

## Assessment of Disclosure of Financial Information of Selected Insurance Companies in Bangladesh with IASS and IFRSs

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### Abstract:

This paper reviews on the assessment of disclosure of financial information in annual reports of selected insurance companies in Bangladesh and discusses the level disclosures with IASs and IFRSs. Increasingly, the credibility of the annual report does not rely so much on the requirement for the measurement to be accurate, but, to start with, on the relevance of the chosen indicators. The purpose of this study is to identify content analysis using IASs and IFRSs Disclosure to understand more about the effectiveness of financial reporting. Effective financial reporting disclose required information that measures the strength of any company. In order to remove the asymmetry of accounting information worldly, this study has been focused on to analyze getting the actual scenario of disclosure with IFRSs and benefits of fully application of its for insurance companies. Assessing the reports of selected insurance companies, it was seen that the most insurance companies have poor application of IFRSs Disclosure. With the evidence, this study has tried to present the scenario of disclosure with IFRSs in annual reports.

**Keywords:** IAS, IFRS, Disclosure, Insurance Company, Annual Report

### Introduction

Reporting integration can play an important role in bringing these requirements – accuracy and relevance – closer to each other. Getting this right will make a contribution to good corporate governance, both in terms of support for the core governance principles as well as getting the right balance between performance and conformance (John and George, 2012). As financial globalization proceeds, international financial reporting and auditing standards are increasingly becoming important instruments of integration. IFRS provides evidence that accounting quality has economic consequences specially insurance business like others (Epstein and Jermakowicz, 2009). Over the years the business community has admitted that the accounting of “the language of business” and financial information is a form of language. Furthermore, the significance of practices with IFRS for corporate financial reporting of insurance companies in Bangladesh is the core discussion factor of this study. The report will achieve its purpose when investors understand the strategic direction that the board is following, the successes in exercising the strategy, and the risks the company faces and how these influence strategy. An annual report should provide the information that an investor needs to make decisions about whether or not to invest in that entity and one should therefore expect a close alignment with the information included in investor presentations given by management (John and George, 2012). Financial report works as a mirror of an organization, as well as relevant information of corporate report provides a historical evidence and increase corporate value to stakeholders.

### Objective of the Study

The major objectives of this study are to assess the disclosure with IASs and IFRSs of selected insurance companies in Bangladesh and the present scenario disclosure in annual report. There have been specified the following objectives:

- a) to evaluate the disclosure with IASs and IFRSs for insurance business in Bangladesh,
- b) to identify the reason for practicing IASs and IFRSs for insurance business, and
- c) to formulate some specific suggestions to develop disclosure with IASs and IFRSs for insurance.

## Literature Review

Nurunnabi (2012) examined on the implementation of IFRSs in a developing country with the case study of Bangladesh, emphasizing the impact of accounting regulatory frameworks, politico-institutional factors, cultural factors, training opportunities in the accounting profession and corruption. Given those consideration, his study has been tried to identify the pressure of government and non-government authority to present information in annual report. The study suggested that the disclosure level is a useful tool for measuring the performance, understanding and validating of an enterprise. Findings of the research also suggest that, there is a negative influence by accounting regulatory framework of practicing IFRS disclosure requirement.

Bhuiyan and Kamal (2003) examined the commercial banks of Bangladesh follow the underlying standards regarding the preparation of financial statements. In this study, they also made an evolution of the implementation and impact of IAS-30 on accounting and reporting by the banking companies in the country. They used a survey of documents or reports published by the sample banks or units. To see the extent to which different commercial banks are complying with the IASs issued by IASC. The study found that proper accounting and reporting of financial facts helps to develop transparency and accountability, which are very essential for the good governance or efficient corporate governance in banking sector.

Hossain (2014) examined on his study regarding the present condition of Bangladeshi non-life insurance companies' financial reporting disclosure. The objective of his study was financial reporting disclosures, voluntary financial information disclosures, followed regulations in preparing the annual reports, applicable laws, and rules. Disclosure checklist has been made and pre-determined analysis tools have been used to analyze the data. Findings of the study identified that financial reporting disclosure of the whole non-life insurance sector was not satisfactory and the poor disclosure condition indicated the inefficiency of the sector. Proper utilization of resources could be ensured through well financial reporting on a regular basis.

