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Evaluating The Impact Of Applying Digital Fair Value On The Transparency Of Published Financial Information

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Abstract:
This paper will examine how the application of digital fair value would make the published financial information more transparent. It outlines the benefits of using market-value-based metrics in digital assets in terms of enhancing the relevance and verifiability of financial statements to attract investor confidence and close the information asymmetry among various stakeholders. The paper also investigates the difficulties facing the adoption of the approach including market volatility and that the difficulty of applying a common standard of assessing value, but it also highlights the need to come up with transparent and comprehensive standards that would facilitate transparency in disclosure. The results also show that the implementation of digital fair value is effective in the provision of financial information that is more objective and reliable to enable the users make investment decisions based on transparent accurate information.

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I. Introduction:

The most important measurement attribute and in particular financial instruments is fair value which is the price at which a knowledgeable and willing party would exchange the asset (Holban (Oncioiu) and Razvan Oncioiu, 2009). Fair value accounting has profoundly been influenced by digitization because it reflects the price of an asset or a liability that the parties of an arm-length agreement have agreed on in the market (Boudiaf & M'RABET, 2020). Liquid market prices of cryptocurrencies and tokens can be used to obtain digital fair value in real time or continuous valuation models that consider market microstructure data and other pertinent data can be used to determine the digital fair value. The technique is frequently used on assets that cannot be marked to market due to the inability to observe direct prices. Since it represents a continuous negotiation and not a transaction, it can incorporate information with more frequent updates thereby providing a real-time image of the underlying values.

The definition of digital assets is rather broad, but they tend to have one thing in common the value of digital assets is easily transportable, traded, or stored in a manner of an electronic format. The recent movements in digital technology are highly indicative of the fact that the shift to digital fair value measurement would be of utmost importance to both equity and fixed-income markets in the nearest future. The landscape is changing and some of the former obstacles that were previously limiting these markets are slowly disappearing especially where the value of an asset can fully and totally be captured by digital information. This change may have a major effect on the way investors and institutions evaluate and interact with these assets (Makurin and Tarasova, 2021).

Research Problem:

The most important measurement attribute and in particular financial instruments is fair value which is the price at which a knowledgeable and willing party would exchange the asset (Holban (Oncioiu) and Razvan Oncioiu, 2009). Fair value accounting has profoundly been influenced by digitization because it reflects the price of an asset or a liability that the parties of an arm-length agreement have agreed on in the market (Boudiaf & M'RABET, 2020). Liquid market prices of cryptocurrencies and tokens can be used to obtain digital fair value in real time or continuous valuation models that consider market microstructure data and other pertinent data can be used to determine the digital fair value. The technique is frequently used on assets that cannot be marked to market due to the inability to observe direct prices. Since it represents a continuous negotiation and not a transaction, it can incorporate information with more frequent updates thereby providing a real-time image of the underlying values.

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Research Importance:

The significance of the research is to study how the implementation of the digital fair value accounting system can affect the disclosure of financial statements in a key number of ways:

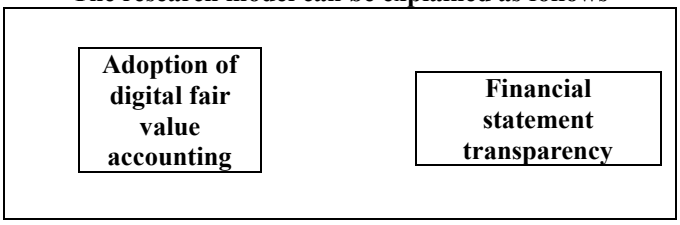
1- Improvement of the quality of financial information: The use of the digital fair value accounting helps to present more relevant and realistic data on the financial information that shows the real situation of the economic entity and allows making healthy investment and financial decisions.
2- Promoting transparency and reliability: Digital fair value also boosts transparency of financial statement and minimizes the uncertainties on financial reporting, boosts investor and stakeholders confidence in the reported data.
3- Remaining abreast with international trends: The study is in tandem with the global trends, which are aiming at emerging accounting and financial reporting standards that are in tandem with the digital and technological transformation, thus helping institutions to become integrated within global markets.
4- Minimizing knowledge gap: The study assists in closing the knowledge gap associated with comprehending the role of digital technology in the use of fair value accounting, more so in the economic context that is currently undergoing a fast digitization process.
5- Giving practical advice: The study gives useful advice to practitioners and legislators on how to improve the fair value measurement system in order to facilitate high transparency and reliability of financial reporting.
6- Improving effectiveness in decision making: The transparency of financial statements and quality of information, through research, facilitate the decision-makers in organizations to make informed decisions based on their sound financial grounds.

