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The Utilization of Artificial Intelligence by Commercial Banks and Its Effect on Accounting Disclosure in Compliance with Transparency Mandates: Evidence from the Iraqi Stock Exchange

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Abstract. Artificial intelligence (AI) has emerged as a significant development in the accounting sector in recent years, with extensive ramifications across many fields, including business. Consequently, accounting scholars and professionals must stay abreast of this progress to identify present and future solutions to challenges that accountants and auditors in the corporate sector may face due to these applications. The current study aims to investigate the type of artificial intelligence (AI) applications in Iraqi commercial banks listed on the Iraq Stock Exchange, their impact on accounting disclosure, and their adherence to transparency rules. A questionnaire was created with four major sections: demographic data, evaluation of AI applications and transparency requirements, and the extent to which disclosure in these banks meets international transparency criteria. To collect credible data on the use of AI in the Iraqi banking sector, a questionnaire was issued to 191 participants, including accountants, internal auditors, academics, and financial professionals. Descriptive statistics were employed to assess the validity and reliability of the demographic data. The study hypotheses were based on simple and multiple linear regression with the least squares approach. The study found that there is a 53% correlation between the utilization of artificial intelligence and accounting disclosure. In comparison, the correlation premium for transparency standards was 60.6%, with a statistical significance of 0.00. Most Iraqi banks in the study sample use artificial intelligence systems, which improve the quality and openness of financial reporting. Furthermore, Iraqi banks are dedicated to transparency norms to some degree. The rulings underline the need for regulatory structures and procedures that permit the widespread use of contemporary technology to create transparency and financial sustainability, hence increasing investor and stakeholder confidence in the Iraqi financial market.

Keywords. Artificial intelligence, accounting disclosure, transparency, commercial banks

1. Introduction

The banking industry is entering a rebellious period, marked by ongoing technical developments and a trend toward modern banking services based on artificial intelligence (AI). Consumer expectations have shifted, with a focus on features like payment gateways, quick transactions, and flexible banking options. However, customers confront security risks, privacy concerns, and technological complexity with AI-based banking. Financial organizations confront considerable challenges in providing responsive banking services that effectively use technology resources (Niroula & Adhikari, 2024). According to several research, AI applications in the banking and finance sectors improve banks' financial performance by increasing return on assets (Emmanuel et al., 2024). Institutions must continue to invest in AI technologies to improve operational transparency and accountability. There is a strong correlation between AI and transparency, implying that AI improves governance and decision-making processes. It improves stakeholders' understanding of AI-derived insights while also increasing confidence and trustworthiness (Shaban & Omoush, 2025). Shareholders often respond positively to AI announcements, believing they will assist explain bank performance. As a result, banks might boost their disclosures to emphasize the positive effects of AI on their operations. Disclosures about AI also have an impact on performance indicators. Regulators and policymakers might therefore set regulations and norms for AI disclosures, ensuring that AI-related actions are disclosed in annual reports (Alzoghoul & Alsharari, 2025). AI improves the quality of data and information used in accounting and disclosure (Manaf, 2025). Furthermore, these applications improve the performance of accounting information systems (AIS), especially in terms of financial accuracy, fraud detection, and compliance (Baromaorcid, 2025).

Increasing AI transparency and accountability necessitate ongoing advancement and adaptation. As AI technologies evolve and new challenges emerge (Cheong, 2024), legal frameworks must be developed that ensure transparency while maintaining accountability and protecting fundamental human rights, as well as facilitating judicial oversight (Al-Shawabkeh & Al-Jasmi, 2025). The spread of AI into industries such as healthcare, finance, and telecommunications presents serious ethical questions about openness, justice, and privacy. Handling these concerns is critical for the advancement of AI technology (Saengtabtim et al., 2025). AI applications help to achieve transparency and sustainable development. They also incorporate the United Nations' Sustainable Development Goals, which emphasize institutional transparency. (Subías-Beltrán et al., 2024), Moreover, underline the significance of responsible governance and transparent processes to build public trust and improve service delivery through AI integration. These institutions may encounter difficulty in developing the norms, rules, and regulations required for AI transparency. Balancing privacy and openness, protecting intellectual property rights, and addressing security issues are all complex challenges. Transparent, adaptable, and sector-specific regulatory frameworks are required to keep up with rapid AI breakthroughs (Lund et al., 2025). The purpose of this study is to assess the use of AI applications and their impact on disclosure and accounting transparency, identifying the most significant benefits and drawbacks of these applications in terms of disclosure and transparency in the financial statements of commercial banks listed on the Iraq Stock Exchange. The findings of this study will help regulators, investors, stakeholders, and government agencies working to promote openness in Iraq.

