
A Review of IFRS Literature in the Saudi Context

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مراجعة الأدبيات المتعلقة بالمعايير المحاسبية الدولية لإعداد التقارير المالية في
السياق السعودي

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Abstract

Purpose – This paper aims to review the literature on IFRS in Saudi context in order to identify the key areas of IFRS revealed by existing studies.

Design/methodology/approach – Underpinned by a systematic review method including the synthesis of various archival materials, papers from across Saudi Arabia are summarised and categorised under three main themes: IFRS adoption, IFRS versus Saudi GAAP, and IFRS benefits versus costs.

Findings – The findings suggest that institutional variables such as cultural, economic, and educational factors have affected the implementation of IFRS in the Saudi context. Studies that compared principles-based (IFRS) versus rules-based Saudi

accounting (GAAP) indicated that various differences exist between both sets of standards. However, the benefits of IFRS outweigh the costs.

Originality/value – This review finds inadequate research on IFRS in the Saudi context. It finds that majority of the existing studies focus on IFRS adoption, comparing the benefits versus the costs of the standards and also comparing between IFRS and Saudi GAAP. However, a very limited number of studies investigate other important areas including IFRS education and IFRS value of relevance. The findings also reveal that institutional theory is the dominant theory used across the majority of studies in the Saudi context, despite others, such as agency theory and economic theory, also being appropriate for use in studies related to IFRS. Hence, this research attempts to fill a gap in the IFRS literature by covering the relevant studies related to IFRS.

Keywords – Saudi Arabia, Adoption, IFRS, GAAP, Benefits, Costs

1. Introduction

Examining International Financial Reporting Standards (IFRS) adoption, making comparisons between IFRS and national GAAP standards, and determining the benefits versus the costs of IFRS adoption have been frequent subjects of debate in the IFRS literature in developed countries (Cuijipers and Buijink, 2005; Daske et al., 2008; Fox et al., 2013; Awuye and Taylor, 2024). While some studies have investigated these arenas across developing countries (Abd-Elsalam and Weetman, 2003; Zeghal and Mhedhbi, 2006; Nurunnabi, 2012; Tahat et al., 2018; Khlif et al., 2020), there are still few studies addressing IFRS in the Saudi context. Thus, in addressing this gap, it is important to explore IFRS with a key focus on adoption, IFRS versus Saudi GAAP, and IFRS benefits versus costs.

The International Accounting Standards Board (IASB) continues to release IFRS globally, and, so far, thousands of companies in more than 165 nations have adopted IFRS (IFRS Foundation, 2024). Thus, Saudi Arabia is one of these nations, and from 2017 onwards, all Saudi public listed companies were mandated to transition from using Saudi GAAP to IFRS. There are several reasons why Saudi Arabia is the centre of this investigation. Saudi has a distinct and powerful economy compared to other growing economies. This is because Saudi has the largest economy in the Middle East and North Africa (MENA) area, making it a potential site for this study. In addition, the Saudi government is aiming to diversify its economy towards non-oil revenue. Part of the movement towards non-oil income entails attracting more foreign

investment and encouraging the opening of Saudi national markets to the international economy. These economic dynamics in Saudi Arabia prompted the country to adopt IFRS (Nurunnabi, 2020).

The outline of this article is as follows: Section 2 describes the research methods. This is followed by a discussion of the common theories used in IFRS studies in Section 3. Section 4 presents the empirical literature on IFRS adoption, and Section 5 discusses the empirical literature on IFRS versus Saudi GAAP. Section 6 covers the literature on the benefits versus the costs of IFRS and, finally, Section 7 suggests areas for future research and concludes the paper.

2. Research Method

Since 2002, when the IASB agreed to implement IFRS in Europe (European Parliament, 2002), the number of studies on IFRS adoption has increased worldwide. These studies have covered various topics in IFRS, including IFRS versus GAAP, IFRS adoption, the benefits versus costs of IFRS, compliance, and other issues. Our initial literature search revealed numerous studies covering IFRS in the Saudi context. However, to accomplish the main aim of this paper, a full review of relevant literature published between 2006 and 2024 was undertaken. The rationale behind the use of this time period is because Saudi began partially converging to IFRS from 2006 across the banking and insurance sectors. Following this, all Saudi listed companies were required to fully adopt IFRS by the beginning of 2017, with small and medium-sized enterprises (SMEs) following suit shortly afterwards (Nurunnabi, 2020).

