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The Importance and Requirements of the Application of the International Financial Reporting Standard IFRS 9 (In Reducing Potential Financial Default .Applied Study in Islamic Banks

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Abstract
Much of the economy is affected by factors that limit growth and cause financial crises for many of the s acts of worship that operate within it , and that there is no doubt it is investigating the financial default and bankruptcy on various kinds .Led Collapse Some Major Companies Own During Contract the past And effect the crisis Finance Which Updated Recently to me Shed the light On Importance Pressing To manage Risks As a a tool Allows Dealing With Risks That lead to real tripping And processed within border Reasonable) .Cihan and Estefan, 2010, p. 2.Financial and economic studies have given serious importance to overcoming the financial problems facing companies in various business sectors and banks in particular, and in a report by UNCTAD at the United Nations Conference on Trade and Development in 2014 that Test Short at Public 2009 And half the first From Public 2010 , For measures Expansive Finance at Confrontation the threat Direct For a crisis Finance International Severe The brunt, Include Mix User policies at Economies Advanced, In degrees Varying, Mix From Financial procedures and policies or not at that leads to a plus confidence Investors, And elasticity Market the work, and more Competitiveness, And the relevance and reliability of the data and information contained therein Budgets Banks in various investment decisions .(UNCTAD, 2014, p. 8).The-Box criticism International that essence the reasons Leading Insolvency Financial he is Expansion at Grant Credit And trading Loans and create Deposits Proportions Excessive And deal By derivatives Finance the list On Gambling And betting, And getting into Operations Investment Related Risks High No Fit And ability Bearing Institutions Financing Nor Consistent and categorized (Farhan, 2010), (Orabi & Abdous, 2012)
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The study Problem:
Saw international accounting standards in the recently the finest rapid developments, was to issue new standards and the replacement of old standards with new ones important role in helping to solve the problems facing the business sectors of various kinds, it came to replace the application of International Accounting Standard IAS 39) , (The international standard for reporting financial) IFRS 9 Includes new methods of classification, measurement and impairment in financial instruments and provisions when preparing financial reports to become applicable in early 2018.

The problem of the study came to discuss the requirements of reducing the expected financial default around the credit operations in the most vulnerable financial companies, namely the banking sector, through the provision of financial provisions to meet the expected losses of credit and financing operations that may falter in the future due to economic conditions Prevailing in most countries of the world, which is overshadowed by the financial recession that would affect any financial debt and predict a default in the future.

The instructions of the Central Bank of Jordan in November 2017 to emphasize to all banks operating in Jordan of the need to make substantial changes in their financial systems and the mechanism of granting financial funds and study the causes of possible default according to expectations and economic changes and hedging.
Thus, the elements of the study problem can be formulated by the following question :

Is there a role for the application of IFRS? IFRS 9 (In reducing potential financial default?
And branching From This Question the following questions- :
1- Is there a role for classification and measurement at fair value in accordance with other comprehensive income as prerequisites for the application of IFRS ?IFRS 9 (In the peaceful banks ?
2- Is there a role to measure the expected default of credit losses?ECL)To reduce potential financial default through the application of IFRS (IFRS 9 (In Islamic banks?
3- Is there a role for implied derivatives as prerequisites for the application of IFRS? IFRS 9 (To reduce the potential financial default in Islamic banks?

Importance:
The importance of the study came from the novelty of its subject, which focuses on the importance and requirements of the application of the International Standard for Financial Reporting .IFRS 9 This sector is affected by the requirements of the application of the Standard, since banks are concerned with maintaining two types of provisions: one to meet defaulting debt and the other to meet the prospects of default .As well as making appropriate adjustments to the preparation of financial reports and the provisions contained therein.

The study also drew its importance through the pressure imposed by the IASB on various business sectors to replace the application of IAS (IAS 39) To replace the application of the International Financial Reporting Standard (IFRS (IFRS 9In 2014, the instructions issued by the Central Bank of Jordan issued on 23/11/2017, which provided for the statement of the expected impact of the application of the international standard No. (9) of the 30/11/2017 data on licensed banks in Jordan upon completion To apply the new requirements for classification, measurement and decay in financial instruments and provisions when preparing financial reports.

Objectives:
This study aimed at a set of objectives, perhaps the most important of which are:
1- Statement of reasons for replacing the application of IAS IAS 39))IFRS (IFRS 9.(
2- Statement of the importance and requirements of the application of the International Financial Reporting Standard IFRS 9 In the measurement of financial assets and liabilities.
3- Statement of the importance and requirements of the application of the International Financial Reporting Standard IFRS 9 In preparing the financial statements, the presentation of financial instruments and provisions and the appropriateness and reliability of the financial statements for the interface with credit risk and expected losses.
4- Assist the management of Jordanian banks in the face of potential risks by measuring and making appropriate provisions to meet the potential losses from expected credit operations.

Theoretical framework:
The issue of financial default is a haunting issue for the boards, bodies and accounting organizations that have been generated by the problems left by the global financial crisis for more than two decades, and not only that, but many central banks in many countries of the world are interested in seeking solutions to face the financial default. And policy and hedge him before they occur .The concern was to impose and obligate companies of all kinds in different business sectors to the need to apply international standards that address the problems of financial default and possible losses from credit operations.