2. Literature review

2.1 Artificial intelligence applications in banking

AI technologies have evolved because of the use of big data in financial and non-financial institutions in developed and some emerging countries, as well as the application of apparatus knowledge techniques to investigate historical data and forecast future trends (Zhang et al., 2020). This application has yielded dramatic changes in a variety of sectors, including accounting and finance. AI not only mimics human capabilities but also strives to improve and transcend them, outperforming traditional human performance (Fernández, 2019). AI's flexibility and adaptability allow it to effectively absorb and assimilate external input and then use that information to achieve specified goals and activities. Organizations are increasingly utilizing artificial intelligence (AI) to enhance the accuracy and efficacy of financial operations by automating repetitive tasks such as daily entry recording, account reconciliation, and financial and non-financial data analysis. So, AI algorithms are used to forecast financial risks, detect mistakes and fraud, and assess data sets in order to improve decision-making (Chukwudi et al., 2018). AI employs cutting-edge technologies to allow computer programs to simulate intelligent behavior by analyzing large datasets, hence boosting financial forecasting, reporting, and control systems (Mustafa et al., 2023).

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Artificial narrow intelligence (ANI) refers to systems that are designed to accomplish specific activities within a restricted scope and are unable to expand beyond their established functions. Artificial general intelligence (AGI) refers to skills like human intellect that enable it to reason, gain knowledge, and make judgments across different disciplines. This type exhibits the ability to solve issues and understand different settings on its own, without the need for prior instructions or programming. Artificial superintelligence (ASI) is intelligence that outperforms human intelligence, including analysis, creativity, and self-learning (Milgrom et al., 2018). The use of AI in accounting provides significant benefits, such as invoicing, forecasting cash flows, developing accurate financial strategies, improving the quality of accounting information, financial reporting, and internal auditing (Chukwuani & Egayi, 2020; Dina & Nermin, 2023; Saleem et al., 2023; Mirzaie, 2025). Artificial intelligence is being closely scrutinized due to its high purchase and training expenses. Managers and accountants struggle to determine ownership and accountability when errors or fraud occur, revealing a fundamental flaw in this system (Mirzaie, 2025).

AI technologies enhance reliability by allowing robots to function constantly, therefore reducing manual labour and minimizing the time required for report generation and information retrieval for external stakeholders. The primary challenge hindering the proliferation of AI technologies and tools is the absence of trust. This issue arises from the complexities inherent in the internal processes of automation and AI algorithms, leading to concerns regarding their reliability and transparency (Kadhim & Wahhab, 2024).

2.2 Accounting Disclosure and Trust in Financial Reports

Accounting practices rely on interconnected regulations that hold the measurement, exhibition, and disclosure processes in general-purpose financial statements. The purpose of these conventions is to deliver essential financial information to diverse user groups (Hussein & Wahhab, 2023). Corporate disclosure under international accounting standards is a critical factor in facilitating the efficient operation of capital markets. The demand for financial reports and the degree of disclosure regarding significant events are crucial for closing the information gap between management and external investors (Kilic & Kuzey, 2018). Accounting disclosure is a rudimentary principle of financial accounting, as it offers clear, exhaustive, and accurate financial information to users of financial statements, facilitating informed economic decisions (Mohammed et al., 2024). Delivering accurate information regarding a company's financial status and overall interpretation, encompassing both financial and non-financial, as well as quantitative and qualitative aspects, facilitates an objective evaluation of the company's risks and value (Ghasempour & Yuosf, 2014). Troupes must identify the type of information to disclose, the recipient of the disclosure, and the method and form of the disclosure (Taylor & Francis, 2020). Accounting disclosure ascribes the financial aspects of a company's accounting information for both external and internal stakeholders, facilitating knowledgeable decision-making regarding ongoing investments in these entities (Jebur & Naeem, 2023), as well as comprehension of the company's operational outcomes and financial standing (Chiyad, 2024). The Iraqi Companies Law No. 21 of 1997, as amended, requires that companies disclose information in their accounts.