## Development of Accounting Standards in Bangladesh

The Companies Act 1994 does not contain any provision for mandatory observance of the adopted BFRS/BAS in practices (Nurunnabi, 2012). The Chartered Accountants bye-law 1973 has also not been amended to require mandatory compliance of the adopted standards by ICAB members. Despite adoption of BFRS/BAS by ICAB, there was no legal enforceability of these standards till end of 1997. Implementation of the adopted standards was neither backed by law nor professionally mandatory.

## Current Adopting Status of IFRS and IAS in Bangladesh

The legal responsibility for the preparation of financial reporting is company's management. The auditor's responsibility is to express an honest and independent opinion. The auditor also has shown his expert professional opinion on the "truth and fairness" of the financial information. Auditor doesn't suggest regarding regulatory bodies of accounting recording systems. The legal, regulatory framework for financial reporting of corporate entities in Bangladesh is governed by the Companies Act 1994, Securities Exchange rules 1987, and other statutes like Bank Company Act 1991. The professional responsibilities conduct by ICAB by-laws 1973.

The Security and Exchange rules 1987 (rule 12, sub-rule 2&3) were amended in 1997, whereby all issuers/listed entities are required to comply mandatorily with the requirement of all applicable IAS/IFRS (as adopted by ICAB), in the preparation and presentation of their financial statements. Hence, the IAS is adopted by the ICAB as the BAS, now they have a legally enforceable mandatory implementation status for all listed companies in Bangladesh. The ICAB council intends to amend its bye-laws in the immediate foreseeable future to mandate "professional enforceability" of BAS among its members irrespective of whether engaged in the profession, service, business and academia. Table 1 presents the adoption status of International Accounting Standards (IAS) by ICAB as Bangladesh Accounting Standards (BAS).

**Table 1: List of Adopted IAS by ICAB as BAS**

IAS/BAS	Title of Adopted IAS as BAS	Effective Date Applicable on
1	Presentation of Financial Statements	1 Jan, 2007
2	Inventories	1 Jan, 2007
7	Statement of Cash Flows	1 Jan, 1999
8	Accounting Policies, Changes in Accounting Estimates and Errors	1 Jan, 2007
10	Events After the Reporting Period	1 Jan, 1999
11	Construction Contracts	1 Jan, 1999
12	Income Taxes	1 Jan, 1999
16	Property, Plant and Equipment	1 Jan, 2007
17	Leases	1 Jan, 2007
18	Revenue Recognition	1 Jan, 2007
19	Employee Benefits	1 Jan, 2004
20	Accounting for Government Grants and Disclosure of Government Asset	1 Jan, 1999
21	The Effects of Changes in Foreign Exchange Rates	1 Jan, 2007
23	Borrowing Costs	1Jan, 2010
24	Related Party Disclosures	1Jan, 2007
26	Accounting and Reporting by Retirement Benefit Plans	1Jan, 2007
27	Consolidated and Separate Financial Statements	1Jan, 2010
28	Investments in Associates	1Jan, 2007
29	Financial Reporting in Hyperinflationary Economics	Not adopted
31	Interests in Joint Ventures	1 Jan, 2007
32	Financial Instruments: Presentation	1Jan, 2010
33	Earnings per Share	1Jan, 2007
34	Interim Financial Reporting	1Jan, 1999
36	Impairment of Assets	1Jan, 2005
37	Provisions, Contingent Liabilities and Contingent Assets	1Jan, 2007
38	Intangible Assets	1Jan, 2005
39	Financial Instruments: Recognition and Measurement	1Jan, 2010
40	Investment Property	1Jan, 2007
41	Agriculture	1Jan, 2007
	Source: ICAB Report 2013	

Moreover, adoption status of International Financial Reporting Standards (IFRS) by ICAB as Bangladesh Financial Reporting Standards (BFRS) presents in Table 2.