Research Objective:

1- Research the effects of digital fair value accounting adoption on the financial statement transparency in organizations and institutions.
2- Determine how the digital fair value accounting is correlated with the level of transparency of the published financial information.
3- Discuss the differences between digital fair value accounting and the traditional portfolios regarding the effects of the quality of financial disclosure.
4- Determine the value of the digital fair value accounting in enhancing the reliability and accuracy of financial reports.
5- Assess how digital fair value accounting can lead to an increase in investor and stakeholder confidence in financial statements.
6- Study how the digital fair value accounting will affect transparency of reporting in the inflationary economic conditions.
7- Determine the challenges and barriers to the use of digital fair value accounting and how much of these issues affect the transparency of reporting.
8- Statistically measure the cause and effect connection between the introduction of digital fair value accounting and enhanced financial disclosure.
9- Give realistic suggestions to improve the application of the digital fair value accounting that will positively affect transparency and safeguard investor rights.
10-Contribute to the knowledge of support researchers and practitioners about the role the digital technologies play in creating modern accounting systems and attaining the objectives of successful financial disclosure

Research Model:

The research model can be explained as follows



correlation
influence relationship

Research Hypothesis:
First Hypothesis (Relationship):
Hypothesis1 : There is a statistically significant relationship between the application of international accounting standards and the quality of integrated reports in Iraqi commercial banks.
Hypothesis2: The application of international accounting standards has a statistically significant positive impact on the quality of integrated reporting in Iraqi commercial banks.

II. The Theoretical Framework Of The Research

Understanding Digital Fair Value

The idea of fair value was first introduced in the 1930s, as it was included in the drafting of the US Securities and Exchange Act of 1934 by the American Institute of Accountants (Boudiaf & M'RABET, 2020). Although more advanced techniques were developed later, including discounted cash flows and option-pricing models, fair value is a basic technique that is currently offered in the accounting analysis as well. The application of the concept of digital fair value is an expansion of this trend in global financial valuation through the exponential development of networking and computation capacities that the digital electronic age has provided. Amidst the centrality of the financial reporting world and financial reporting community, the established accounting standards define fair value as the price at which to sell an asset or transfer a liability between market participants or the price that would be achieved to sell an asset or would be raised to transfer a liability in an orderly transaction between market participants at the measurement date. Through these broad definitions, application of digital fair value is very suitable in those assets that are traded frequently in the market, which include; a wide range of commodities, liquid financial instruments and a broad range of derivatives. Frequent exchange process enables the market prices to commonly act as a valid reference point and fair values can then be suitably extracted using these market prices without further processing or multifaceted modelling. This simplifies the process of valuation a great deal and brings clarity and efficiency to both the investors and market players. As a result, the dependence on these market prices and the convenience of the pricing of fair values creates more confidence in the quality and timeliness of asset valuations (Gleiss et al., 2021).

Definition and Concept

The concept of fair value refers to the price which would be obtained to sell an asset or paid to transfer a liability in a standard transaction between participants of the market at the point of measurement (Boudiaf & M'RABET, 2020). The use of this valuation method has been on the rise due to regulatory changes in the international accounting standards and integration of new information and communication technologies.