Besides, accounting standard AS-1 necessitates the disclosure of all significant accounting policies used in preparing financial statements. Non-disclosure of these policies may impair users' capacity to perform accurate assessments and make informed decisions. The consequence of accounting disclosure has increased due to the rapid changes in the economic and financial geography, alongside the advent of international accounting standards (Singh, 2021). The practice of accounting disclosure encourages meaningful comparisons among the financial statements of different economic units within a single company, functioning as an effective mechanism for investors and shareholders in their investment decision-making processes. The requirement of reliable information enhances the credibility of financial statements (Mustafa et al., 2023). These statements are distinguished by detachment, accuracy, and timeliness, which assist investors in understanding companies' business results and financial positions during specific current and future periods, as well as management's plans for future forecasts (Ibrahim et al., 2019). Furthermore, the clear and explicit presentation of disclosed accounting information and earnings per share at the end of the period, without misleading shareholders, will bolster stakeholder confidence (Chiyad, 2024).

2.3 Transparency and trust in financial reporting.

Transparency includes an introductory principle of contemporary accounting methods. It is considered a fundamental aspect of effectual governance and accounting transparency. This

pertains to the provision of precise and dependable information to all stakeholders, presented clearly and promptly, facilitating informed economic decisions based on objective data. Feyzollah et al. (2023). Blockchain technology shows transparency through its provision of tamper-proof and immediately verifiable financial data. This capability enhances the precision of financial reporting, reduces the likelihood of fraud, and sustains compliance with regulatory requirements (Baroma, B. S., 2024). This provides stakeholders with access to dependable and verifiable financial information, thereby enhancing trust and mitigating the risks of manipulation and fraud (Addy et al., 2024). Accounting transparency mandates that the information in financial statements be precise and accurately represents the actual financial condition. They must be prepared by generally accepted accounting standards and consistently adhere to these standards across different periods within the company and between companies. This allows comparison and performance analysis, as well as objectivity and integration between the company and other stakeholders through clarity, texture, and timely information provision (Weber et al., 2024).

Transparency is vital for promoting trust among economic units, investors, and stakeholders. Authentic and transparent data disclosure fosters financial transparency, enhancing investor and shareholder confidence in financial institutions, diminishing the likelihood of manipulation and fraud, and promoting overall stability within the financial sector. It enhances the capacity to forecast risks. Transparency facilitates the early detection of imaginable crises through the disclosure of data, including outstanding loans and default rates. This allows economic entities to implement proactive strategies to prevent potential financial crises (Feyzollah et al., 2023). Investigators assert that it encourages adherence to international financial standards, ensuring economic units align with frameworks such as IFRS, thereby improving their global ranking. It additionally mitigates administrative and financial corruption. Artificial intelligence and apparatus learning techniques facilitate the detection of abnormal patterns in financial data, thereby aiding in the early monitoring of dubious and fraudulent activities (Baroma, B. S., 2024). The utilization of artificial intelligence improves the precision of accounting information. Artificial intelligence techniques, including machine learning and predictive analysis, facilitate the accurate and efficient processing of extensive financial data, enabling the identification of errors and the differentiation between accurate and inaccurate information. This aids in delivering dependable financial information that improves accounting transparency (Sun et al., 2024).

3. Research Method

3.1 Aims and Objectives

The study's goal is to analyze the link between misunderstanding and the impact of artificial intelligence applications, accounting disclosure, and transparency standards. It's also aims to increase accounting disclosure and openness in Iraqi banks. Increase confidence in financial statements and protect the Iraq Stock Exchange from potential crises caused by banks' deficient disclosure, whether due to the implementation of artificial intelligence or its absence.