2.1 Selection of Papers

Various combinations of keywords were utilised to search for relevant studies on IFRS in the Saudi context. Examples of the keywords include “IFRS in Saudi Arabia”, “IFRS adoption in developing countries”, “IFRS in MENA region”, “IFRS in Gulf Cooperation Council (GCC) countries”, “International Financial Reporting in Saudi Arabia”, “impact of IFRS in Saudi Arabia”, and “implementation of IFRS in Saudi context”. The author searched for accounting literature published by high-ranking publishers, including the American Accounting Association, Emerald, Elsevier, Taylor & Francis, and SAGE, in order to obtain the most relevant studies and to ensure the reliability and credibility of the manuscripts used in this research. The author also targeted studies published in ABS-ranked journals from 2017 to April 2024, and the majority of the studies had high impact factors. However, a large number of studies on IFRS adoption across developing countries were published in non-ISI journals.

This research employed Hoque's (2014) review approach, as follows. The selected studies were categorised based on three themes: IFRS versus Saudi GAAP, IFRS adoption, and IFRS comparability based on the most frequent themes and keywords identified from the selected papers.

2.2 Categorisation of Review Papers

The selected studies related to IFRS in the Saudi context were summarised and categorised into three themes: IFRS

adoption, IFRS versus Saudi GAAP, and the benefits versus costs of IFRS. These main three categories focused on the method(s) employed, theory(-ies) used, key findings, and journals in which they were published.

IFRS Adoption: Table I presents the themes discussed in the IFRS adoption literature. A total of 13 out of 28 studies specifically focus on various areas of IFRS adoption. For example, most of the studies aim to examine IFRS compliance in the Saudi context, while others highlight the institutional factors that impact IFRS adoption. This diversity of studies helps to deliver a broad understanding of IFRS in the accounting literature. With regard to the research tools used, these studies employ various research methods: some use a content analysis approach, interviews, and questionnaire methods, while others use a mixed-methods approach including both content analysis and interviews or questionnaires and interviews.

IFRS Versus Saudi GAAP: Table II lists various studies on IFRS in the Saudi context with a key focus on IFRS versus Saudi GAAP. Here, 5 out of 28 studies discuss the differences between principles-based and rules-based accounting standards in the Saudi context. All five studies were published in ISI journals and mainly employ the content analysis method. One study adds an interview approach alongside the content analysis, while another study employs both interviews and questionnaires.

Benefits versus costs of IFRS: Table III presents the literature related to the benefits and costs of IFRS. The table shows that 10 out of 28 studies focus on arguments around the benefits and costs in the Saudi context. Most of these studies discuss IFRS and attempt to determine whether the benefits of application outweigh the costs, or vice versa. These studies also focus on various areas of IFRS adoption that might be of benefit, although some do not include other advantages that can be contributed from the use of IFRS such as the comparability, transparency and quality of financial reporting as well as attracting further foreign direct investment (FDI) and enhancing value relevance of financial accounting information.

3. Common Theory (Institutional Theory Framework)

The argument for the use of institutional theory (IT) has grown in the accounting literature (Rana and Hoque, 2020). However, many studies highlight the importance of the role of institutional isomorphisms as a dominant theoretical framework in IFRS studies in the context of Saudi Arabia (Nurunnabi, 2015; Nurunnabi, 2017; Mnif Sellami and Gafsi, 2019; Nurunnabi et al., 2020; Al Masum and Parker, 2020; Bakr and Napier, 2022; Nurunnabi et al, 2022; Chehade and Procházka, 2023). The concept of “isomorphism” is identified as “a constraining process that forces one unit in a population to resemble other units that face the same set of environmental conditions” (Powell and DiMaggio, 1983, p. 149). This definition can explain the pressure placed by an institution

onto other institutions in order to make them similar in terms of adoption, strategies, and practices (Deegan and Unerman, 2011). Three subcategories of isomorphism are further distinguished by Powell and DiMaggio (1991): coercive, normative, and mimetic isomorphism. Mimetic pressures take place when organisations simulate the systems of other organisations. This is because they experience uncertainty and anxiety in their surroundings. Coercive isomorphism takes place when external organisations exert their authority over others (Powell and DiMaggio, 1983), while normative pressures are applied to professional organisations when external organisations put pressure on them to act in a way that is similar to that of professionals.