It is possible to consider fair value as a significant economic or market value that is mainly aimed to give the financial statements user full and elaborate information that will help them be the best predictors of the time-based cash flows of a firm. Nevertheless, it is associated with a number of prominent and prominent valuation challenges that complicate the process significantly and make the intellectual dosing method of antivirus a challenging subject. It is imperative to note that fair value is not simply the arithmetic average of current value of a particular function, but encompasses the true representation of the current value of the performance expected to be in place in a given function or even on the particular asset. The conceptual value, in its turn, has to be thought of carefully at the personal level, which will allow understanding it more closely and more sophisticated. Meanwhile, it should be abandoned at the group level, and thus, it would facilitate effective and facilitative managerial possibilities of informed decision-making procedures. The recent and fast development and expansion of digital funding trends strengthens and emphasises the high and urgent demand of greater disclosure of the impact and implications of digital fair value on the financial reporting practices. In this paper, the analysis of these impacts is done in an extensive and elaborate manner, critically exploring the impacts on different stakeholders and the financial performance of the market as a whole. The article's authors employed a mixed-method qualitative-quantitative research design due to the necessity of both narrative analysis and quantitative examination of the research question (Phornlaphatrechakorn and Kalasindhu2021). <|human|>The nature of the research design of the article authors was associated with the need to apply both the narrative analysis and the quantitative analysis of the research question (Phornlaphatrechakorn and Kalasindhu2021).

Historical Context

Digital fair value is a relatively recent development in substituting the traditional approach to valuation, which is conducted under the auspices of certified valuers and non-certified agents using multiple

methods. The theory of fair value is based on professional practice, theory of valuation and efficient market theory. Based on this, fair value is the price of exchange of an asset in the market among the knowledgeable parties, who are in the economic interest of the parties involved, in a competitive and transparent market (Boudiaf & M'RABET, 2020). In chapter 57 of the Code, it is recommended to use data of similar transactions which occurred recently and modify it with respect to the variables (assets, liabilities, systems, and markets) in case of the non-availability of the direct transaction prices. This is a valuation method that is based on market and thus is highly considered as an equitable one.

The introduction of digital fair value poses a huge leverage to determine the transparency of financial information that is reported in financial statements. Transparency implies the degree of financial statements that can make the user understand the state of the economy of a company, the prospects of the company, and the risk that this company may encounter. Clear and high quality financial information helps in making of better decisions, makes the cost of capital of the company low, and boosts investor confidence. Further, transparency serves as a deterrent to opportunistic practices, hence, lowering the liability expenses and boosting motivation of the employees. When investors trust that the information is fair, they will easily engage in such activities, which will encourage the firm to maintain such information and spread it to the investors. The application of digital fair value is already an indication of a wish to integrate the entities into the digital economy more (Laux and Leuz, 2009).

Current Trends in Digital Fair Value

Information technology also offers more evaluation techniques as an additional measure of the fair value and the ability to trace the different valuation models used by companies (Holban (Oncioiu) & Razvan Oncioiu, 2009). Regulators and policymakers now have a closer look at fair-value accounting since the financial crisis. Critical reviews have the opinion that marking to market exacerbates assets-price volatility by applying a negative value adjustments on the financial instruments at the time of financial distress, thus impairing the income statements of financial institutions and encouraging systemic risk (Boudiaf & M'RABET, 2020).

The digital fair value measure which was developed keeping in mind a label-printing robot is a machine centric approach that protects the properties of the economic concept behind it. It reformulates two of the prior conditions which makes the applicability of a fair value proxy less demanding in the absence of direct market indications of value. One of the most sophisticated measurement methodologies in the measurement family is digital fair value. It is developed on a solid conceptual framework; on the contrary, it enhances the quality of the measurement outcome. It entails an integration of the technology-mediated resources and upholds a sustainability measure. Furthermore, due to the entirely digital character of the measure, it offers the prospects of the continuous and comparatively inexpensive measurements.

