

# Chapter 7

## Perceived Benefits of IFRS Adoption in Morocco and French Speaking Sub-Saharan African Countries

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### **ABSTRACT**

*This chapter aims to study, by using a sample of 75 practitioners and researchers in accounting, the consequences of the International Financial Reporting Standards (IFRS) adoption on the qualitative characteristics of financial reporting in 12 African countries: Morocco and 11 French speaking Sub-Saharan African Countries. Two main findings can be highlighted in this research. Firstly, more than half of all Moroccan- and French-speaking Sub-Saharan African respondents consider that the adoption of IFRS improves “highly” or “very highly” the reliability (52%), the relevance (57.4%), and the comparability (54.7%) of their financial reporting. Secondly, Moroccan professionals and researchers in accounting are more concerned than their French-speaking Sub-Saharan African colleagues by the adoption of IFRS to improve the relevance and the understandability of the financial reporting. For the two other qualitative characteristics (reliability and comparability), the difference in means is not significant.*

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## INTRODUCTION

Over the past two decades, especially after the adoption of IFRS (International Financial Reporting Standards) in 2005 by the European Union for consolidated accounts and the financial crisis of 2008, IFRS has been the subject of many research studies around the world. Most of these studies have been conducted in European and Asian countries (Tawiah and Boolaky, 2020). In Africa, this type of research is still rare and dominated by Anglophone African countries such as South Africa (Coetzee and Schmulian, 2013; Sellami and Fendri, 2017; etc.), Ghana (Aboagye-Otchere and Agbeibor, 2012; Appiah et al., 2016; Coffie and Bedi, 2019; etc.), Kenya (Bova and Pereira, 2012), Nigeria (Osinubi, 2020; Oluwagbemiga, 2021; etc.), Zimbabwe (Chamisa, 2000; Kenneth and Grazyina, 2013; etc.), Zambia (Kabwe et al. 2021); etc. These researches studied the adoption, the compliance and the consequences of IFRS.

Unfortunately, very few studies have been done in Africa on the consequences of the IFRS adoption. Tawiah and Boolaky (2020) found “four ranked papers specifically on the consequences of IFRS in Africa and 19 articles that included some African countries. Of these 19 articles, only four included more than three African countries in their sample. Most of the studies that claimed to include Africa only considered South Africa”. In addition, the results obtained of empirical studies are generally mixed (Tawiah and Boolaky, 2020). In Zimbabwe, Chamisa (2000) showed the conclusion that the IASC standards (IFRS now) are relevant to Zimbabwe and similar capitalistic developing countries. Also, the study of Hessayri and Saihi (2018) done in Morocco, South Africa and Turkey found an increase in equity investment following the IFRS adoption. On the other hand, the study of 34 African countries, Nnadi and Soobaroyen (2015) confirmed a negative relationship between IFRS adoption and FDI.

In addition, in North Africa and French speaking Sub-Saharan African Countries, the international of financial reporting standards are very rarely studied. It is true, according to the study done by Akisik et al. (2020) between 1997 and 2017, that Anglophone and common-law African countries adopt IFRS more than French-speaking countries. Degos et al. (2019) explain this situation by “the significance of the interaction between the ex-colonization and the indigenous accounting standards, the importance of key actors and the level of the educational institutions”. Certainly, this situation changed with the IFRS adoption of OHADA countries in 2019.

In this context, this article aims to study, with a sample of 75 practitioners and researchers in accounting, the consequences of the IFRS adoption on the qualitative characteristics of financial reporting in 12 African countries in two different regions: North Africa represented by Morocco and 11 French speaking Sub-Saharan African Countries. We will try to answer three main questions:

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