It is noteworthy that the majority of the studies employ institutional isomorphism across the Saudi context. For example, Table I presents the studies covering IFRS adoption, and a large number of these studies employ institutional isomorphism. Nurunnabi (2015) find that culturally related factors, including a lack of enforcement bodies, have an impact on IFRS adoption through the pressures of institutional isomorphism. In terms of the studies presented in Table II, Mnif Sellami and Gafsi (2019) rely on institutional theory to examine the impact of economic factors on IFRS adoption and find that adoption is impacted by economic factors through coercive pressure, which is difficult to access in terms of financial support to implement IFRS in developing countries. However, Table III shows that Nurunnabi

(2018), Nurunnabi et al. (2020), and Nurunnabi et al. (2022) use institutional isomorphism in order to understand the benefits versus the costs of IFRS in the Saudi context.

Table I: Summary of studies on IFRS adoption in Saudi Arabia

S/N	Author(s)	Method(s)	Theory	Key Findings	Journal
1	Zeghal and Mhedhbi (2006)	Content analysis	N/P	Developing countries with a robust level of education, active capital markets, and an European culture are probably to accept IFRS	<i>International Journal of Accounting</i>
2	Al-Shammari et al. (2008)	Content analysis	N/P	IFRS compliance increased over time across GCC countries. However, the highest average complaint was in the UAE, followed by Saudi	<i>International Journal of Accounting</i>
3	AlMotairy and AlTorky (2012)	Questionnaires	N/P	Successful IFRS adoption and understanding are required to integrate IFRS into the accounting curriculum	<i>Journal of Administrative and Economics Science</i>
4	AlMotairy and Stainbank (2014)	Document analysis and interviews	N/P	Noncompliance with IES impeded the success of IFRS adoption	<i>Journal of Business Studies Quarterly</i>
5	Nurunnabi (2015)	Interviews	Institutional theory	Cultural impact on IFRS adoption	<i>Advances in Accounting</i>
6	Alzeban (2016)	Questionnaire and interviews	N/P	Educational factors such as teaching experience and IFRS textbooks impacted positively on understanding IFRS	<i>Journal of International Education in Business</i>
7	Nurunnabi (2017)	Document analysis and interviews	Institutional theory	Factors such as unqualified accountants, a lack of interest in IFRS and cultural impeded the adoption of IFRS in developing countries	<i>Journal of Accounting in Emerging Economies</i>
8	Mnif Sellami and Gafsi (2019)	Content analysis	Institutional theory	Economic factors such as lack of access to public funds from the government impacted IFRS adoption	<i>International Journal of Public Administration</i>

9	Al Masum and Parker (2020)	Interviews	Institutional theory	The IFRS compliance level is impacted by various institutional factors	<i>Qualitative Research in Accounting & Management</i>
10	Abdelqader et al. (2021)	Content analysis	Agency theory and resource dependency theory	The majority of companies did not entirely follow the requirements of disclosing on IFRS	<i>International Journal of Disclosure and Governance</i>
11	Bakr and Napier (2022)	Interviews	Institutional theory	Saudi Arabia adopted IFRS in order to be consistent with other countries	<i>Journal of Economic and Administrative Sciences</i>
12	Kateb and Belgacem (2023)	Content analysis	N/P	Shift costs, changing in accounting practices, and unsatisfactory skilled accountants were factors that impacted IFRS adoption	<i>International Journal of Disclosure and Governance</i>
13	Chehade and Procházka (2023)	Content analysis	Institutional theory	The transition to IFRS makes the accounting information more relevant	<i>Journal of Accounting in Emerging Economies</i>

Note: This table provides a summary of the studies on IFRS adoption in the Saudi context. For each study, the table details the study periods, methods employed for analysis, key findings, and the journal in which it was published. N/A: not applicable.

4. Empirical Literature on IFRS Adoption

The debate on various areas of the adoption of IFRS is extensively discussed in the accounting literature. However, Table I highlights that two schools of thought dominate the literature on IFRS adoption in the Saudi context.