The Role of Financial Information Transparency

Transparency in financial reporting regarding financial information is a key aspect of meeting information requirements of the different stakeholders (Fu, 2006). It is interested in the level to which published financial information by an enterprise e.g. annual and quarterly reports allow users to gain an understanding of a firm financial position and performance. The significance of transparency can be supported by the fact that after the Enron scandal in 2001 investor expectations got raised because of the impact of the lack of financial transparency that was demonstrated by the scandal. Transparency typically means the lack of secrecy which means the voluntary covering of activities with personal profit-making- i.e. insider trading. Therefore, the transparency perceptions, differing in individuals and determined by personal feelings, are directly associated with problems in corporate finance. Lack of transparency has been pointed out as a cause of many recent financial crises. Weaknesses in the transparency of the financial market have been largely attributed to flawed regulations; insider trading has also been a source of incongruent information to the masses thus hampering efficiency in the market besides enhancing fear among the investors. The disclosure of internal financial information to the retail investors, as per the requirements of SEC, is reviewed and approved by the audit committee of the company and the external auditors before reporting. One financial transparency measurement model takes into account three criteria, namely, accessibility, relevance, and quality with reliability. Accessibility is a factor of how the company makes financial information available to the general population whereas relevancy touches on the suitability of the information to particular investors.

Importance of Transparency in Financial Reporting

The broadening of financial instruments has given rise to a high number of valuation methods that aim at coming up with estimations that capture the performance and the risk nature related to the financial instruments. The most important concept in financial reporting is the fair value which is referred to as the amount at which an asset can be traded or a liability can be paid off in an arm length transaction between informed willing parties. In situations where active markets that offer quoted prices are not available, the fair

value estimates should be obtained using valuation models. In this respect, most recently, digital fair value (DFV) has become a powerful innovation: it refers to the processes of valuation that are programmed to produce fair value estimates, which are promptly generated and are indicative of the prevailing market circumstances. This digitisation trend is also coming up in the modern financial reporting and will likely increase, which is why its implications should also be analyzed. The article answers a consequence question: How does digital fair value affect the transparency of financial reporting? Open reporting of financial data is a general rule, which supports some key goals that financial reporting should achieve, hence the impact of digital fair value should be assessed carefully. There is a prospect of adoption challenges but needs to be handled with care since digital fair value presents opportunities (Boudiaf & M'RABET, 2020). Capitalization of intangible assets explains such complexities, particularly where recent valuations have to be matched with expensed past costs (Holban (Oncioiu) & Razvan Oncioiu, 2009). The paper is an empirical analysis of the impact of digital fair value on financial transparency and it provides some general insights to make an evaluation of its advantages and the need to take precautions. It is especially focused on the resulting impact on transparency and clarity of financial reports. The analysis outlines the circumstances where digital fair value can become an effective means of achieving transparent reporting and points to the areas of possible research.

Stakeholder Perspectives on Transparency

Financial communication between corporations and their stakeholders entails financial data. Upon example, financial information is required in the evaluation of investment risks and opportunities by investors and forecasting the progress of companies by managers. Transparency facilitates the principles of openness, communication, and accountability (Gorwa and Garton Ash, 2019) in the financial ecosystem, and creates an economic environment where stakeholders would consider and comprehend some meaningful information about the companies. Quantification of values of companies in numbers is one of the crucial elements of financial information. Nevertheless, the precise value of the company is difficult to get since the valuation of a company can be subjective. Therefore, fair value is commonly used in determining the value of firms.

Fair value is defined as the amount at which an asset may be purchased or sold by informed willing parties in an arm length transaction whereby the parties had no compulsive actions (IASB, 2008). Although companies attach importance of the value of their assets to reveal their financial position as one value, the publicly reported financial values may not be the same as the market values. In this regard, demand exists to have a correct valuation strategy that captures the market value. Practically, scholars have offered different ways of valuation.