**Table 2: List of Adopted IFRS by ICAB as BFRS**

Sl. No.	IFRS/BFRS	Title of Adopted IFRS as BFRS	Effective Date Applicable on
1	BFRS 1	First-time Adoption of IFRS	1Jan, 2009
2	BFRS 2	Share-based Payment	1Jan, 2007

3	BFRS 3	Business Combinations	1Jan, 2010
4	BFRS 4	Insurance Contracts	1Jan, 2010
5	BFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1Jan, 2007
6	BFRS 6	Exploration & evaluation of Mineral Resources	1Jan, 2007
7	BFRS 7	Financial Instruments: Disclosures	1Jan, 2010
8	BFRS 8	Operating Segments	1Jan, 2010
9	BFRS 9	Financial Instruments	Not Adopted
10	BFRS 10	Consolidated Financial Statements	1Jan, 2013
11	BFRS 11	Joint Arrangements	1Jan, 2013
12	BFRS 12	Disclosure of Interests in Other Entities	1 Jan, 2013
13	BFRS 13	Fair Value Measurement	1Jan, 2013
Latest	IFRS for SME	BFRS for SMEs (Small Medium Size Entities)	1Jan, 2013

Source: ICAB Report 2013

## Methodology

Both qualitative and quantitative data collection techniques were used in the study. Relevant reports, IFRS exposure drafts, Corporate Governance Guidelines, The Companies and Insurance Act, Prudential Guidelines and ICPs were reviewed. As mentioned the study uses quantitative and qualitative approaches. Jankowicz, (2000) defines primary data collection method as: "A systematic and orderly approach taken towards the collection and analysis of data so that information can be obtained from this data". This study used that the common methods of data collection are questionnaires, interviews, and observation.

## Questionnaire survey

This section examined the statistical significance of questionnaire survey and presented the contents of qualitative data for the semi-structured interview. The sample of this part of the current research comprises of fifteen insurance companies. The questionnaire was divided into eight sections. Section one was the information about respondent including the respondent's age, highest qualifications, subject of qualification, work experience, position, and place of work, section two: information about the major reasons for being positive in practicing IFRSs, section three: statements on fundamentals in lower disclosure with IFRSs of insurance company in Bangladesh, section four: knowledge evaluation about accounting and IFRS, section five: carry the statements that practices with IFRS brings benefits to companies, section six: bears the key success factors of practicing IFRSs, section seven: focuses on the effective transition of Bangladesh insurance companies to

IFRS requires. And the last section was narrative discussion where additional questions were included about the enforcement of accounting standards in Bangladesh.

### Interviewees' Background Information

These interviewees were chosen corporate people of selected insurance companies because they play important roles in the implementation of IFRSs of insurance companies in Bangladesh. Fifteen face-to-face semi-structured interviews were carried out during the period from August 2019 to September 2019. These interviews took from 30 to 55 minutes on average. Appendix D shown that 100 per cent of the interviewees hold graduate qualifications and working in corporate level of insurance companies. The appendix table D also shown that the highest percentage of interviewees, which forms at least 80 percent, have work experience of between 16 to 22 years, and over 20 per cent have work experience of 22 years and over. This indicates that the responses of interviewees seem to be reliable. Regarding the subject area most interviewees hold graduation and post graduation. In addition, notes were taken on the major issues raised by respondents, not only for back-up purposes but also as a quick reference during subsequent interviews. The scale of data collection used in this study is the Likert scale. According to (Sugiyono, 2017) the Likert scale can be used to measure attitudes, opinions and perceptions of a person or group about social phenomena. In this study the respondent's answers were assessed with 3 rating points. In order to make scoring of disclosure items, the dichotomous approach has been used under which a required disclosure item scores 1 if agreed, 0 disagreed and 9 no comment.