Also, many researchers and regulators of financial and accounting work have paid much attention to studying and developing accounting standards related to financial instruments and financial allocations. And measurement For tools Finance and cost Extinguisher And low Value is the lion's share of demands Users Lists Finance And parties Interested During the period from 2009-2017, where the International Accounting Standards Board came international Accounting Standard Board (IASB) And Financial Accounting Standards Board (FASB) IFRS 9IFRS (To replace this standard replaces IAS 39 in response For the need To improve Prepare Reports Finance For tools Finance Simplify and overcome the financial crises faced by financial companies in particular(IASB, part 1, november, 2009) ,And related to financial instruments and provisions:
1- Provide new requirements for classification, measurement and decay.
2- Address the problems arising from the global financial crisis.
3- Provision for debt based on expectations of default or non-payment by the borrower.

The banking sector faces multiple challenges and risks under the current economic conditions, including financial and non-financial risks, and financial risks can be classified into market risks and credit risks .Market risk is represented by the economic variables surrounding the instruments and assets traded in the market, which expose the debtor to a range of risks, including interest rate risk, pricing, exchange rates and liquidity.

Credit risk represents the risk associated with the counterparty of the contract and its ability to meet its contractual obligations in full and on time as stipulated in the contract. Banks should adopt appropriate policies and procedures that are used in risk management in the contract. Shade The competition In addition to providing the necessary laws and standards to solve the problems it faces, creating standards for classification and auditing of its financial statements, operating according to sound and specific criteria for granting credit, predicting the real risks faced by borrowers or other parties in the financing contract and establishing provisions to meet the expected losses) .gleason, 2000Khan and Ahmad, 2003, p .30 & 31-pp: 36-39) and (Al-Madhoun, 2011, p. 31)

It can Definition of The danger That Mix composite From Prospect Check the event And its consequences Includes all Tasks for the possibility Check events And the results may be lead to to me Check Opportunities Positive or Threats To succeed .)ISO / IEC Guide73Where companies in different business sectors should Deals in a way methodology With all Hazards Which It surrounds its past and present activities And in the future Ali Face Particular) .standard Administration Danger, 2018(Wan management Risks Finance Seeking to me three

Goals Chairwoman she (Finard, 1996, p: 73):)Radwan, 2012, p. 34(

1- protection From Losses Prevent Negative Earnings.
2 - Maximization Degree Stability at Profits Maximize Earnings stability.
3- Inferiority Cost Administration Losses Finance Potential Minimize the Cost of Managing Financial Exposures

The interest in the preparation of provisions in the banking sector to meet bad debts from various credit operations came in line with the attempts that would limit the impact of the global financial crisis on the various business sectors at the beginning of the Amos AD 2018, where it became necessary to the obligation to recognize the expected losses , whether an event of default by the Or did not happen, and canceled what was applied in the preparation of two types of allocations :**one** : covers the non-performing debt by making a provision according to the size of the debt actually defaulted ,**and the other** : covers the debt defaulted as a percentage of the financing portfolio.

With the increasing importance of the application of the International Financial Reporting Standard IFRS 9)In the banking sector as one of the most important business sectors, many international auditing companies, as well as several international accounting and financial organizations concerned with maintaining the continuity of companies in various business sectors, have carried out exploratory studies on the possibility of early application of IFRS .IFRS 9 .(According to the survey conducted by the international audit company (Deloitte & Watch) on a group of banks in Europe And the East Middle And Africa And the ocean Pacific Asian And the Americas, he concluded to me That 56% From Banks Which Included Poll No Exclude Affected Pricing Services Banking To change Accounting while I expected 70 % Of which that Losses Upcoming It expects its losses to exceed those expected under the requirements of regulatory standards, and the majority of respondents in the survey agreed that the application of IFRS IFRS 9The new challenges posed a major challenge to the business sectors in general, especially after its final release. (Al-Ghad Newspaper, Wednesday, 10/9/2014, 12 am(

As confirmed) (Bruce et al, 2014However, IFRSs help to reduce the differences in financial reporting prepared by companies around the world, helping to improve the management capacity of companies to perform efficiently and contribute to lower service delivery costs and increase the transparency and quality of information in financial reports .He also stressed the importance of applying the standards in enhancing the financial stability of companies and works to create a good environment for investment through the availability of information and financial data and non-financial appropriate and reliable in the published financial reports.

as mentioned) (Erick, 2013Stressing the interest of the International Accounting Standards Board in issuing the International Standards for its importance in improving the quality and transparency of the information contained in the financial reports to enable decision makers from investors to make their rational investment decisions through the possibility of comparability between financial statements and reports.

STATUS OF DEVELOPMENT OF THE ISPM IFRS 9:(

The stages of development and issuance of the International Financial Reporting Standard IFRS 9)Several stages, including those related to the stage of issuance and others related to the stages of amendment and obligatory and mandatory application, and these stages can be briefly and refer to the text of the standard and paragraphs on the aspects of application and during the previous eight years, as follows (:publications international accounting standards)F) Arab Society of Certified Accountants of Jordan, Standard IFRS 9 Draft Application Instructions (2015 (IFRS 9 Central Bank of Jordan, 2017 (f .(www. Iasemnars , com(
And) www.iasplus.com/en-us/standards/internaional/ifrs-en-us/ifrs9 (.
And)www.pwc.com/ifrs/finantional-instruments-accounting(

First , the draft standard was issued in July 2009 by the International Accounting Standards BoardInternational Accounting Standards ,Titled Classification Published And Measurements The Board then developed the draft in November 2009 to discuss a mechanism and how to measure the classification of financial assets.