Impact of Digital Fair Value on Financial Reporting

Besides the quality of data, digital fair value evaluation is important in ensuring timeliness in financial reporting and reducing informational asymmetry that is common in this area (Holban (Oncioiu) & Razvan Oncioiu, 2009). Consequently, the growing useThe evaluation of digital fair value has been driven by an imperative need, which is clearly geared towards the greater improvement of transparency and reliability in general of financial reporting in the sophisticated world of finance. Not only does this enhance transparency where decision making by investors are better supported and improved, but it also enhances more trust and confidence with different stakeholders and the organizations they do business with. This in turn, establishes a stronger and healthier financial ecosystem where informed decisions can be made with a lot of confidence based on the accurate, relevant and timely information of the true value of the assets and liabilities hence reducing uncertainties. Therefore, progressive digital fair value assessment procedures are of paramount importance in the current swiftly changing and dynamic financial environment as they provide an opportunity to have a more holistic view of the financial situation of the organizations. (Boudiaf & M'RABET, 2020)

Challenges in Implementing Digital Fair Value

The use of digital fair value accounting in financial reporting is faced with numerous challenges based on technological, regulatory and market forces. The use of digital is not even; numerous companies find it simpler to rely on the traditional approach or use a mixture of both. It is mostly mandated to particular asset classes, which include financial instruments (Swamy & S, 2012). Multiple changes in the underlying valuation models do not allow full standardization and digital fair value frameworks do not help to overcome the inherent drawbacks of fair-value accounting. The regulatory grey area still exists with the various supervisory authorities having divergent views on how it should be (Farcane et al., 1970). The speed at which development is taking place makes it difficult to keep pace with the regulators. Empirical evidence reveals that adoption is likely to lessen the information asymmetry, and stock returns volatility; although adoption may increase the volatility of returns among concerned firms. Spreads, the cost of equity capital, and audit charges do not show any apparent increase or decrease, and liquidity in the market can decline. The problem of sample selection and low generalizability make interpretation even more complex (Holban (Oncioiu) & Razvan Oncioiu, 2009). The

systems implemented are highly constrained by these Factors which have been reviewed in the context of the larger accounting literature. They also identify numerous outstanding issues that remain in the field and undermine the modern applicability of such systems.

Technical Barriers

Digital fair value needs technical solutions in managing data process and integration of the system. Some of the major technical obstacles that the application faced are data conditions and data collection, system integration and system processing time. To begin with, more conditions and property details are involved in comparison to other values. The first year of construction, the year of renewal, the number of floors and basement, the cost of maintenance, elevator, parking, management office, and the place of a particular room are all some examples of information that is required (Holban (Oncioiu) & Razvan Oncioiu, 2009). As suppliers or managers are not able to feed all the conditions into the system as well as process all the data manually, numerous condominium units are not covered or the specifics of the results are not accurate at the time of the valuation when applying the digital fair value. The detailed description of the property conditions seems to be especially significant in terms of old buildings and condominiums built prior to the year 2000. The existing digital appraisal systems can only be applied to large-scale residential properties with few conditions and most of the old and small-sized condominiums provide erroneous and unreliable data. Since the data provision requirements of individual properties are more demanding than other models of valuation, digital fair value implementation is prone to the availability and quality of the necessary data, and the absence of data may result in inaccurate outcomes and reduce its acceptance.

Second, the adoption of digital fair value involves a large number of parallel processes or system interconnections. The shape, style and policies of the data delivery on the public appraisal are important when large scale real estate contents like bank loans or financing is required. Because it is common that only raw appraisal values and files are available to the public appraisal agencies, not the API (Application Programming Interface) links, application service providers need to execute a significant number of parallel processes on each establishment to process dozens of loans being applied to in a day or an hour. Moreover, the forms of files and data differ according to the agencies, and the parallel execution becomes more complicated when operating with the great mass of data.

Market Acceptance Issues

Digital fair value measure is the financial statement value of an instrument that is in digital form.