**Table 3: A Checklist of Perceptions of Interviewees**

Companies	SF 1	SF 2	SF 3	SF 4	SF 5	SF 6	SF 7	SF 8	SF 9	SF 10	SF 11	SF 12	SF 13
Peoples Insurance Company Ltd.	1	1	1	9	0	1	1	1	1	0	1	1	1
United Insurance Company Ltd.	0	1	0	1	1	0	1	0	1	1	0	1	0
Eastern Insurance Company Ltd.	1	1	1	1	0	1	1	1	0	1	1	1	1
Phoenix Insurance Company Ltd.	1	1	0	0	1	1	1	0	1	0	1	1	0
Sandhani Life Insurance Company Ltd.	0	1	0	1	0	0	1	0	0	9	0	1	0
Meghna Life Insurance Company Ltd.	9	1	9	0	1	9	1	9	1	0	9	1	9
Mercantile Insurance Company Ltd.	0	1	1	1	9	0	1	1	1	0	0	1	1
Northern Gen. Insurance Company Ltd.	1	1	1	0	1	1	1	1	9	1	1	1	1
Rupali Life Insurance Company Ltd.	9	9	0	1	1	9	9	0	0	0	9	9	0

Continental Insurance Ltd.	0	0	0	1	1	0	0	0	1	1	0	0	0
Sunlife Insurance Company Ltd.	1	1	0	1	0	1	1	0	1	0	1	1	0
Fareast Islami Life Insurance Co. Ltd.	0	1	0	9	1	0	1	0	9	1	0	1	0
Dhaka Insurance Ltd.	1	0	1	0	9	1	0	1	0	9	1	0	1
Global Insurance Ltd.	1	1	0	1	1	1	1	0	1	0	1	1	0
Asia Insurance Ltd.	0	1	0	0	0	0	1	0	0	1	0	1	0

SF = Statement on Fundamentals, n=15, '1'= Positive Perceptions, '0'= Negative Perceptions, & '9'= No Comment

The idea behind the qualitative research is to purposively select interviewees who can help the researcher to understand the specific problem and the research question (Creswell, 2007). Qualitative research does not necessarily suggest a large number of participants, as are found in quantitative research (Patton, 2001). Therefore, Miles & Huberman (1994) suggest six to eight interviews are enough to justify the results. Similarly, the present study considers 15 interviews and this does not represent a very large data set; the data are therefore analysed manually.

### Limitations of Interviews

Some limitations arisen from conducting the interviews. By contrast, the account preparers and professionals seemed hesitant to talk about government intervention and it is possible that the account preparers and professionals feel under pressure (Nurunnabi, 2012). This interview faced the following limitations.

Firstly, some of the interviewees cancel their appointments, and in some cases the waiting time too long. Some interviewees suggested to study annual report and answer with 'yes/no' and/or 'no comment' and are reluctant to explain much.

Another limitation of the research was the small sample size of the interviews. It may be argued that conducting more interviews could have obtained a deeper insight into the issues at hand.

Although this group of people was undeniably important to the effective implementation of IFRSs, it was not easy to interview this group in Bangladesh. The researcher contacted those leaders several times but they were not interested in participating in the study.

Finally, access to some relevant information for making further analysis was not possible such as written comments (narrative discussion) of the members of the official committee which formed.

### Reliability and Validity Test of Interviews' Data

Table 2 represented the reliability and validity of interview's data. Neuman (2000) defines reliability as 'dependability and consistency'. During the research process, some concerns may arise, such as errors and bias.

a. Validity Test

Validity test is used to measure the validity or validity of a questionnaire, a questionnaire is declared valid if the question in the questionnaire is able to express something that will be measured by the questionnaire (Ghozali, 2016). Testing is done by correlating the scores of items for each item with a total score. If the correlation is less than 0.30 then the item question in the instrument is declared invalid. Instrument item is declared valid if the pearson correlation value is more than 0.30.

**b. Reliability Test**

Reliability test is a tool to measure a questionnaire which is an indicator of a variable. A questionnaire is said to be reliable or reliable if someone's answer to the statement is consistent over time. To find out whether a variable is reliable or not, a statistical test is performed by looking at the value of Cronbach Alpha (Ghozali, 2016). If the value of Cronbach Alpha is above 0.70, the questions used to measure these variables are "reliable". And vice versa, if the value of Cronbach Alpha is below 0.70, the questions used to measure the variable are "unreliable". Table 2 indicated the result of Cronbach Alpha 0.737, which was reliable.