The first stream of studies mainly focus on the impact of institutional variables including cultural, educational, and economic factors on the implementation of IFRS across developing countries (Zeghal and Mhedhbi, 2006; Nurunnabi, 2015; Alzeban, 2016; Nurunnabi, 2017; Mnif Sellami and Gafsi, 2019; Kateb and

Belgacem, 2023; Chehade and Procházka, 2023). For example, Zeghal and Mhedhbi (2006) studied the factors that affect IFRS adoption and found that a high level of accounting education, an active capital market, and European cultural contribute to accepting the implementation of IFRS and making successful use of it. Meanwhile, an inadequate level of understanding IFRS, a lack of qualified accountants, and cultural factors were found to hinder implementation (Nurunnabi, 2017). In consistency with these findings, Alzeban (2016) investigated the factors affecting the application of IFRS concerning accounting education in Saudi with the use of a mixed-methods approach, and stressed that educational factors such as teaching experience and incorporating IFRS textbooks into the accounting curriculum played a key role in enhancing the level of IFRS understanding. Conversely, poor teaching experience, expensive IFRS textbooks, and the high cost of transition were seen as barriers to understanding IFRS and implementing it successfully (AlMotairy and AlTorky, 2012; Nurunnabi, 2017; Mnif Sellami and Gafsi, 2019).

The second stream of studies pay more attention to compliance with IFRS adoption (Al-Shammari et al, 2008; AlMotairy and Stainbank, 2014; Al Masum and Parker, 2020; Abdelqader et al, 2021; Bakr and Napier, 2022; Chehade and Procházka, 2023). For instance, Al-Shammari et al. (2008) investigated the level of compliance with IFRS adoption across GCC countries. Their study used 137 listed companies as a sample

across six countries¹. Their findings indicated that the level of compliance differed from one country to another and from one company to another. However, the highest average level of compliance was found in the UAE, followed by Saudi Arabia; meanwhile, the lowest average level of compliance with IFRS was found in Qatar, followed by Bahrain. Nevertheless, IFRS compliance did increase over time across GCC countries. Similarly, Abdelqader et al. (2021) assessed the level of IFRS compliance of 314 non-financial listed companies within GCC countries. Their findings indicated that none of the selected companies fully fulfilled with IFRS disclosure requirements due to the complexity of the standards. Their findings also indicated that three corporate governance mechanisms, namely, ownership, board independence, and external auditor quality, had a significant effect on the level of compliance with IFRS (Abdelqader et al., 2021). Al-Shammari et al. (2008) measured the level of compliance with IFRS based on size, leverage, internationality, and industry and found that there was variation in compliance across GCC countries, and noncompliance with IFRS was problematic to the functions of external auditors and board members among the listed companies.

¹ These six countries include Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates.

Table II: Summary of studies on IFRS versus Saudi GAAP.

S/N	Author(s)	Method(s)	Theory	Key Findings	Journal
1	Alghamdi (2014)	Questionnaires and interviews	N/P	IFRS was more favourable than Saudi GAAP	<i>Journal of Administrative and Economics Science</i>
2	Nurunnabi (2017)	Content analysis and interviews	Institutional theory	The dissimilarity between Saudi I GAAP and the IFRS are emphasised	<i>International Journal of Disclosure and Governance</i>
3	Hassan (2019)	Content analysis	N/P	Major difference between Saudi GAAP and IFRS with regard to the provision of financial information	<i>Journal of Emerging Issues in Economics, Finance & Banking</i>
4	Ebaid (2022)	Content analysis	N/P	There were no significant differences between IFRS and Saudi GAAP in terms of values of accounting-based performance measures related to profitability, liquidity and leverage	<i>Journal of Money and Business</i>
5	Tlemsani et al. (2024)	Content analysis	N/P	There are significant differences between Saudi GAAP and IFRS in terms of measurement, recognition, and classification of assets and liabilities	<i>Journal of Islamic Accounting and Business Research</i>

Note: This table provides a summary of the studies on IFRS versus GAAP in the Saudi context. For each study, the table details the study periods, themes, methods employed for analysis, key findings, and the journal in which it was published.