Second : In October 2010, the draft was developed to include the concept of reissued financial instruments in new accounting methods, including the treatment of financial liabilities paid.

Third : In August 2011, the IASB gave an additional opportunity for financial firms to adjust their status to be able to apply the standard.IFRS 9 The amendment became mandatory in January 2015, and the other amendment came in the same year in December through the issuance of a draft amendment to give financial companies obliged to apply the possibility of reducing the frequency of comparative periods and associated disclosures within the requirements of the application of international standard 7.

Fourth : The dependencies remained on the draft standard in the period from November 2012 to June 2014, to ensure adjustments on the classification and measurement and the inclusion of the hedge accounting model and other comprehensive income , and further amendments to include the expected loss model of credit operations, and called early application before the deadline Application in the month of January 2018.

Fifth : The last amendment to the standard in September 2016, to include the inclusion of insurance contracts and amendments to the mechanism of accounting treatment in the international standard 4, and then the amendment moved to include the concept of financial assets identified and prepaid, in December 2017 with the permission to apply early January 2018.

Requirements and procedures for the application of the standard IFRS 9:
Came the international standard IFRS 9 With different application requirements from those of the international standard IAS 39 The measurement methods included the amortized cost concept and fair value measurements of all fair value assets IFRS 9To impose the application of the concept of fair value on all financial instruments as financial assets or liabilities .Debt instruments are classified as compulsory according to the concept of other comprehensive income as measured at fair value.FVTOCI)And for investment are measured in accordance with FVTOCIOptionally) .IFRS 9 ,Paragraphs: 5,1,1, 4,1,4 and 4,1,1(

Equity instruments and all investments in them, such as financial derivatives associated with unquoted equity investments and embedded derivatives (such as insurance contracts, leases and contracts for the purchase or sale of non-financial items), to assist accountants in the preparation of financial statements that originally do not fall within the scope of the standard .IFRS 9) .IFRS 9 ,Paragraph: 5,7,5(

The standard also discusses the mechanism for excluding financial assets whether an asset is under consideration for non-verification after an assessment has been made to determine the disposal or cancellation .)IFRS 9)Paragraph 3.2 (2.Paragraph (3.3.1) provides for the mechanism of excluding and removing recognition of financial liabilities upon expiry of the contract or expiry of its validity.

Subsequently, the classification of financial assets came within the standard IFRS 9 To ensure that its accounting process is between the two fair value options FVTPL) Or the fair value of other comprehensive income(FVTOCI ,(As standardized IFRS 9Special clauses to address hedge accounting for risk management in the financial statements .It includes aligning accounting treatment with risk management through a fundamental adjustment in the hedge accounting structure and the accounting procedures necessary to apply it to provide users with more reliable and relevant information on risk management and the impact of hedge accounting on the financial statements) .Jaweher And Mounira. 2014(

The main requirements came from the standard IFRS 9 When preparing financial statements in banks in four aspects, they can be described as follows:

First:Classification and Measurement : Where financial assets are classified into two categories of measurement criteria classification to the way in which the instrument in addition to the terms of the contractual cash related to them, and the category in which the assets are classified whether they are measured continuously at amortized cost or fair value.

Second:Impairment loss relates only to financial assets measured at amortized cost with the possibility of reversing all impairment losses.

Third: implicit derivatives:
According what text on im Standard Accounting International 39 The Derivative Implicit she a tool Finance or a necklace Else within Domain standard Accounting Countries 39)Tsaidat, 2013, p. 3(
A derivative is an instrument whose value depends on something else. The principal groups of derivatives are futures, options and barter contracts (Khan and Ahmad, 2003, p. 58.(hull, 1995 (And) kolb, 1997 .(Implicit derivatives include the separation of a composite and mixed contract, and the mixed contract is the primary contract as a financial asset .Credit derivatives include instruments used for the exchange of credit risk, the purpose of which is to protect banks from the borrower's inability and inability to repay debt and financial default) .Khan and Ahmad, 2003, pp. 61) and) crouhy et al, 2001, pp: 448-461.(

With respect to financial liabilities and financial contracts, the Bank must separate embedded derivatives if it is a party to the contract and there is a difference in the characteristics and risks of the underlying derivatives from the characteristics and risks of the underlying contract or in the case of another instrument separate from the underlying derivative that meets the definition of derivatives .Non-financial contracts are separated when the economic characteristics and risks of the underlying derivative are not related to the underlying contract, unless they are treated at fair value from outside of profit and loss) .EAS 26) Financial Instruments: "Recognition and Measurement"(And) www.incometax.gov.eg/tdr/Stand/a22/a22.DOC (And)https://www.slideshare.net/hamzaaly/ifrs9-75580619(

Fourth: Fair value through the concept of other comprehensive income:
Other comprehensive income is considered in accordance with the standard IFRS 9 the change at the value Fair Which Attributed To change at Risks Credit For commitments Classified At fair value From During Profits And losses, the most important Items And most repeatedly Within the financial statements of banks Represented at Profits And losses Non Realized From Some Investments in securities Available For sale And items Translation Lists Finance In currency Foreign And change at Re Evaluation And profits and losses Hedging .)Muslim, 2018, p: 19(

Financial assets carried at fair value that address changes in other comprehensive income include equity instruments only and are invested in them for the purpose of holding, not trading, and the change in fair value of other comprehensive income is recognized in the year) .Jamaan, 2014, p. 61(

In respect of equity instruments, a change in their fair value is carried forward through other comprehensive income to a separate component of equity in the statement of financial position, with the distributable profit disclosed in the notes to the financial statements .Instructions of the Board of Commissioners of the Securities Commission (2011/40 ,3)and (Qashlan, 2011, p. 34) and (Jamaan, 2014, p: 61(

Study hypotheses:

This study is based on three main hypotheses:

The first main hypothesis : There is no role for classification and measurement at fair value in accordance with other comprehensive income as prerequisites for the application of IFRS. IFRS 9In Islamic banks .