**Table 4: Summary of Validity and Reliability Test**  
**Case Processing Summary**

		N	%
Cases	Valid	15	100.0
	Excluded <sup>a</sup>	0	.0
	Total	15	100.0

**Case Processing Summary**

		N	%
Cases	Valid	15	100.0
	Excluded <sup>a</sup>	0	.0
	Total	15	100.0

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

Cronbach's Alpha	N of Items
.737	13

Measurement of validity and reliability is absolutely necessary, because if the instrument used is invalid and reliable, then the research is invalid and reliable, (Sugiyono, 2017).

## Findings of the Interview

A summary of the findings in relation to the fifteen interviews from selected insurance companies are provided below: With respect to the statement of respondents, the evidence suggests that the most of companies have lower disclosure with of IFRSs. There are several reasons (Statements on Fundamentals) have been identified in interview questionnaire; high cost of adoption of IFRS, the high levels of corruption in Bangladesh have a negative influence on implementing IFRSs, listed companies can violate the SEC's regulations, and can satisfy the relevant authority (e.g. the SEC, tax officials etc.) through their political connections, lack of professional ethics among auditors and company accountants is inhibiting effective IFRSs implementation, Bangladesh has a more secretive culture as company managements are less likely to pursue a high level of disclosure, deficiencies in the training opportunities in accounting profession are influence on IFRSs implementation, 'Big 4' and other large companies, a majority of companies are reluctant to provide training for their company accountants, the accounting regulatory frameworks in Bangladesh have a negative influence on implementation IFRSs, low quality investor protection laws in Bangladesh, the Companies Act 1994 has not been updated regarding IFRSs and relatively looser enforcement of the laws, for non engage the stakeholders in the setting of standards, politico-institutional factors have a negative influence on the implementation of IFRSs in Bangladesh, and lack of good governance and cooperation as well as non-penalty criteria among the institutional bodies in government in Bangladesh which are hindering the effective implementation of IFRSs (Appendix-A ).

Statements on Fundamentals-1, High cost of adoption of IFRS: Table 5 given information about percentages of statement of interviewees about "High cost of adoption of IFRS" and shown that 47% of respondents were agreed, 40% disagree and rest of 13% respondents did not express opinion with the statement among 15 interviewees.

Statements on Fundamentals-2, The high levels of corruption in Bangladesh have a negative influence on implementing IFRSs: In terms of the statement the table 5 shown that 80% of respondents were agreed positively, 13% of respondents disagreed and rest of 7% respondent did not make any comment with the statement among 15 interviewees.

Statements on Fundamentals-3, Listed companies can violate the SEC's regulations, and can satisfy the relevant authority (e.g. the SEC, tax officials etc.) through their political connections shows the extent of disclosure with IFRS for the study period: Table 5 given result about the percentages of statement of interviewees and it shown that 33% of respondents were agreed positively, 60% of respondents disagreed and rest of 7% respondent did not do any comment with the statement among 15 interviewees.

**Table 5: Summary of Interview Results**

Companies	SF 1	SF 2	SF 3	SF 4	SF 5	SF 6	SF 7	SF 8	SF 9	SF 10	SF 11	SF 12	SF 13
Peoples Insurance Company Ltd.	1	1	1	9	0	1	1	1	1	0	1	1	1
United Insurance Company Ltd.	0	1	0	1	1	0	1	0	1	1	0	1	0
Eastern Insurance Company Ltd.	1	1	1	1	0	1	1	1	0	1	1	1	1
Phoenix Insurance Company Ltd.	1	1	0	0	1	1	1	0	1	0	1	1	0