3.2 Methods

The study population comprised accountants, internal auditors, and financial analysts from Iraqi commercial banks listed on the Iraq Stock Exchange, along with academic specialists and auditors from auditing firms associated with these banks. A questionnaire was developed to address the study problem and achieve its objectives. A random sample was selected from the study population, and 191 electronic questionnaires were distributed; all were deemed valid

for analysis. The questionnaire comprised three axes and included thirty items. Each of the three variables included ten questions. The questionnaire consisted of two components. The initial section focused on demographic data, including gender, age group, certification, professional experience, and academic or professional specialization. The second section was allocated for questionnaire items. This section's first axis examines issues related to the independent variable, specifically artificial intelligence applications. The second axis represents the first dependent variable, accounting disclosure, whereas the third axis pertains to inquiries related to the second dependent variable, transparency standards. The hypotheses of the study were analyzed statistically, and the results were reported. Demographic data were analyzed to evaluate the questionnaire's validity using IBM SPSS, employing correlation tests, simple and multiple linear regression with the least squares method, and descriptive statistics. The subsequent regression equation was employed to evaluate the hypotheses:

$$DCL = B_0 + B_1(AI) + e_{it} \dots \dots (1)$$

$$\blacksquare \quad DCL = B_0 + B_1(TRS) + e_{it} \dots \dots (2)$$

$$\blacksquare \quad DCL = B_0 + B_1(AI) + B_2(TRS) + e_{it} \dots \dots (3)$$

DCL = the dependent variable (Accounting Disclosure).

B_0 = The regression equation's constant represents the accounting disclosure value when the Artificial intelligence equals zero.

$B_1(OTH)$ = The slope of the regression function, which measures the effect of the independent variable (Artificial intelligence) on the dependent variable (accounting disclosure).

$B_1(AI)$ = The slope of the regression function, which measures the effect of the independent variable (Analytical and Evaluation) on the dependent variable (Audit Planning by IAS 300).

$B_2(TRS)$ = The slope of the regression function, which measures the effect of the

e_{it} = Estimation errors or so-called statistical residuals.

3.3 Problem of the study

Notwithstanding considerable progress in artificial intelligence technology, accounting disclosures in Iraqi banks continue to exhibit substantial flaws in transparency and accuracy. This results from inadequate disclosure, prompting inquiries over artificial intelligence's capacity to enhance this disclosure by contemporary transparency standards. This study's problem is articulated through the following questions:

- What is the effect of implementing artificial intelligence in Iraqi banks on accounting disclosure?
- What is the effect of implementing artificial intelligence in Iraqi banks concerning transparency standards in financial reports?
- What is the effect of implementing artificial intelligence in Iraqi banks on accounting disclosure to fulfil transparency requirements in financial reports?

3.4 The hypotheses:

To address the study's problem, hypotheses were developed based on a review of the literature, practical experience, and interviews with specialists from commercial banks listed on the Iraq Stock Exchange. The study's questions are as follows:

- There is no significant relationship between the application of artificial intelligence in Iraqi banks and accounting disclosure.

- There is no significant relationship between the application of artificial intelligence in Iraqi banks and the transparency requirements in financial reporting.
- There is no significant relationship between the application of artificial intelligence in Iraqi banks and accounting disclosure according to transparency requirements.

4.Results and testing of study hypotheses

4.1 Results

An analysis of the sample's responses indicates that the standard deviation for the independent variable (artificial intelligence) was 1.333, for the first dependent variable (accounting disclosure) 1.190, and the second dependent variable 1.267. At the detailed level, 52% of respondents agreed that commercial banks use accounting systems based on artificial intelligence technologies, while 23% were neutral. The remaining 25% disagreed, as some banks have yet to use these technologies. 75.9% of respondents believe that artificial intelligence technologies contribute to detecting errors or manipulation in financial data, 77.5% agree that these technologies are used to predict future cash flows, and 89% agree that the use of artificial intelligence in commercial banks will contribute to improving the quality of financial reports. As for the sample members' answers regarding the first dependent variable (accounting disclosure), the high agreement rate of 91.1% of respondents indicated that the Iraqi Commercial Bank relies on international accounting standards in preparing financial reports.

In comparison, the percentage of neutrals was 6.3%. In comparison, those who disagreed with this paragraph amounted to 2.6%, which indicates that financial reports must be committed to disclosure by the requirements of international standards. 89% of respondents agreed that the financial reports of Iraqi commercial banks contain sufficient information to understand the financial position of the bank. In comparison, 65% of them agreed that the disclosure of the banks in the sample study discloses all important financial operations without hiding any facts of economic events from stakeholders. 84.8% agreed that Iraqi commercial banks issue their financial reports promptly and without delay, and 77% agreed that these banks disclose accounting policies in their financial reports. In addition, the results showed that 74.8% confirmed the commitment of these banks to disclosing potential risks that may affect their financial performance.