(Tan, 2015). Within the context of financial reporting, an instrument refers to all the financial assets and liabilities including derivatives, which will eventually result in the creation of financial assets or financial liabilities, characterized by a contract. Digital fair value emerged out of the fair value concept, which is the value of the asset that could be sold or liability discharged between knowledgeable parties willing to undertake the exchange in arm length transaction. Digital fair value is applicable to the quantification of fair value of broad categories of assets and liabilities e.g., derivatives and accounts receivable. The digital currency systems are also being developed at a quick pace, which enhances the trend of determining digital fair value (Nancy Vergauwe & Gaeremynck, 2019.(

Digital fair value measurement in the financial reporting is used in many countries to ensure the measurement is timely and accurate. Certain nations, demand that certain kind of financial instruments be quantified at digital fair value. Digital fair value measurement is trendy as it offers timely, relevant, comparable, and reliable information, thus the financial information transparency. Nevertheless, a digital fair value approach of measurement is not used by some countries and firms because of technical challenges and challenges of market acceptance. The digital fair value analysis requires high-level professional knowledge and quality computational skills. Moreover, despite the high level of the development of digital currency systems, the problem of fluctuations in prices remains in the focus of many businesses.

Advantages of Digital Fair Value

Digital fair value signifies the latest developments of valuation of assets or liabilities together, mostly educated by digital data and tendencies which are limited within the classic hierarchical model. Between the exact market prices on the same assets and other market quoter modalities, the digital reflects the well-developed mathematical styles based on the market validation and is augmented with the efficient circle of knowledge about the market. The digital fair-value approach deserves more attention, especially in the terms of the possible benefits of a fair-value digital practice targeted mainly at the valuation, considering its innovation, widespread adoption, and its dramatic role in reporting of financial financial statements (Holban (Oncioiu) and Razvan Oncioiu, 2009)

With a prudential valuation policy, the stringent conditions of accountability and faithful reporting imply that the more continuous assessment is undertaken, the more enhanced are financial reports. This

assumption is upheld by the introduction of fair-value-based standards of the financial instruments of the banking groups, and the regulatory innovations meant to mitigate the effects of financial crisis also have the propensity to facilitate higher levels of fair-value practice. These structures enhance investment or project evaluation, and consequently, the evaluation of management, as well as minimizing the use of the models and over-recursive changes that create volatility in both the financial reports and the economy.

Therefore, digital fair-value practice adoption conveys a number of benefits of transparency that have been acquired by fair value. The material nature of these advantages is highlighted by comparisons of standard accounting evaluations and fair-value practice, as well as, by the incident analysis. The meaning of transparency, which is relative to context and goals, should be accurately understood by the agents to gain the necessary armm-length contracts. Transparency in financial reporting is a concept related to the voluntary information of financial and nonfinancial material that is considered relevant by professional communication experts (Boudiaf & M'RABET, 2020).

Disadvantages and Limitations

Some broad objections are seen in application of fair value principles. One of the unresolved issues is that by changing fair values in profit or loss, this would bring enormous volatility to earnings as pointed out by (Holban (Oncioiu) & Razvan Oncioiu, 2009). This volatility may be highly misleading to the stakeholders or may negatively influence the market confidence. This might not have to be an urgent issue as the financial instruments such as derivatives and long-term debt are only beginning to be valued using fair value but this will result in increased activity in these sectors, which may subsequently lead to increased pressure in the future. The most intractable challenge is accuracy in fair value measurement. It is not easy to prepare financial statements using fair values of all the assets and liability as not all of them have their observable values. More to the point, under the abnormal conditions, there exists confusion as to what these values are to be measured against. As a result, the measurement based on the value base creates even more uncertainty to the process. One particular area of concern is the fact that the Federal Standard Board (FASB) has allowed a fair value procedure to long-term debt, which companies can opt to be valued at fair value, and the profit-or-loss consequences would be realized in the income statement. The application of such strategy normally has different outcomes. On the one hand, when the market rates of debt go up, the interest costs are minimized, and the reported earnings will increase. On the other hand, firms are required to be aware of losses in the event of market price reducing. Moreover, the introduction of a comparable policy by FASB of goodwill largely risks the existing risks of financial statements prepared using fair value.