The second main hypothesis :there is no role to measure the expected default of credit lossesECL)Through the application of IFRS (IFRS 9In Islamic banks.

The third key hypothesis : There is no role for implicit derivatives as prerequisites for the application of IFRS . IFRS 9In Islamic banks .

Study model:

This study relied on a set of variables that could have a role in studying the impact of the application of IFRS . IFRS 9The variables on which the study relied were as follows:

The dependent variable : This variable is the preparation of financial statements in Jordanian commercial banks.

Independent variables are the importance of classification and measurement at fair value in accordance with other comprehensive income as prerequisites for the application of IFRS. IFRS 9)F (Credit default expectedECL)Through the application of IFRS(IFRS 9The importance of implicit derivatives as prerequisites for the application of IFRS. IFRS 9(.

The practical side of the study:

Study Population and Sample:

The study population of operating banks in Jordan, the study sample included banks consists of Islamic in Jordan of (4) banks by banks in Jordan guide issued by the Central Bank of Jordan in 2017) . http://www.cbj.gov.jo.(

Data Collection Tool:

Done Design a tool plural Data (questionnaire) reported From Literature Accounting Published Around Theme Study, have Offered On Some Colleagues members Commission Instructional Of accounting major, To take With their directions to reach to me Maximum Degree From Precision And objectivity For resolution Which leads to me Possibility Approval consequences Resolution And reassurance To their credibility at Investigation Goals studying.

A total of 60 questionnaires were distributed to the general administration in which 15 questionnaires were distributed to each bank .Where (56) questionnaire forms were retrieved , of which (54) questionnaires were valid for statistical analysis. SPSS Statistical analysis was performed For data studying And test their hypotheses by **Use Methods Statistical The following:**

1- Factor Persistence Kronbach alpha, For a statement Bezel Internal consistency For phrases Constituent For metrics Which Adopted by the study.
2- Factor Engagement Pearson, To calculate Factor Persistence in a way Fragmentation Midterm.
3- Metrics Statistics Descriptive Such as duplicates And percentages To describe Characteristics Individuals the sample, And averages
4- Arithmetic And distractions Normative To find out Bezel Focus answers Respondents About Groups Phrases for variables Independent And affiliate And elements Constituent Them and how much dispersion this is the answers About In the middle Arithmetic.
5- analyzing Regression Simple To measure Importance Variables Independent on variable Follower.
6- analyzing Regression Multiplayer, To test Effect Independent variables at Dimensions variable Follower Preparing lists in Jordanian commercial banks.
7- analyzing Regression Multiplayer Tiered, To arrange Variables by Importance at Explanation variable Follower.

Firstly: stability a tool studying:

lhave Done Use Test)Cronbach alpha (To measure Bezel Fastness tool Measurement, Where Reached The value of∞ For resolution paragraphs As a whole) 0.978 (What Reached Values For For variables studying As in the table (1) following:

Table (1)
Stability coefficients of study variables

Kronbach alpha	Independent variables
0.924	Classification and measurement at fair value in accordance with other comprehensive income
0.932	Expected default of credit lossesECL(
0 0.83	Implicit derivatives
0.955	The dependent variable

And to test Scale Questionnaire studying , Lost Done division Degree Support to three Levels: High, Medium, Low, According to the scale: (1-5) / 3 = 1.33, which is the length of the class and on Grammar next one:

1- The degree of confirmation: high (mean: 3.68 - 5.00.(
2. The degree of confirmation: Medium (mean: 2.34 - 3.67.(
3. The degree of confirmation: low (arithmetic mean: 1.00 - 2.33.(

Second: Demographic characteristics of the study sample:

For a statement Properties For study sample members, Can Clarify them From During table(2) following :

Table (2)
Analysis of the demographic characteristics of the study sample

percentage	the number	Property	variable
% 5	3	diploma	**Degree**
%65	35	BA	
% 22	12	M.A.	
% 8	4	Doctorate	
%100	**54**	**Total**	
% 4	2	Director general	**Functional class**
% 5	3	Financial Manager	
% 65	35	Accountant	
% 26	14	Internal Auditor	
%100	**54**	**Total**	
% 89	48	Accounting	**Academic specialization**
% 4	3	Business Administration	
% 2	1	Banking Sciences	
%2	1	Economie	
% 2	1	Other	
%100	**54**	**Total**	
% 2	1	From 1-5 years	**Years of work experience**
% 33	18	From 6-10 years	
% 39	21	From 11-15 years	
% 26	14	More than 16 years	
%100	**54**	**Total**	

We note from the respondents of the respondents to the data of table (2) that most of the sample holders of bachelor's, master's and doctoral degrees in accounting specialization, and distributed to all administrative positions in the bank concerned with financial matters, accounting and planning, etc. (managers, financial managers, internal auditors, accountants), And have extensive academic experience centered between (11 - more than 16 years), enabling them to be able to answer the questions of the questionnaire and reliable for the purposes of the study objectives.