Regarding their financial performance, 18.3% of respondents were neutral, and 6.8% disagreed, indicating a lack of disclosure by some of these banks, which requires investigating the reasons and analyzing the results. Furthermore, 78% believe that Iraqi banks use artificial intelligence technology tools to improve the quality of accounting disclosure. We note that the percentage is close to the percentage of disclosure of potential risks, indicating that the remaining percentage that the banks did not disclose is related to banks that did not use artificial intelligence technology. Furthermore, 67% agree that accounting disclosure in Iraqi commercial banks is in line with international best practices. As for the second dependent variable (transparency requirements), 82.7% agreed that the bank is committed to the principles of transparency in all its financial transactions. In comparison, 6.8% disagreed with them and 10.5% were neutral. 73.8% agreed that banks provide accounting information to internal and external users transparently, and 91.1% agreed that the banks in the study sample are committed to international accounting standards about enhancing disclosure and transparency in their financial reports.

4.2 The scale for the study variables

The table below shows the correlation between each variable in the study using Cronbach's alpha, using the relative segmentation method to obtain results related to the reliability of the scale used.

Cronbach's Alpha	Parts	Value & N of Items	Artificial intelligence	Accounting disclosure	Transparency requirements
	Part 1	Value	.625	.746	.736
N of Items		5 ^a	5 ^a	5 ^a	
Part 2	Value	.671	.803	.628	
	N of Items	5 ^b	5 ^b	5 ^b	
Total N of Items		10	10	10	
Correlation Between Forms			.817	.761	.792
Spearman-Brown Coefficient	Equal Length		.899	.865	.792
	Unequal Length		.899	.865	.884
Guttman Split-Half Coefficient			.896	.864	.877

The results of the above round indicate that the number of questions for each variable is 10, with a total of 30 questions for the three axes, and they were divided into five individual questions for each axis. It was found that the Cronbach's Alpha correlation coefficient for artificial intelligence, which measures the value of the constant, was 62.5% for the first section and 67.1% for the second section. As for accounting disclosure, the reliability rate for the first section was 74.6% and for the second section 80.4%. As for transparency requirements, the reliability rate was 73.6% for the first section and 62.8% for the second section. To find the relationship between the two sections for the independent variable, the results showed that the correlation coefficient is 81.7%, and for the first dependent variable (accounting disclosure), 76.1%, and for the second dependent variable (transparency requirements), 79.2%. The Guttman Split-Half Coefficient is 89.6% for the independent variable, 86.4% for the first dependent variable, and 86.4% for the second dependent variable. 87.7%, which is all higher than the statistically acceptable 70%, indicating the reliability of the questions in the three axes of the questionnaire.

4.3 Results of testing the study hypothesis

The first hypothesis: **(There is no significant relationship between the application of artificial intelligence in Iraqi banks and accounting disclosure).**

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. Change
1	.530 ^a	.281	.277	1.01242	.281	73.894	1	189	.000
a. Predictors: (Constant), Artificial intelligence									
b. Dependent Variable: Accounting disclosure									

Table No. 2 above indicates the Pearson correlation coefficient between the independent variable (artificial intelligence) and the first dependent variable (computing disclosure). The value of R between the variables reached 0.530, and R Square reached 0.281, which represents the "explanatory power" of the model used. That is, the independent variable (artificial intelligence) explains 28.1% of the variance in the dependent variable (accounting disclosure). The standard deviation of the estimation error was 1.01242, which is a very low number. The lower the standard deviation, the more it explains the statistical power of the model. The significance level reached 0.00.

Table 3. Regression significance test for the first hypothesis^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	75.741	1	75.741	73.894	.000 ^b
	Residual	193.725	189	1.025		
	Total	269.466	190			

a. Dependent Variable: Accounting disclosure
b. Predictors: (Constant), Artificial intelligence

Table 3 displays the results of the ANOVA analysis to test the significance of the regression. We note that the calculated F value reached 73.894, which is greater than its calculated tabular value (1.189) according to the degrees of freedom df. The mean square of the residuals reached 75.741 at a significance level of less than 5%, and the level of significance of the Sig test reached 0.000 for artificial intelligence.