III. The Third Section: The Analytical Framework

Firstly. Analysis of the characteristics of the research community:

To meet the research objectives, the researcher was dependent on the views of a sample of academics and professionals in the accounting and auditing fields who work in an audit office or the Federal Board of Financial Supervision, and teaching and research professors in accounting departments of several Iraqi universities. The questions of the questionnaires have been developed on the theoretical aspect of the study, which encompassed the principles and concepts of digital fair value and its connection to the transparency of financial statements. Concerning the research sample, the following table can be used to observe its characteristics:

Category	Measures	Frequencies	Percentage
Age	Less than 35 years	24	26.67%
	From 36 to 45 years	31	34.45%
	From 46 to 55 years	21	23.33%
	Mort than 65 years	14	15.55%
Certification	Bachelor's	24	26.67%
	Master's	35	38.88%
	Doctorate	31	34.45%
Professional/Academic	Professional	33	36.66%
	Academic	57	63.33%
Experience	Less than 10 years	29	32.22%
	11 to 20 years	38	42.22%
	21 to 30 years	11	12.22%
	More than 31	12	13.34%

Secondly: describe and diagnoses of research variables

1- Independent variable the effect of implementing digital fair value : table 6 depicts the general mean, standard division and the relative significance of the employees and experience of the Iraqi universities through the

reaction of the sample members we observe that the general mean was 4.19094 and the standard division was 0.942903 and the relative division was 84.5%.

Table (6): Description of

Seq	the impact of applying digital fair value	General mean	Standard division	Relative importance
1	Do you believe that systematic digital accounting is important in improving asset quality?	4.1915	1.19090	9
2	Are there facilities that support free digital reporting of intangible resources?	4.3049	0.82685	3
3	Does your organization use modern technologies to implement strategic value accounting?	4.0854	1.07957	13
4	Can strategic value accounting be relied upon for reliable digital information for users?	4.4024	0.90075	2
5	Does your organization face technical difficulties in implementing value accounting and digital trends?	4.0854	0.95841	12
6	To what extent do you believe value accounting is the strategic direction of the underlying market value of digital assets?	4.2159	0.83184	7
7	Does strategic value accounting help achieve coordination with the International Financial Reporting Organization (IFRO)?	4.0976	0.93769	11
8	Is there a percentage of employees involved in implementing strategic value accounting using digital aspects?	4.3049	0.95179	4
9	Does digital value accounting contribute to the financial impairment to capitalization ratio?	4.4146	0.85996	1
10	Does biometric data and artificial intelligence (AI) be used in calculating digital value accounting?	4.1707	1.09775	10
11	Is value accounting considered an effective digital tool for financial decision-making?	4.2195	0.83184	8
12	How clear and verifiable is digital value accounting data in your organization?	4.0000	0.8462	14
13	Have you implemented analytical models regularly using advanced digital tools?	3.8902	1.03048	15
14	To what extent can value accounting integrate the digital direction of the organization's financial control?	4.2250	0.92730	6
15	Is there a strategic value accounting for the speed of financial reporting?	4.2561	0.87222	5
For all dimension		4.19094	0.942903	

Source: prepared by researcher based on the output of (spss.v.27)

2- The dependent variable: the Financial statement transparency table 7 shows the General mean Standard division,Relative importance of the variable Professional Ethics in Accounting using the response of the research sample members, the general mean was 3.978, the standard division was 0.855478 and the relative importance was 73%.

Table (7): Description Financial statement transparency

Seq	Financial statement transparency	General mean	Standard division	Relative importance
1	Do you believe your organization's financial statements are clear and easy to understand for external users?	3.5872	1.2121	15
2	Do the financial statements contain all the information necessary to make investment decisions?	4.1147	0.9211	9
3	Do the financial statements reflect the organization's true financial position?	4.2890	0.7336	4
4	Does your organization's financial disclosure system provide quick access to information?	3.6651	0.7932	14
5	Do you feel the financial information provided is transparent and free from manipulation?	4.1422	0.71389	6
6	Does your organization provide periodic and regular financial status reports that enhance transparency?	4.4862	0.55341	1
7	Does digital technology contribute to increasing the transparency of your organization's financial statements?	4.1927	0.65784	5
8	Are potential financial risks adequately disclosed in the financial statements?	4.3211	0.72963	3
9	Do the financial statements include detailed information on the accounting policies used?	4.0000	0.95522	11
10	Are the financial reports accurate and objectively reflect all financial transactions?	4.1193	0.66130	7
11	Does your organization have communication channels that allow users of the financial statements to request further details?	4.0596	0.82088	10