Results of statistical analysis and hypothesis testing:

First: Analysis of the answers of the respondents to the questions of the first hypothesis:

Table (3)

analyzing Answers individuals the sample Around Independent variable And variable Follower On the role of classification and measurement at fair value in accordance with other comprehensive income as prerequisites for the application of IFRS. IFRS 9In Islamic banks.

standard deviation	Arithmetic mean	Paragraph	T
1.1561	2.722	There are no problems facing Islamic banks in Jordan to record financial assets at fair value.	1
1.2388	2.556	There are no obstacles facing Islamic banks in Jordan to record financial assets and subsequent changes in fair value in the income statement.	2
1.2087	3.537	There are no problems facing Islamic banks in Jordan to record financial assets and subsequent changes in fair value in the statement of other comprehensive income.	3
1.0944	3.481	There are no obstacles facing Islamic banks in Jordan to register financial assets listed in an active market and in actual trading procedures.	4
.9648	3.444	There are no problems facing Islamic banks in Jordan to record financial assets and exchange differences on them.	5
1.1450	3.519	There are no barriers to finding it difficult to register debt instruments at amortized cost.	6
1.1271	3.556	There are serious procedures by the regulatory authorities and the Central Bank of Jordan obliging the Jordanian banking sector to apply the concepts of fair value and other comprehensive income to measure and disclose financial data and information in the financial statements.	7
1.2242	3.537	Debt instruments are measured at fair value and subsequent changes in other comprehensive income are recognized.	8
1.1186	3.352	Debt instruments are recorded in accordance with the Bank's business model.	9
1.0931	3.222	There are internal and external factors that affect the effectiveness of the Bank's business model and require adjustments to the Bank's business model.	10
.9258	3.463	There is no difficulty in listing debt instruments issued by the same entity and bear the same qualities in more than one portfolio in accordance with the business model applied by the bank.	11
1.0409	3.463	Financial liabilities can be measured and measured generally at amortized cost.	12
1.0581	3.444	Derivatives that are intended to trade at fair value are recorded in the income statement.	13
1.0959	3.315	Available at the banks of the Islamic in Jordan , the appropriate environment of human and material potential for the application of fair value standards in accordance with the other comprehensive income for the measurement and disclosure of financial data and information in the financial statements.	14
1.1327	3.333	When the financial statements are prepared at fair value, they are added Items of comprehensive income The other to me Clear Income To produce Gross income Comprehensive For the period Accounting.	15
1.0581	3.222	When the financial statements are prepared at fair value, gains on financial investments are apportioned in the income summary account and no gains or losses are allowed to be recycled between the other comprehensive income summary of these investments.	16
1.1482	2.759	Distributable profit arising from the change in fair value of equity instruments at fair value through other comprehensive income is disclosed in the notes to the financial statements.	17
.9905	3.000	When the financial statements are prepared at fair value, they are added Items of comprehensive income The other to me Clear Income To produce Gross income Comprehensive For the period Accounting.	18

Note the responses of respondents in table (3) to the paragraphs that measure the role of classification and measurement at fair value in accordance with other comprehensive income as prerequisites for the application of IFRS. IFRS 9)In Islamic banks in Jordan , there is general knowledge and agreement among respondents about the possibility of preparing financial statements and recording financial assets, debt instruments and subsequent changes and derivatives that are intended to trade at fair value in the income statement and other comprehensive vinegar, where the answers to the paragraphs) 1) 18 & 13 & 8 & 3 & 2 & with averages ranging from (2.752 - Hey .3.725) With standard deviations ranging from0.9727 - Hey .1.1890 .(The answers to paragraphs (4 & 5 & (6stressed that there are no obstacles to the application of the concept of fair value on the final accounts ,where the answers came with arithmetic averages ranging from) 3.642 - Hey .3.807)With standard deviations ranging from0.9576 - Hey .1.0748 .(The answers to paragraphs (7 (14 & 10 & to confirm the existence of serious procedures by the regulatory authorities and the Central Bank of Jordan obliges the Jordanian banking sector to apply the concepts of fair value and other comprehensive income to measure and disclose financial data and information in the financial statements and that there are internal and external factors affecting The effectiveness of the business model of the bank can be done through what the bank has the right environment of human and material ,where the answers came with averages ranging from) 3.514 -Hey .3.679)With standard deviations ranging from1.0239 - Hey .1.0747 .(The responses to paragraphs (9 (11 & to ensure that debt instruments are recorded and included in more than one portfolio in accordance with the business model applied by the bank, where the answers came with arithmetic averages) 3.477 & 3.606)Respectively and standard deviations (1.0593 &1.0239 .(The answers to paragraph (12) came to confirm the possibility of recording and measuring financial liabilities in general and at amortized cost at an arithmetic average.3.651) With standard deviation(0.9848 .(As for the addition Items of comprehensive income The other to me Clear Income and distribution of profits derived from financial investments in the calculation of income summary and disclosure of distributable profit, paragraphs (15 (17 & 16 &have been confirmed by the averages ranging from) 3.018 -Hey .3.550)With standard deviations ranging from1.0496 - Hey .1.1384.(

Second: Analysis of the answers of the respondents to the questions of the second hypothesis:

Table (4)

analyzing Answers individuals the sample Around Independent variable And variable Follower Related to the role of expected default of credit losses) ECL)Through the application of IFRS (IFRS 9In Islamic banks.