Table 4. Standardized and unstandardized coefficients for testing the first hypothesis^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.562	.420		10.869	.000
	Artificial intelligence	.474	.055	.530	8.596	.000

a. Dependent Variable: Accounting disclosure

Table 4 shows that the regression equation constant reached 4.562, and the slope of the regression equation reached 47.4%. These values demonstrate the effect of the independent variable (artificial intelligence) on the first dependent variable (accounting disclosure) through the coefficient B. The positive coefficient value indicates a direct effect between the independent variable and the first dependent variable. In practical terms, a one-degree increase in the independent variable (artificial intelligence) leads to a 47.4% increase in the first dependent variable (accounting disclosure), with all other independent variables held constant. Notably, the significance level of the independent variable is an impressive 0.00, well below the acceptable error of 0.05. This signifies that the sample data provides compelling evidence for accepting the alternative hypothesis of a statistically proven effect (De Pastino, 2022). The result is a significant effect of artificial intelligence on accounting disclosure, a finding that inspires us to explore the practical implications of this relationship. The regression equation can be reformulated as follows:

$$DCL=4.562+0.8474 \times \varepsilon_i \dots \dots \dots (2)$$

The second hypothesis: **(There is no significant relationship between the application of artificial intelligence in Iraqi banks and the transparency requirements in financial reporting.)**

Table 5. Standardized and unstandardized coefficients for testing the second hypothesis ^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.604	.422		8.538	.000
	Artificial intelligence	.580	.055	.606	10.477	.000

a. Dependent Variable: Transparency requirements

Table 5 shows that the regression equation's constant reached 3.604 and the slope reached 58%, demonstrating the effect of (artificial intelligence) on the second dependent variable (transparency requirements) via the coefficient B. The coefficient's positive value shows that the independent variable has a direct effect on the second dependent variable. In other words, anyone-degree rise in the independent variable (artificial intelligence) results in a 58% increase in the second dependent variable (transparency requirements), assuming all other independent factors remain constant. It should be noted that the independent variable's significance level reached 0.00, which is less than or larger than the previously specified tolerable error of 0.05. This signifies that the sample data offered sufficient evidence to support the alternative hypothesis of a statistically significant effect. The result is that artificial intelligence has a substantial impact on transparency standards. The regression equation can be recast as follows.

$$TRS=43.604+0.580 \times \epsilon_I \dots \dots \dots (3)$$

The third hypothesis: **(There is no significant relationship between the application of artificial intelligence in Iraqi banks and accounting disclosure according to transparency requirements).**

Table 6. Pearson's correlation between study variables

		Transparency requirements	Artificial intelligence	Accounting disclosure
Pearson Correlation	Transparency requirements	1.000	.606	.471
	Artificial intelligence	.606	1.000	.530
	Accounting disclosure	.471	.530	1.000
Sig. (1-tailed)	Transparency requirements	.	.000	.000
	Artificial intelligence	.000	.	.000
	Accounting disclosure	.000	.000	.
N	Transparency requirements	191	191	191
	Artificial intelligence	191	191	191
	Accounting disclosure	191	191	191

Table 6 displays the variables in the correlation matrix. The independent variable (artificial intelligence) had a correlation coefficient of 47.1% with the first dependent variable (accounting disclosure). The correlation between the independent variable and the second dependent variable (transparency requirements) is statistically significant. The study variables are directly proportional, with a statistical significance of less than 0.01 for the independent variable (artificial intelligence), the first dependent variable (accounting disclosure), and the second dependent variable (transparency requirements).

Table 7. Standardized and unstandardized coefficients for testing the third hypothesis ^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.589	.526		4.920	.000
	Artificial intelligence	.475	.064	.496	7.436	.000
	Accounting disclosure	.222	.072	.208	3.110	.002

a. Dependent Variable: Transparency requirements

Table 7 reveals that the regression equation's constant was 2.589, and the slopes were 47.5% and 22.2%, respectively, suggesting the impact of AI on the first dependent variable (accounting disclosure) and the second dependent variable (transparency requirements) via coefficient B. A positive coefficient shows that the independent variable has a direct effect on the first and second dependent variables. In other words, an increase in any score in the independent variable (AI) results in a 47.5% increase in the variable (accounting disclosure) and a 22.2% increase in the second dependent variable (transparency requirements), providing that all other independent variables remain constant. It is worth mentioning that the independent variable's significance threshold was 0.00, indicating that the sample data supplied enough evidence to support the alternative hypothesis of a statistically significant effect. As a result, AI has an impact on transparency standards through accounting disclosure. The regression equation can be rephrased as follows.

$$AI = 2.589 + 0.475 + 0.222 \times \epsilon_1 \dots \dots \dots (4)$$

The figure below exhibits the dependent variable's normal distribution (transparency criteria).