Sandhani Life Insurance Company Ltd.	0	1	0	1	0	0	1	0	0	9	0	1	0
Meghna Life Insurance Company Ltd.	9	1	9	0	1	9	1	9	1	0	9	1	9
Mercantile Insurance Company Ltd.	0	1	1	1	9	0	1	1	1	0	0	1	1
Northern Gen. Insurance Company Ltd.	1	1	1	0	1	1	1	1	9	1	1	1	1
Rupali Life Insurance Company Ltd.	9	9	0	1	1	9	9	0	0	0	9	9	0
Continental Insurance Ltd.	0	0	0	1	1	0	0	0	1	1	0	0	0
Sunlife Insurance Company Ltd.	1	1	0	1	0	1	1	0	1	0	1	1	0
Fareast Islami Life Insurance Co. Ltd.	0	1	0	9	1	0	1	0	9	1	0	1	0
Dhaka Insurance Ltd.	1	0	1	0	9	1	0	1	0	9	1	0	1
Global Insurance Ltd.	1	1	0	1	1	1	1	0	1	0	1	1	0
Asia Insurance Ltd.	0	1	0	0	0	0	1	0	0	1	0	1	0
Positive Perception 102/195	7/ 15	12/ 15	5/ 15	8/ 15	8/ 15	7/ 15	12/ 15	5/ 15	8/ 15	6/ 15	7/ 15	12/ 15	5/ 15
or 52.30%	47 %	80 %	33 %	53 %	53 %	47 %	80 %	33 %	53 %	40 %	47 %	80 %	33 %
Negative Perception 73/195	6/ 15	2/ 15	9/ 15	5/ 15	5/ 15	6/ 15	2/ 15	9/ 15	5/ 15	7/ 15	6/ 15	2/ 15	9/ 15
or 37.43%	40 %	13 %	60 %	33 %	33 %	40 %	13 %	60 %	33 %	47 %	40 %	13 %	60 %
No Comment 20/195	2/ 15	1/ 15	1/ 15	2/ 15	2/ 15	2/ 15	1/ 15	1/ 15	2/ 15	2/ 15	2/ 15	1/ 15	1/ 15
or 10.25%	13 %	7 %	7 %	13 %	13 %	13 %	7 %	7 %	13 %	13 %	13 %	7 %	7 %



Statements on Fundamentals-12, Politico-institutional factors have a negative influence on the implementation of IFRSs in Bangladesh: Table 5 also indicated that the percentage of agreed respondents were 80%, disagreed 13% and rest of 7% did not make any comment with the statement among 15 interviewees.

Statements on Fundamentals-13, Lack of good governance and cooperation as well as non-penalty criteria among the institutional bodies in government: In the table 5, it was noticed that 33% of respondents were agreed on it, 60% of respondents disagreed and rest of 7% respondents did not have any comment with the statement among 15 interviewees.

The result of survey of participants revealed (Table 5) that more than 52% respondents were agreed with the statements of lower disclosure with IFRS, average 37.43% respondents disagreed and 10.25% did not comment with the statements in the questionnaire. The interview findings reveal that there are contradictions between the local laws and IFRSs. For instance, the Companies Act 1994 does not require mandatory IFRSs compliance or compliance with BRPD Circular No.14 and IFRS 7 (Nurunnabi, 2012).

## Conclusion

The findings of the study strongly suggest that the disclosure with IFRS brings positive impact and come a business into a single route of reporting system globally, which results are consistent other studies. Besides, the results of identifying lower disclosure with IFRSs and IASs have supported positively and necessarily there have a lot of opportunities addressing both IFRS and the regulatory authorities applying in insurance company in Bangladesh. In order to overcome the backward situations, and to take part in global market, there have a rich prospect of practicing IFRS. Moreover, the study has also expressed hope and expectation on the modernization of the insurance sector in Bangladesh competing with its neighbors.

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## Appendix A: List of Statements on Fundamentals in Lower Disclosure with IFRS

Sl. No	Statements on Fundamentals	Short Form
1	High cost of adoption of IFRS	SF 1
2	The high levels of corruption in Bangladesh have a negative influence on implementing IFRSs	SF 2
3	Listed companies can violate the SEC's regulations, and can satisfy the relevant authority (e.g. the SEC, tax officials etc.) through their political connections	SF 3
4	Lack of professional ethics among auditors and company accountants is inhibiting effective IFRSs implementation	SF 4
5	Bangladesh has a more secretive culture as company managements are less likely to pursue a high level of disclosure	SF 5
6	Deficiencies in the training opportunities in accounting profession are influence on IFRSs implementation.	SF 6
7	'Big 4' and other large companies, a majority of companies are reluctant to provide training for their company accountants	SF 7
8	The accounting regulatory frameworks in Bangladesh have a negative influence on implementation IFRSs	SF 8
9	Low quality investor protection laws in Bangladesh	SF 9
10	The Companies Act 1994 has not been updated regarding IFRSs and relatively looser enforcement of the laws	SF 10
11	For non engage the stakeholders in the setting of standards	SF 11
12	Politico-institutional factors have a negative influence on the implementation of IFRSs in Bangladesh	SF 12
13	Lack of good governance and cooperation as well as non-penalty criteria among the institutional bodies in government	SF 13