standard deviation	Arithmetic mean	Paragraph	T
1.0692	2.630	There is no difficulty in measuring the expected credit loss at fair value.	1
1.1445	2.463	The expected credit loss, which is measured in the statement of income, is recognized in accordance with the requirements of the application of the standard IFRS 9When preparing the financial statements .	2
1.0536	2.944	The expected credit loss is measured by combining the probability of default of the debt instrument over the next year and presented in the financial statements .	3
.9509	3.037	The expected credit loss is measured for the entire life of the regular debt instruments.	4
.9526	3.130	The expected credit loss is measured for the entire life of the irregular debt instruments.	5
1.1205	2.907	Credit risk and the ability to meet obligations of the debtor party are assessed irrespective of collateral or risk mitigations provided by the debtor party to be presented in the financial statements .	6
1.0108	3.185	The risk rating for each debt is compared to the reporting date when the financial statements are prepared , with a risk rating since the credit was granted.	7
1.1103	3.444	The degree of improvement in credit quality and the availability of sufficient and reliable reasons are related to the degree of credit standing of the claimant and commitment to monthly, quarterly or semi-annual installments.	8
.9829	3.426	There are no difficulties associated with the provision of evidence of credit impairment associated with the difficulties faced by the debtor party.	9
1.0308	3.352	There are no difficulties associated with providing evidence of credit impairment associated with non-compliance with contractual terms such as receivables greater than 90 days.	10

standard deviation	Arithmetic mean	Paragraph	T
.9235	3.574	There are no difficulties associated with the availability of evidence to obtain credit impairment associated with the existence of indicators indicating the bankruptcy of the debtor party or its need to reschedule the debt.	11
1.0714	3.278	There are no difficulties associated with providing evidence of impairment associated with the acquisition or purchase of a debt instrument at a significant discount representing a credit loss.	12
		In preparing final accounts ,there are indicators that are appropriate for a change in credit risk, such as:	13
1.0409	3.463	-Hey .Increase in interest rates on debt instruments.	
.9856	3.481	-Hey .Substantial changes in internal price risk indicators for credit risk resulting from changes in credit risk (eg credit margin (CREDIT SPREAD .(	
1.0589	3.463	-Hey .Changes in terms of financial instrumentsRates OR TERMS.(	
1.0944	3.519	-Hey .Significant changes in external market indicators of credit risk for a particular financial instrument.	
1.0414	3.481	In calculating the expected credit loss, the loss is considered in the event of default after calculating the recoverable amount of the debt instrument and the timing of redemption.	14
.9743	3.352	In calculating the expected credit loss, the phases of access to collateral (time) and cash to cash are taken into account to be presented in the final accounts .	15

Note the responses of respondents in table (4) to the paragraphs that measure the role of expected default from credit lossesECL)Through the application of IFRS (IFRS 9In Islamic banks in Jordan , the expected credit loss can be measured and recorded at fair value as stated in the requirements for the application of the Standard . IFRS 9 When preparing the financial statements , where the answers to paragraphs (1 (5 & 4 & 3 & 2 & have averages ranging from) 2.706 - Hey .3.138) With standard deviations ranging from0.9437 - Hey .1.1561In assessing the degree of credit risk and the ability to meet obligations, the risk rating for each debt at the reporting date is compared to the financial statements at the time of the preparation of the financial statements , with a risk rating since the credit was granted at the time of the preparation of the financial statements regardless of the collateral or risk mitigations provided by the debtor. Answers to paragraphs (6 (7 & with arithmetic averages (3.000 - Hey .3.284)Respectively and standard deviations(1.1139 - Hey .1.0008 .(The answers to paragraphs (8 & (12 & 11 & 10 & 9with arithmetic averages ranged from) 3.404 -Hey .3.844)With standard deviations ranging from0.9440 - Hey .1.0551To ensure that there is evidence of impairment associated with non-compliance with the contractual terms, indicators indicating the bankruptcy of the debtor, the need to reschedule the debt, the difficulties faced by the debtor, or the acquisition or purchase of a debt instrument at a significant discount representing a credit loss, to improve the quality of credit. Adequate and reliable reasons for the degree of credit standing of the claims and commitment .It also confirmed the answers to paragraph (13) averages ranging from) 3.606 -Hey . 3.734)With standard deviations ranging from0.9720 - Hey .1.0858The existence of indicators that are appropriate for a change in credit risk represented by an increase in interest rates on debt instruments and significant changes in the internal price risk indicators of credit resulting from the change in credit risk and changes in the conditions of financial instruments and external market indicators of credit risk for a particular financial instrument .With regard to the calculation of the expected credit loss, the answers to paragraphs (14 (15 & came with averages)3.633 -Hey .3.578)Respectively and standard deviations(0.9969 - Hey .0.9057To calculate the procedures for calculating the expected credit loss in the event of default after calculating the recoverable amount of the debt instrument and the timing of redemption and taking into account the stages of access to the guarantee (time) and converted to cash to be presented in the financial statements .