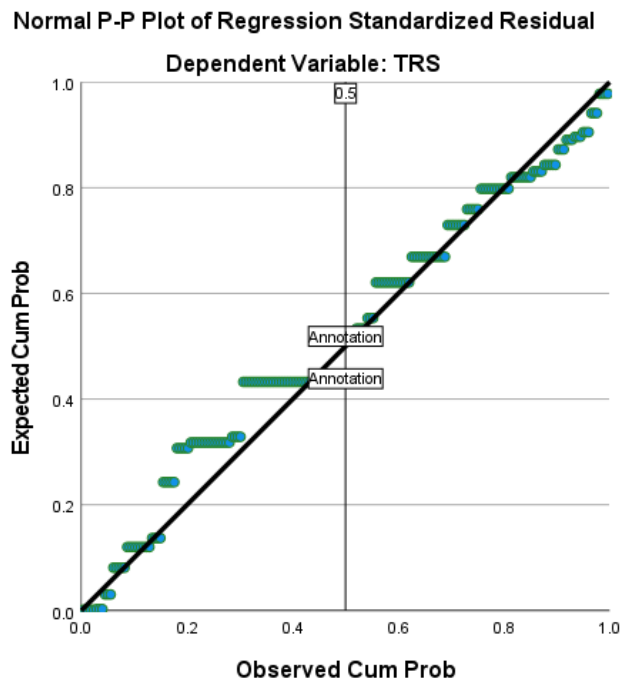


Figure 1: Normal distribution of transparency requirements data

The figure above depicts a dispersion of points along or near a straight line, showing that the residuals are normally distributed. This indicates that one of the prerequisites for regression analysis has been met.

5 Conclusions

The advancements observed by the Iraqi banking industry are among the most sophisticated among other sectors, due to its connection to international correspondent banks, whose electronic systems are partially interconnected, presenting it with a continually expanding technological environment. Nevertheless, numerous uncertainties persist concerning disclosure by transparency standards because of Iraq's intricate economic situation. This is because the capital owners of these institutions have links and interests with some Iraqi politicians, according to the analysis. Still, AI opens many possibilities for banks to be more open and transparent with their financial reports, which is excellent news for Iraqi banks and other financial institutions. This will help them improve their financial performance, deliver better client service, and remain in compliance with regulations that are evolving more crucial on a worldwide scale. The large and diverse flow of comprehensive financial and non-financial information creates an undeniable urgent need for adequate disclosure to users of financial reports, which has become extremely important considering today's dynamic financial landscape, as the provision of timely information is crucial for making informed strategic investment decisions, which impacts the Iraqi economic environment. Moreover, on a more extensive level. Having the backing of banks is crucial for financial experts to gather and provide pertinent information, which can significantly aid investors in understanding and navigating the nuances of financial markets. The ability of AI to digest massive amounts of information created by AI-based computer systems not only results in more accurate disclosures but also ensures that financial data is available to customers as soon as possible. As a result, Iraqi commercial banks gain from much lower costs in creating this information, while also

instilling confidence in the Iraq Stock Exchange, whose customers rely on the integrity and efficiency of banks' financial data, which the exchange publishes on its website. Iraqi commercial banks can better manage their operations thanks to the effectiveness of AI-powered solutions, which support and reward their interactions with stakeholders and customers. Finally, this strategy prepares the way for pioneering advances and innovations in Iraq's banking industry, which have the prospect of revolutionizing the way banking services are supplied and employed by both consumers and enterprises. Supplying advanced analytical tools to these banks' decision-makers would help them better evaluate financial performance and predict risks, fostering a more inclusive and accessible financial system. Iraqi banks will be able to integrate artificial intelligence into their accounting systems and benefit from global best practices in financial disclosure, transparency, and accountability if they make proper investments in AI.

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