## Appendix B: A Checklist of Statements on Fundamentals in Lower Disclosure with IFRS (interview based)

Sl. No	Companies	Respondents	Statements on Fundamentals												
			SF 1	SF 2	SF 3	SF 4	SF 5	SF 6	SF 7	SF 8	SF 9	SF 10	SF 11	SF 12	SF 13
1	Peoples Insurance Company Ltd.	General Manager	1	1	1	9	0	1	1	1	1	0	1	1	1
2	United Insurance Company Ltd.	Manager	0	1	0	1	1	0	1	0	1	1	0	1	0
3	Eastern Insurance Company Ltd.	Manager & In charge	1	1	1	1	0	1	1	1	0	1	1	1	1
4	Phoenix Insurance Company Ltd.	Deputy Manager & In charge	1	1	0	0	1	1	1	0	1	0	1	1	0
5	Sandhani Life Insurance Company Ltd	Manager	0	1	0	1	0	0	1	0	0	9	0	1	0
6	Meghna Life Insurance Company Ltd.	Manager	9	1	9	0	1	9	1	9	1	0	9	1	9
7	Mercantile Insurance Company Ltd.	Manager	0	1	1	1	9	0	1	1	1	0	0	1	1
8	Northern Gen. Insurance Company Ltd.	Chief Executive Officer	1	1	1	0	1	1	1	1	9	1	1	1	1
9	Rupali Life Insurance Company Ltd.	Manager & In charge	9	9	0	1	1	9	9	1	1	1	0	0	1
10	Continental Insurance Ltd.	Assistant Manager & In charge	0	0	0	1	1	0	0	0	1	1	0	0	0
11	Sunlife Insurance Company Ltd.	Manager & In charge	1	1	0	1	0	1	1	0	1	0	1	1	0
12	Fareast Islami Life Insurance Co. Ltd.	Branch Manager	0	1	0	9	1	0	1	0	9	1	0	1	0

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13	Dhaka Insurance Ltd.	Branch Manager	1	0	1	0	9	1	0	1	0	9	1	0	1
14	Global Insurance Ltd.	Chief Executive Officer	1	1	0	1	1	1	1	0	1	0	1	1	0
15	Asia Insurance Ltd.	AVP & Head of Branch	0	1	0	0	0	0	1	0	0	1	0	1	0

It indicates Agree = '1' = positive perceptions , Disagree = '0' = negative perceptions, & No Comment = '9';

## Appendix C: QUESTIONNAIRE

### Questionnaire about disclosure with IFRS in Corporate Financial Reporting Dear respondents,

I am attempting to identify disclosure with IFRS in corporate financial reporting for your company. In order to achieve my aim, I would like to hear your ideas, opinions, or impressions about practices with IFRS. I would be very grateful if you would spend a bit of your valuable time to fill out the following questionnaire. I assure you that the information obtained will be exercised for educational purpose only.

**Instruction for filling the questionnaire: Please put cross mark (use √) Tick to your choice:**

#### 1) Demographic profile

<b>Name (optional)</b>		
<b>Membership No.</b>		
<b>Gender</b>	Male	
	Female	
<b>Age (in Years)</b>		
<b>Employment</b>	Self practices	
	Employed in audit firm	
	Employed in industry	
<b>Area of Specialization</b>	Accounts	
	Audit	
	Taxation	
<b>Experience</b>	0-5	
	5—10	
	10—15	
	Above 15	

2) Please rank the following “**Major Reasons**” for being positive in practicing IFRS

(1 for most preferred & 6 for least preferred)

Sl. No	Major Reasons	Ranks
1	Transparency	
2	Comparability	
3	Investment opportunity	
4	Mandatory application of it	
5	Better corporate governance	
6	Existence of uniform accounting system	

3) To which extent you agree with following **statements on fundamentals** in lower disclosure with IFRSs:

(A- Agree, DA- Disagree, NC- No Comment)

