including those mandating rules on auditing, corporate governance, and other spheres of corporate reporting.

Possible topics under Theme A include, but are not limited to:

- Reasons/motivations for (non-)compliance, including
 - Socio-economic and political explanations
 - Problems arising from standards and/or standard-setting
 - Corporate governance, auditing and enforcement
 - The wording of requirements, translations, diverging interpretations and linguistic hedging
 - Cost/benefits considerations at the firm level
- Quality and content of disclosures
- The use of materiality thresholds by preparers and auditors
- Intended and unintended consequences of requirements and compliance
- Processes/methods of enforcement bodies
- Standard setter, preparer and/or stakeholder perspectives
- Comparative explorations of compliance in diverse settings
- Comparative historical explorations, especially before and after regulatory initiatives
- Digital reporting and compliance
- Principles versus rules
- Theoretical, philosophical or psychological perspectives
- Alternative explanations for observed practice

B. Specific areas of interest to the IASB

- *New standards and disclosure requirements.* Changes to disclosure requirements that aim to improve information available to investors, with special focus on IFRS 9 *Financial Instruments* / IFRS 7 *Financial Instruments: Disclosures*, IFRS 15 *Revenue from Contracts with Customers* and IFRS 16 *Leases*.
- *Targeted Standards-level Review of Disclosures.* In response to feedback on the Principles of Disclosure Discussion Paper (2017), the IASB produced guidance on how it should develop disclosure requirements in Standards. The guidance has been trialled for IAS 19 *Employee Benefits* and IFRS 13 *Fair Value Measurement*. Information is required to assess whether this approach will improve the usefulness of disclosures provided and address the disclosure overload problem.
- *Role of materiality in high quality disclosure and the impact of guidance on materiality.* IAS 1 *Presentation of Financial Statements* includes requirements relating to the presentation of financial statements and defines material information. In 2017 the IASB issued the IFRS Practice Statement 2 *Making Materiality Judgements*. The aim of the Practice Statement was to provide entities with guidance on making materiality judgements when preparing IFRS financial statements.
- *Financial reporting and narrative disclosures.* Extensive disclosures are a feature of financial statements based on IFRS Standards. However, many companies provide additional narrative disclosures. The IASB issued the IFRS Practice Statement *Management Commentary: A Framework for Presentation* in 2010 and is currently revising this Practice Statement and seeking feedback on its proposals.
- *Taxonomy and benefits of tagged financial statements.* The IFRS Taxonomy enables companies to tag the disclosures in their financial statements, including specific tagging of line items and text block tagging of note disclosures. Recently, more regulators have required the tagging of IFRS financial statements (eg the Securities and Exchange Commission (SEC) and the European Securities and Market Authority (ESMA)) and more data aggregators are providing access to tagged information. The electronic tagging of note disclosures provides researchers and users with broader access to disclosures, which may provide new ways of processing data for research purposes.

C. Alternative Research Approaches

Virtually all of the literature on disclosures employs disclosure indices to capture disclosure and compliance levels, and most draws on quantitative methods to examine potential determinants of (non)disclosure.

The aim of this call for papers is also to elicit other forms of evidence than the purely quantitative, since quantitative research cannot capture all factors that influence corporate reporting practices. Qualitative approaches may therefore be better able to shed light on internal organisational influences on corporate disclosure decision, or on users' information processing. Qualitative approaches may also be especially useful to explore the quality and content of disclosures. Thus, although quantitative research is welcome, we are particularly interested in research based on interpretative paradigms and qualitative methods, including, but not limited to, interviews, qualitative surveys, observation, (critical) discourse analysis, interpretative content analysis, as well as normative and conceptual contributions.

Guest Editors:

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Submission and Review Process

Authors are invited to submit their *draft* papers to the guest Editors via e-mail to ioannis.tsalavoutas@glasgow.ac.uk by **31 January 2022**. With this preliminary submission, authors should state

- by which journal (*Accounting in Europe* or *The British Accounting Review*) they wish their paper to be considered for publication, or whether they have not such preference, and
- if relevant, why they believe their paper best fits within the scope of that journal.

By mid-February 2022, authors will be informed whether their paper will be considered for the special issues, and to which journal they are invited to submit. Papers will be subject to the usual double-blind review process. While the IASB is actively encouraging submissions, the review process will be completely independent of the IFRS Foundation and its subsidiary bodies. The editor of *Accounting in Europe* and the joint editors of *The British Accounting Review*, respectively, will oversee the final set of accepted papers prior to publication. It is expected that accepted papers will be published during the **first half of 2023**. There is no submission fee.

Any queries about the special issue should be directed to the guest editors.

Accepted papers will be highlighted on the website of the IFRS Foundation.

Workshop

To enable authors to improve their work and to draw their findings to the attention of standard setters and practitioners in a timely way, authors of selected papers will be invited to present their work at a workshop in June-August 2022 (exact dates to be announced at a later stage), organised by the Adam Smith Observatory of Corporate Reporting Practices (Adam Smith Business School, University of Glasgow).

Each paper will benefit from constructive feedback from one discussant and an open exchange with the invited audience, which will comprise academics and nonacademics (including representatives from the IASB). Authors wishing to present at the workshop should express their interest with their initial paper submission. There is no registration fee. Further

details on the workshop will be provided here:
<https://www.gla.ac.uk/research/az/adamsmithobservatory/> (more information about the event will be live from autumn 2021).