4. Empirical Literature on IFRS versus Saudi GAAP

Arguments on principles-based versus rules-based accounting standards are the subject of debate across developed and developing countries (Wells, 2011). Table II presents the literature that makes a comparison between principles-based (IFRS) and rules-based accounting (GAAP) in the context of Saudi Arabia (Alghamdi, 2014; Nurunnabi, 2017; Hassan, 2019; Ebaid, 2022; Tlemsani et al., 2024). In this regard, Alghamdi (2014) employed a mixed-methods approach by distributing 113 questionnaires and interviewing 10 accounting academics, financial managers, and external auditors in order to compare between IFRS and Saudi GAAP. Their findings indicated that IFRS was more beneficial than Saudi GAAP due to the number of benefits that can be generated from IFRS, including attracting FDI and enhancing the comparability across multinational companies. Similarly, Nurunnabi (2017) examined the whether there are differences between IFRS and the Saudi GAAP through the lens of institutional theory and found that 15 of the IFRS standards diverged from the Saudi GAAP. This can be explained by the fact that major variance between both sets of standards still exists in the Saudi context. Consistent with Nurunnabi's (2017) findings, Hassan (2019) confirmed these differences between IFRS and Saudi GAAP and argued that IFRS are rules-based while Saudi GAAP is principles-based in nature. This means that IFRS implementation requires a decent level of

professional judgement, as professional accountants are required to offer an adequate estimation with regard to practical problems, while Saudi GAAP requires accounting transactions to follow the accounting rules set by accounting officials even if these rules are misleading (Alzeban, 2016). The above-discussed studies were contradictory to a study conducted by Ebiad (2020), who argued that there are similarities between IFRS and Saudi GAAP in terms of performance measures of accounting values in relation to the three factors of profitability, liquidity, and leverage.

5. Empirical Literature on Benefits versus Costs of IFRS

The debate on the benefits versus the costs of IFRS implementation has occupied discussions in the IFRS literature across both developed and developing countries (Carini et al., 2011; Fox et al., 2013; Nurunnabi, 2018). However, Table III highlights that a vast number of studies focus on this theme across the Saudi context (Alsuhaybani, 2012; Alnodel, 2018; Alzeban, 2018; Nurunnabi et al., 2020; Alomair et al., 2022; Nurunnabi et al., 2022; Al-Enzy et al., 2023; Ebaid, 2023; Kateb, 2024). For example, Nurunnabi et al. (2018) evaluated the benefits versus the costs of IFRS adoption using institutional theory. Their finding indicated that a limited number of qualified accountants, limited inclusion of IFRS into the accounting curriculum, and limited research projects impede the use of IFRS. Other disadvantages of IFRS adoption are also

highlighted, such as the cost of migration to IFRS, training, consulting, and IT systems (Alsuhaibani, 2012).

While the disadvantages of IFRS adoption are clear, as outlined above, there are also significant advantages. Table III provides some evidence on the benefits of IFRS; Alomair et al. (2022) found that IFRS adoption was beneficial for increasing the value relevance of accounting information and the book value of equity in the context of Saudi Arabia. However, these findings contradict with those of Alnodel (2018), who examined the impact of IFRS on value relevance and earning management and found that the value relevance of accounting information was not positively influenced by IFRS adoption. This was due to the impact of other factors, including companies' attributes – especially profitability – but the adoption did generate benefits in terms of increasing earning management. Table III also reports other benefits of IFRS: Alsuhaibani (2012) emphasised that the use of IFRS was beneficial in enhancing financial reporting in the context of Saudi, while Nurunnabi et al. (2020) concurred that IFRS promotes the comparability of financial reporting, thus helping to minimise the differences between financial reporting in Saudi and other multinational companies. These views were also supported by Nurunnabi et al. (2022), who added that through the use of IFRS, financial reporting can be more comparable, and this may result in more willingness to open up Saudi markets to the international market and improve the relations between them.

However, Ebiad (2023) examined the impact of IFRS on financial reporting and found that one of the disadvantages was the difficulty of reading the annual financial reports under the use of IFRS due to the impact of company size and profitability.

Thus, it can be noted from Table III that IFRS adoption can generate a number of benefits, including attracting FDI, enhancing the comparability of financial reporting, improving relationships between companies, enhancing the quality of financial reporting, and creating effective audit committees. Conversely, the complexity of the IFRS and the migration costs associated with their adoption were identified as disadvantages. Thus, it can be concluded that the benefits of IFRS adoption outweigh the costs (Fox et al., 2013; Alzeban, 2018; Nurunnabi et al, 2018; Kateb, 2024).