Third: Analyzing the answers of the respondents to the three hypothesis questions:

Table (5)
analyzing Answers individuals the sample Around Independent variable And variable Follower On the role of implicit derivatives as prerequisites for the application of IFRS. IFRS 9In Islamic banks.

standard deviation	Arithmetic mean	Paragraph	T
.9235	3.574	Implicit derivatives include the separation of complex and mixed nodes.	1
1.0003	3.407	According to the underlying derivatives, the mixed contract is the underlying contract as a financial asset.	2
1.0982	3.037	Implicit derivatives are defined as a component of a mixed contract that includes a non-derivative underlying contract.	3
1.2327	2.907	The underlying non-derivative contract affects certain cash flows of the combined instrument that differ in a manner similar to a separate derivative in the financial statements.	4
1.0149	3.630	An implicit derivative contract results in the occurrence or provision of some or all of the cash flows required by the original contract.	5
1.3924	2.796	The economic characteristics and risks of embedded derivatives are highly correlated with the economic characteristics and risks of the underlying contract.	6
1.0925	3.296	There is a separate instrument that has the same terms as implicit derivatives, which meets the requirements for defining derivatives when preparing financial statements.	7
.9450	3.556	If the underlying derivative is separated, the underlying contract is accounted for and presented in the final accounts.	8
.9258	3.463	Independent derivatives (non-implied) are measured at fair value by recognizing fair value gains and losses in profit or loss unless they are classified as a hedging instrument in the preparation of the financial statements.	9
.9437	3.426	Impaired derivatives are measured at fair value by recognizing fair value gains and losses .FVTPL .(	10
.9575	3.630	The difference in the fair value of the underlying derivative and the fair value of the fully mixed contract is the amount of the underlying contract.	11
1.1096	3.296	The underlying contract is measured by the appropriate accounting standard and the underlying derivative is accounted for by profit and loss.	12
.8393	3.889	If an entity cannot reliably determine the fair value of an embedded derivative in the light of its terms and conditions for presentation in the financial statements , the fair value of the embedded derivative represents the difference between the fair value of the underlying financial instrument and the fair value of the underlying contract.	13
1.0394	3.296	If the compound financial instrument is not measured at fair value, changes in fair value are recognized in profit or loss and reflected in the financial statements.	14
1.0731	3.407	Where the conditions for recognition of an embedded derivative are met, the economic characteristics and risks of the embedded derivatives should not be significantly related to the economic characteristics and risks of the underlying contract.	15
		Implicit derivatives affect the content of the financial statements in the financial statements by:	16
.9657	3.463	-Hey .An implicit derivative results in the modification of some or all of the cash flows required by the contract at a specified interest rate.	
.8615	3.444	-Hey .An implicit derivative results in the modification of some or all of the cash flows required by the contract at the price of a financial instrument.	
.7652	3.593	-Hey .An implicit derivative results in the adjustment of some or all of the cash flows required by the contract to the foreign exchange rate.	
.8841	3.537	-Hey .An implicit derivative results in the modification of some or all of the cash flows required by the contract in accordance with rates or ratings of credit, credit index or other variable.	

We note from the responses of the respondents in table (5) to the paragraphs that measure the role of implicit derivatives as prerequisites for the application of the IFRS. IFRS 9In Islamic banks in Jordan , there are responses to emphasize the content of implicit derivatives and the separation of the complex and mixed contract and the economic characteristics and risks associated with the underlying derivatives that result in the occurrence or provision of some or all of the cash flows at the final financial statements (7) . with arithmetic averages ranging from) 2.872 - Hey .3.743 (Respectively and standard deviations ranged from) 0.9851 -Hey .1.2480 .(As for the accounting procedures, paragraphs (8) to (15) were confirmed with arithmetic averages ranging from) 3.587 - Hey .4.028 (Respectively and standard deviations ranged from) 0.8329 -Hey .1.1019The economic characteristics and risks of embedded derivatives and the mechanism for measuring independent (non-implied) derivatives at fair value, accounting for the original contract and the conditions necessary for the recognition of the underlying derivative can be presented in the financial statements . With regard to the impact of embedded derivatives on the content of the financial statements in the final accounts, the answers to paragraph (16) came with averages ranging from) 3.697 -Hey .3.798)With standard deviations ranging from0.8674 - Hey .0.9193.(

Test hypotheses of the study:

The first main hypothesis : There is no role for classification and measurement at fair value in accordance with other comprehensive income as prerequisites for the application of IFRS. IFRS 9In Islamic banks in Jordan .

Table 6: Results of the first hypothesis test

Transaction table Coefficient					Analysis of variance ANOVA			Form Summary Model Summery		The dependent variable
Sig t * level Significance	T Calculated	Standard error	B	Statement	Sig F * level Significance	Degree of freedom Df	F Calculated	r^2 The coefficient of determination	r Correlation coefficient	
0.000	11.99	.061	.732	Classification and measurement at fair value	0.000	1 52 53	143.762	0.734	57 0.8	Preparation of financial statements in Islamic banks in Jordan

* The effect is statistically significant at a level (α ≤ 0.05)

Linear regression testing has been used to test the above hypothesis where the results of the table above indicate that a value (r = 0.857) ,This means that there is a positive relationship between the independent variable and the function, showing that the value of the coefficient of determination (r2 = 0.734)This means that the independent variable has accounted for % 73.4 of the variance in the dependent variable while other factors remain constant.(F) Has reached) 143.762 (At a confidence level (Sig = 0.000) This confirms the significance of the regression at the level) α ≤ 0.05.(

As can be seen from the table of transactions that the value(B = 0. 732)And that value (t = 11.99) At a confidence level (Sig = 0.000)This confirms the significance of the coefficient at the level) α ≤ 0.05.(

This means there is a role for classification and measurement at fair value in accordance with other comprehensive income as prerequisites for the application of IFRS. IFRS 9In Islamic banks in Jordan.