Sl. No.	General Statements	A	DA	NC
1	High cost of adoption of IFRS			
2	The high levels of corruption in Bangladesh have a negative influence on implementing IFRSs			
3	Listed companies can violate the SEC’s regulations, and can satisfy the relevant authority (e.g. the SEC, tax officials etc.) through their political connections			
4	Lack of professional ethics among auditors and company accountants is inhibiting effective IFRSs implementation			
5	Bangladesh has a more secretive culture as company managements are less likely to pursue a high level of disclosure			
6	Deficiencies in the training opportunities in accounting profession are influence on IFRSs implementation			
7	‘Big 4’ and other large companies, a majority of companies are reluctant to provide training for their company accountants			

8	The accounting regulatory frameworks in Bangladesh have a negative influence on implementation IFRSs			
9	Low quality investor protection laws in Bangladesh			
10	The Companies Act 1994 has not been updated regarding IFRSs and relatively looser enforcement of the laws			
11	For non engage the stakeholders in the setting of standards			
12	Politico-institutional factors have a negative influence on the implementation of IFRSs in Bangladesh			
13	Lack of good governance and cooperation as well as non-penalty criteria among the institutional bodies in government			

4) **Knowledge Evaluation** - please choose the field that best suits to you:

Sl. No.	Statement	Very Little	Little	Mediocre	Much	Very Much
1	Do you have general accounting knowledge?					
2	Do you have software accounting knowledge?					
3	How informed are you in relation to IFRS?					
4	Are you aware of the Pros/Cons of practicing IFRS?					
5	Do you believe that you will meet barriers during the applications of IFRS?					
6	Do you consider that the cost of applying IFRS exceeds entities' abilities?					
7	Do you believe that different standards should be adopted, adaptable to users' need?					

8	Do you think auditors, accountants and accounting students are ready for the application to IFRS?					
9	Do you believe that existing accounting software are compatible with IFRS?					

5) To which extent you agree with following statements that practices with IFRS brings **benefits to Companies**:

(A- Agree, DA- Disagree, NC- No Comment)

Sl. No.	Statements	A	DA	NC
1	IFRS would simplify the process of preparing the individual and group financial statements			
2	It will improve analysis of information for decision making			
3	Accuracy & reliability of accounting information will be enhanced			
4	Better inter- company comparison of financial statements			
5	Accuracy & reliability of reported earning and financial position improved			
6	Merger/Acquisition became easy			
7	IFRS brings better corporate governance			
8	Better access to capital market (including foreign investors)			
9	It will reduce cost of capital			
10	Ease of using one consistent reporting standard in subsidiaries from			

11	will make internal audit easier and less costly			
12	Harmonize internal and external reporting by creating a single accounting language			
13.	It will facilitate better business risk management			

6) To which extent you agree with following **key success factors** for IFRS practices:

Sl. No.	Key Success Factors	A	DA	NC
1	Implementation of IFRS would reduce information asymmetry and would subsequently smooth the communication between managers, shareholders, lenders and other interested parties			
2	Bangladeshi corporate sectors have sufficient fund for practices with IFRS			
3	Executive and board support to practice with IFRS			
4	Professional support with IFRS experience			
5	Bangladesh have sound system of corporate governance			
6	Self enforcement by companies			
7	IFRS cover both qualitative and quantitative aspects of accounting			
8	IFRS will help the accountants and auditors to prevent frauds done by companies accountant			
9	IFRS presents opportunities for small and medium size firm to grow			

- 7) Effective transition of all Bangladeshi insurance companies to IFRS requires followings steps (please rank 1 for most preferred and 6 for least preferred )

Sl. No.	Requirements	Ranks
1	IFRS training for investors	
2	IFRS training for management	
3	IFRS training for auditors	
4	IFRS education in the accounting curriculum	
5	IFRS training for accountants	
6	Accounting training for CFOs	

- 8) What according to you is the single most important reason for Bangladesh and should switch to IFRS?  
9) What according to you is the single most important reason for Bangladesh and should not switch to IFRS?  
10) Please provide below any additional observations or comments with respect to practices with IFRS:  
11)

*Thank you so much for sharing your valuable information and for giving your precious time to me.*