Table III: Summary of studies on benefits versus costs of IFRS adoption in Saudi Arabia

S/N	Author(s)	Method(s)	Theory (s)	Key Findings	Journal
1	Alsuhaihani (2012)	Interviews	N/P	The benefits of IFRS adoption include enhanced financial reporting in Tech companies, and the disadvantages are cost of migration to IFRS, training, consulting, and IT systems	<i>Procedia-Social and Behavioural Sciences</i>
2	Alnodel (2018)	Ohlson model (1995) and the Easton–Harris valuation model (1991)	N/P	IFRS adoption increases earning management but negatively impacts value relevance	<i>International Journal of Business and Management</i>

3	Alzeban (2018)	Questionnaires	N/P	IFRS adoption is highly effective when internal audit reported to an audit committee rather than to reported to company's management	<i>Asian Review of Accounting</i>
4	Nurunnabi (2018)	Documentary analysis and interviews	Institutional theory	The benefits of IFRS adoption outweigh the costs	<i>Research in Accounting Regulation</i>
5	Nurunnabi et al. (2020)	Questionnaire	Institutional theory	IFRS adoption enhances comparability of financial statements, offers high-quality financial reporting, and attracts FDI	<i>International Journal of Accounting & Information Management</i>
6	Alomair et al. (2022)	Documentary analysis	N/P	IFRS positively impacts value relevance of accounting information. The value relevance of the book value of equity increase after adoption	<i>Accounting & Finance Journal</i>
7	Nurunnabi et al. (2022)	Documentary analysis	Institutional theory	IFRS adoption enhances the comparability and relevance of financial statements	<i>Journal of International Accounting, Auditing and Taxation</i>
8	Al-Enzy et al. (2023)	Content analysis	N/P	IFRS causes a decline in earnings quality; however, the accounting accrual base increases in IFRS experience in GCC countries	<i>International Journal of Managerial Finance</i>
9	Ebaid (2023)	Documentary analysis	N/P	Corporate financial reporting is more difficult to read under IFRS	<i>Future Business Journal</i>
10	Kateb (2024)	Content analysis	N/P	IFRS adoption impacts earning management negatively but audit committee positively	<i>Journal of Corporate Accounting & Finance</i>

Note: This table provides a summary of the studies on IFRS benefits versus costs in the Saudi context. For each study, the table details the study periods, themes, methods employed for analysis, key findings, and the journal in which it was published.

7. Conclusion

This review examined the existing literature on IFRS in order to understand the nature of IFRS adoption, to compare between Saudi GAAP and IFRS, and determine whether the benefits of IFRS adoption outweighs the costs. This paper discusses various studies published in high-ranking journals. In total, 28 studies covered IFRS in the context of Saudi Arabia; of these, 13 discuss IFRS adoption, 5 compare Saudi GAAP and IFRS, and 10 examine the benefits versus the cost of IFRS adoption in Saudi Arabia. This paper contributes to the existing literature on IFRS where limited studies of IFRS exist. It fills this gap by covering the relevant studies related to IFRS in the context of Saudi Arabia.

The findings suggest that institutional variables such as cultural, economic, and educational factors affect the adoption of IFRS in the Saudi context. For instance, educational factors such as developing a high level of understanding of IFRS, incorporating IFRS textbooks into university accounting curricula, and having an adequate number of accounting academics lead to the successful use of IFRS. Conversely, low levels of IFRS education and economic-related factors such as high transition costs and noncompliance with IFRS impede the transition to IFRS. The review also discussed studies that compared principles-based (IFRS) versus rules-based Saudi accounting (GAAP) and found that various differences exist

between both sets of standards. However, the overall outcome indicated that the benefits of IFRS outweigh the costs.

In terms of limitations, this paper was limited to discussing three themes: IFRS adoption, IFRS versus Saudi GAAP, and the benefits versus costs of implementation. However, other themes can be expanded upon in relation to financial reporting standards, such as IFRS compliance, IFRS education, the impact of IFRS on value relevance and earning management, and the factors that have an impact on IFRS use. Another limitation of this paper was its sole focus on IFRS studies in the context of Saudi Arabia, as this perspective cannot be generalised to represent the status of IFRS in all Middle East nations. Therefore, further cross-country studies could be another avenue for IFRS research on developing countries. This could help to identify the similarities and differences regarding the nature of IFRS across these nations. Finally, the majority of the studies reviewed here employed institutional theory. The research could be expanded by introducing other theories, such as economic and agency theory, into IFRS studies in order to investigate the nature of IFRS from different perspectives.

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