The second main hypothesis :there is no role to measure the expected default of credit lossesECL)Through the application of IFRS(IFRS 9In Islamic banks in Jordan.

Table 7: Results of the second hypothesis test

Transaction table Coefficient					Analysis of variance ANOVA			Form Summary Model Summery		The dependent variable
Sig t * level Significance	T Calculated	Standard error	B	Statement	Sig F * level Significance	Degree of freedom Df	F Calculated	r^2 The coefficient of determination	r Correlation coefficient	
0.000	15.027	.052	.783	ECL	0.000	1 52 53	225.809	0.813	0.902	Prepare lists in Islamic banks in Jordan

* The effect is statistically significant at a level (α ≤ 0.05)

Linear regression testing has been used to test the above hypothesis where the results of the table above indicate that a value (r = 0.902) ,This means that there is a positive relationship between the independent variable and the function, showing that the value of the coefficient of determination (r2 = 0.803)This means that the independent variable has interpreted81.3 (%Of the variance in the dependent variable while other factors remain constant, as shown to be a value (F) Has reached) 225.809 (At a confidence level (Sig = 0.000) This confirms the significance of the regression at the level) α ≤ 0.05.(

As can be seen from the table of transactions that the value(B = 0.78 3)And that value (t = 15.027) At a confidence level (Sig = 0.000)This confirms the significance of the coefficient at the level) α ≤ 0.05.(

This means there is a role to measure the expected default of credit losses) ECL)Through the application of IFRS(IFRS 9In Islamic banks in Jordan.

The third key hypothesis : There is no role for implicit derivatives as prerequisites for the application of IFRS. IFRS 9In Islamic banks in Jordan .

Table 8: Results of the third hypothesis test

Transaction table Coeffecient					**Analysis of variance ANOVA**			**Form Summary Model Summery**		**The dependent variable**
Sig t * level Significance	T Calculated	**Standard error**	**B**	**Statement**	**Sig F * level Significance**	**Degree of freedom Df**	**F Calculated**	**r^2 The coefficient of determination**	**r Correlation coefficient**	
0.000	18.21	.052	.950	Implicit derivatives	0.000	1	566.229	.8 64	9 3	Prepare lists in Islamic banks in Jordan
						52				
						53				

* The effect is statistically significant at a level (α ≤ 0.05)

Linear regression testing has been used to test the above hypothesis where the results of the table above indicate that a value (r = 0.93) ,This means that there is a positive relationship between the independent variable and the function, showing that the value of the coefficient of determination (r2 = 0.864)This means that the independent variable has interpreted6.4 (%8of the variance in the dependent variable while other factors remain constant, as shown to be a value (F) Has reached) 331.609 (At a confidence level (Sig = 0.000) This confirms the significance of the regression at the level) α ≤ 0.05.(

As can be seen from the table of transactions that the value(B = 0. 95)And that value (t = 18.21) At a confidence level (Sig = 0.000)This confirms the significance of the coefficient at the level) α ≤ 0.05.(

This implies a role for embedded derivatives as prerequisites for the application of IFRS. IFRS 9In Islamic banks in Jordan.

Conclusions and recommendations:

Conclusions:

1- The results of the study showed the importance of applying the concept Comprehensive income The other when preparing financial statements and related disclosures resulting from application differences because of their significant impact on the decisions of users of the financial statements.

2. The study showed a clear impact of the requirements of applying fair value and recording financial assets and debt instruments and subsequent changes and derivatives that are designed to trade at fair value in the income statement and other comprehensive vinegar on income and financial position accounts.
3. The study showed the importance of assessing the degree of credit risk and the ability to meet obligations and calculate the expected credit loss when preparing financial statements because of their direct impact on debt instruments and reduce the degree of default after calculating the recoverable value of the debt instrument and the timing of recovery.
4. The study stressed the importance of calculating the content of embedded derivatives and associated risks and presenting them in the financial statements when preparing the final accounts at fair value.

Recommendations:

1- The necessity of obliging Jordanian banks in general and Islamic banks in Jordan in particular to apply a standardized measurement method for the items related to the application of the fair value concept when preparing the final accounts because of its clear impact on the statement of financial default risk indicators related to debt instruments and the expected credit losses of the debtor.

2. The need to emphasize the existence of serious procedures by the supervisory bodies and the Central Bank of Jordan obliges Islamic banks in Jordan to a unified mechanism for measurement and disclosures in the final accounts on the differences resulting from the application of the concept of other comprehensive income and income at historical cost to reduce the impact of internal and external factors that affect the effectiveness of the bank's business model.

3The need to increase the attention of regulators and the Central Bank of Jordan to enact a binding law for Islamic banks in Jordan to provide evidence to address the possibility of defaulting the client and the mechanism of debt rescheduling to reduce the expected credit loss .

4. The regulators and regulators of the work of banks in general and Islamic banks in Jordan, in particular , identify specific models to measure and calculate the implicit derivatives associated with various debt

contracts to reduce the economic risks and risks of derivatives and indicate the necessary conditions for the recognition of the implicit derivative and the mechanism of presentation in the final accounts data.

5. The need to hold courses and workshops for internal and external users of financial statements, in particular, to raise awareness of the importance of the requirements and bases of applying the concept of fair value and the results of the final accounts of the concept of other comprehensive income to address the prediction of credit losses and financial default and the effects that may affect their future investment and financial decisions.

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