12	Does the transparency of the financial statements affect investor confidence in the organization?	3.7477	0.84549	13
13	Do the financial statements clearly provide information on social and environmental responsibility?	3.9266	0.90779	12
14	Do transparent financial statements help improve the organization's reputation in the market?	4.1928	0.65786	8
15	Does your organization keep up with accounting standards updates to enhance financial reporting transparency?	4.3213	0.72968	2
For all dimension		4.0777	0.792866	

Source: prepared by researcher based on the output of (spss.v.27)

Third testing research hypothesis: Hypotheses testing and discussion of the results are assigned to the third part of the research. The primary hypotheses as well as the alternative sub-hypothesis will be put to the test in this part. The sub-hypotheses forming the first main hypothesis will be tested using the statistical program AMOS V 24 and the SPSS V 26 program, which is concerned with the independent variable, the use of digital fair value, and the sub-hypotheses forming the second main hypothesis, which is concerned with the dependent variable, the transparency of financial statements. A model will be set up to test the hypotheses, test the correlation between the first main hypothesis and the second main hypothesis, measure the sum of square Sum of Squares, degree of freedom Df, mean square, F value, and significance level Sig and test the correlation between the variables (Pearson), followed by proving or refuting the hypotheses by the outcome of the above statistical programs.

Simple correlation coefficient between digital fair value and financial statement transparency

Digital Fair Value	Correlation coefficient	T		Sig.
		Calculated T-value	Critical T-value	
Financial data transparency	0.573	6.254	9931	0.000**

$P \leq 0.05$, n= 90 df = 80

As observed in the table above, the digital fair value and transparency of financial statements have a positive relationship, with the correlation coefficient of 0.573 which is a statistically significant number at level (5%) which indicates that the first study hypothesis was valid.

Digital Fair Value	influence relationship	R^2	F		Sig.
	β		Calculated \F-value	Critical F-value	
Financial data transparency	0.424 (9.522)*	0.80	6.018	3.973	0.000**

Based on the table above, it is observed that the digital fair value and transparency of financial statements have a positive Influence relationship 0.424 0.

IV. Conclusions:

1. Improving Accuracy and Minimizing Faults, Artificial intelligence helps to enhance the accuracy of accounting operations and minimize the errors that may arise due to human factor and improve the trustworthiness of financial reports.
2. Difficulties of Privacy and Information Confidentiality, The application of AI in analyzing big data can create threats associated with privacy breaches and sensitive financial information privacy.
3. Impact on Accountant Independence Over-reliance on AI will weaken the capacity of accountants to make decisions independently, which creates ethical concerns when fully relying on the technology.

Threats of Algorithmic Bias, When the algorithms in the field of AI are not set in a just way, it can result in results that are unfair or biased, which creates a risk to the profession as a whole.

Redefining Ethical Responsibilities, As AI technologies emerge, accountants have to reconsider their ethical duties to make sure such technology is deployed so as to foster transparency and fairness.

Recommendations:

To Strengthening the Ethics of the Accounting Profession in the Age of Artificial Intelligence.

1. Developing Effective Policies on the use of AI, Regulations and policies should be created to prevent the use of AI in accounting in order to uphold the ethical standards.
2. Improving Training and Continuing Education, Educate accountants about the ethics of using AI and effective use.
3. Periodically Review Algorithms, Periodically review the algorithms implemented to make sure that they are running in a fair and unbiased manner.

4. Data Protection and Privacy, Install innovative security measures to safeguard financial information and avoid a lack of confidentiality.
5. Allow AI-Based Processes to be Open and Transparent, Clarify the AI-based processes to prevent the misconception or ethical issues.

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